

# WHY YOU SHOULD CONSIDER CYBER LIABILITY

Cyber insurance is no longer an emerging risk with the global insurance market being worth \$7.8bn in 2020 and forecasts suggesting this will be \$20bn by 2025. This is not a surprise considering the statistics on the frequency and severity of cybercrime. In 2020 alone, data breaches exposed over 37 billion personal records, 82% of which came from only five breaches while the number of social attacks (phishing for example) increased from 114,702 to 341,342. An 198% increase over the space of a year.

We advise all clients to consider the following as part of their review of required or existing insurances:

## 1. How quickly can you respond in the event of a cyber-attack?

Cyber Liability gives the insured immediate access to specialist assistance. A policy is triggered when a data breach is notified and from this point experienced professionals are made available to mitigate and/or repair a cyber-attack.

## 2. What are the provisions of your service agreement?

An IT provider's service agreement will likely have limitations, such as timeframes in which breaches can be addressed, which won't necessarily suit the response required.

## 3. What is your business continuity plan in the event of a cyber-attack?

The transfer of risk to an IT provider can be rendered ineffective following a cyber-attack to this third party. Cyber Liability policies provide supplementary / additional protection in such a situation.

## 4. What is the cost to the company in the event of a cyber-attack?

Cyber Liability provides an insured access to a wider array of cover in the case of an internal cyber incident or cyber-attack. This includes, but is not limited to, the following:

- Business Interruption – increased cost of working during the time an insured's systems are not operational following an agreed waiting period.
- Investigating adversely effected credit ratings
- Extortion / ransomware
- Costs incurred in the restoration of lost or damaged data
- Utilising forensic or PR specialists
- Reporting data breaches to regulatory bodies such as the Information Commissioner's Office
- Legal Representation

Regardless of the size of a company or amount of data held on file, cybercrime can cause considerable costs to a company. In a recent claim managed by Protean the following costs were incurred:

- Forensic specialists – GBP 266,000
- Credit Monitoring Costs – GBP 34,000
- Legal costs – GBP 24,000
- Total costs – GBP 324,000

Protean Risk work with specialist providers to tailor unique solutions for our clients in respect of their cyber risk. Please get in touch with the team to discuss how we can help you secure the most comprehensive cover at the best value to your business.

## GET IN TOUCH

### TOM SPRAGGS

Team Leader  
Financial Institutions  
T: +44 (0) 20 3763 5345  
M: +44 (0) 7891 773 431  
tomspraggs@proteanrisk.com



### BETHANY THOMAS

Account Director  
Financial Institutions Team Leader  
T: +44 (0) 20 3763 5348  
M: +44 (0) 7823 775 877  
bethanythomas@proteanrisk.com

