

# REASONS TO CONSIDER CYBER LIABILITY INSURANCE

# 1

## **Your reputation is strength, so why not protect it?**

When your systems have been compromised, you run the short term hazard of financial loss but also the longer term risk of losing loyal customers and a damaged reputation. Insuring your reputation in light of a breach ensures the costs are covered in engaging the help of a dedicated public relations firm as well as the loss of future sales that arise as a direct result of loss of custom.

# 2

## **Data is your most important asset...**

Yet data is not covered by most standard property insurance policies. In the event that data is damaged or destroyed, it is unlikely that a standard property policy would pay out, which is why we recommend our cyber policy to provide comprehensive cover (up to full policy limits), that includes data restoration, no matter how the loss occurred.

# 3

## **You can be held liable for any third party data that is lost**

Businesses hold more information on its customers and suppliers than ever before. With the responsibility of protecting this information, businesses should consider cyber liability insurance to ensure protection against non-disclosure agreements and contracts that contain indemnities and warranties in relation to this type of breach as well as consumers seeking legal redress in the event of lost data.

# 4

## **Cyber-crime is the fastest-growing area of fraud<sup>1</sup>**

In this digital world your business is operating in, new crimes are emerging regularly and they can occur day or night. Identity theft, phishing scams and telephone hacking are just some of the crimes that a traditional insurance policy do not address. Cyber insurance can provide cover for a variety of threats that your business faces every day.

# 5

## **Operating systems are critical for your daily business...**

But unplanned 'downtime' is generally not covered by standard business interruption insurance. From electronic point of sales to office reporting software and booking systems, all businesses rely on operating systems to manage their business. In the event of your business suffering a computer virus, a hacking incident or even a malicious employee disrupting your services, a traditional business interruption policy may not respond. Cyber insurance provides you with cover for loss of profits associated with a systems outage that is caused by such attacks.



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## 6

### **Retailers face big penalties if they lose credit card data**

The stakes are high. Fraud losses to the banks on UK credit and debit cards totaled over £567m last year - an 18% increase on the previous year<sup>2</sup> and increasingly this risk is being passed onto the retailers that lose the data. Compromised retailers can be held liable for reissuance costs, investigation costs as well as the actual fraud conducted on stolen cards. Cyber insurance can help protect your business against these costs.

## 7

### **Portable devices increase the risk of loss or theft**

A forgotten lap top on a train, a stolen iPad from a bag in a bar, or a lost USB stick are all examples of how businesses can lose data on the go. Portable devices are fast becoming a valuable resource for the flexible workforce but are unfortunately a target for criminals. Cyber insurance can help cover the costs associated with breaches of data should a portable device become lost, stolen or become the victim of a virus.

## 8

### **Social media is an effective business tool but claims are on the rise**

Every second, on average, around 6,000 tweets are tweeted on Twitter alone<sup>3</sup>; information is shared and exchanged at the click of a button. How that information is presented can give rise to liability for businesses that are responsible for the conduct of employees on social media sites such as LinkedIn, Twitter and Facebook. Cyber insurance can help provide cover for claims that arise as a result of leaked information, copyright infringements or defamatory statements.

## 9

### **It doesn't matter what type of business you are, small ones are targets too...**

Small businesses may not have the financial resources to get things back on track after a security breach or data loss and with over a third of global targeted attacks being aimed at businesses with less than 250 employees<sup>4</sup>, cyber-attacks are becoming one of the greatest risks a small business can face. This makes cyber liability insurance a must have for the big, the small and everyone in between to protect against the potentially crippling financial effects of a security breach.

#### **FOR MORE INFORMATION:**

For more information, contact your Lloyds Bank Relationship Manager

<sup>1</sup> <https://www.theguardian.com/technology/2016/feb/25/cybercrime>

<sup>2</sup> <http://www.itv.com/news/2016-04-14/fraud-how-safe-is-your-money-tonight/>

<sup>3</sup> <http://www.internetlivestats.com/twitter-statistics/>

<sup>4</sup> <http://www.symantec.com/about/news/release/article.jsp?prid=20120710>

