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Cyber Risk Insurance – Tailored to protect your business

- ECFS 2017 -

CYBER RISK INSURANCE

WHAT IS GDPR ?

GDPR ≠ TECHNOLOGY

• GDPR is a new mandatory regulation for the protection of individuals in the EU with regard to the processing or free circulation of their personal data.

• Or, in simple terms, new rules on how the personal data of each of us in the EU can be processed.

•There are significant fines in case of breach; one of the cause could be cyber attack.

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WHEN UNFORSEEN HAPPENS…

60% of SME’s
are bankrupt in 6 months from a cyber attack

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WHEN UNFORSEEN HAPPENS

Over 90% of the cost of cyber-attacks are hidden for business*

Above the surface well-known cyber incident costs	Below the surface hidden or less visible costs
• Customer breach notifications • Post-breach customer protection • Regulatory compliance (fines) • Public relations/crisis communications • Attorney fees and litigation • Cyber-security improvements • Technical investigations	• Insurance premium increases • Increased cost to raise debt • Operational disruption or destruction • Lost value of customer relationships • Value of lost contract revenue • Devaluation of trade name • Loss of intellectual property (IP)

*Source: Deloitte Australia

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DEFINITIONS:

“CYBER THREAT”	“MISCELLANEOUS UNAUTHORIZED ACCESS OR UNAUTHORIZED USE”
• Threat to implement malicious code • Threat to transfer infected malicious code • Threat to interrupt the operation of computer systems • Threat of unlawful disclosure • Threat to change, destroy, damage, or delete information assets • Threat to block access to computer systems or information assets • Threat to steal information assets through external access	• Use of computer systems by unauthorized persons • Illegal use of computer systems

NON-DISCRIMINATORY DISCLOSURE OF INFORMATION

- Phishing
- Access to information in a manner not permitted by the legal person storing and processing personal data of third parties

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CERTASIG COVERAGE

WHAT IS COVERED?

A. YOUR OWN LOSSES

- Breach costs
- Cyber business interruption
- Hacker damage
- Cyber extortion

B. CLAIMS AGAINST YOU

The Insurer pays a pecuniary indemnity and legal expenses

in connection with an insurance event in:

- Privacy protection
- Media liability

WHAT IS NOT COVERED?

- Breach of professional duty
- Failure by service providers
- Intellectual property
- Patent or trade secret
- Hack by director or partner
- Destruction of tangible property
- Bodily injury
- Defamatory statements
- Insolvency
- Pre-existing problems
- Dishonest and criminal acts
- Reckless conduct
- Non-specific privacy investigations
- Fines, penalties and sanctions, etc.

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CYBER CLAIMS EXAMPLES

Costs and expenses will differ in every scenario, and your policy wording should be reviewed in detail to see how your insurance will respond.

Hack – Resulting in Extortion

A medium-sized law firm's network was hacked. Sensitive client information was potentially at risk including; a public company's acquisition target, another public company's prospective patent technology, the draft prospectus of a venture capital client, and a number of class-action lists containing plaintiffs' personally identifiable information. The firm then received a call requesting £25,000 to not sell the information on the black market. The law firm initiated contact with the Insurer's Incident Response Hotline, an incident response manager was assigned, and IT forensic investigators and legal counsel were brought in to address the incident.

Potential Impact:

Privacy Liability – mismanagement of personal and/ or corporate confidential information

Network Security Liability – liability arising out of the failure to effectively protect insured's network from malware, hacking, denial of service attacks or unauthorized use or access:

- Defense and settlement costs for class action lawsuits - £100,000

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CYBER CLAIMS EXAMPLES

Incident Response Expenses

- Forensic investigation costs to locate vulnerability, analyze impact, ensure containment, and calculate extent of loss - £44,000
- Costs to set up and operate a call center for enquiries - £8,000
- Public relations expert fees to minimize reputational impact of the incident - £12,000
- Legal consultation fees - £28,000
- Incident response manager fees - £8,000

Cyber Extortion - costs associated with addressing extortion threats to release information or malicious code unless paid extortion monies

- Crisis negotiator fees - £4,000
- Legal consultation fees - £2,000
- Information technology consultant fees - £22,000
- Extortion payment - £25,000

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CYBER CLAIMS EXAMPLES

Takeaways Cyber ransoms should not be paid, but many clients may not be aware of this. By telephoning the Insurer's Incident Response Hotline, the incident manager can assist the client from the outset on what steps to take. We have seen cases where the ransom has been paid and the information has still been published online. There is a risk that if the ransom is not paid, the information will be released, but the incident response manager will make sure the correct experts are appointed to deal with this situation.

Total cost of the cyber event: £243,000

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CERTASIG OFFER

CertAsig established partnerships with IT companies to offer comprehensive services .

CertAsig can offer **assistance** to clients to check on their systems either by automatic simulation of attack or by offering services of its partners!

CertAsig can quickly assess the risk of clients and provide a quote and options for improvements.

CertAsig is offering **assistance in mitigation of claim** by using its partners, e.g. recovery of data from back-ups, restoration of system to minimize business interruption, etc.

CertAsig can offer broad insurance coverage up to the limit of EUR 2m.

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WITH STRONG REINSURERS BEHIND

▪CertAsig's cyber policies are secured by a first-class panel of reinsurers:

▪ **Hannover Re**	**AA-**	**Standard & Poor's**
▪ **Partner Re**	**A+**	**Standard & Poor's**
▪ **Polish Re**	**A-**	**A.M. Best**

▪Our reinsurers offer us not only solid, financial security but also expert assistance with technical underwriting issues which are paramount to our specialist range of products.

▪The strength of our reinsurance programmes gives our clients and brokers peace of mind that claims will be paid promptly and fairly.

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AND REPUTABLE SHAREHOLDERS

CertAsig was established in 2003 and since December 2007, CertAsig has been majority-owned by Royalton Capital Investors II (RCI II)

RCI II is a private equity fund focused on acquiring and developing service sector companies throughout European and CEE countries.

The structure of CertAsig's share capital:

Royalton Capital Investors II L.P. – 89 %

▪Senior Management – 11 %

Royalton Capital Investors II limited liability partners include:

alpha associates

European Bank for Reconstruction and Development

EUROPEAN INVESTMENT FUND

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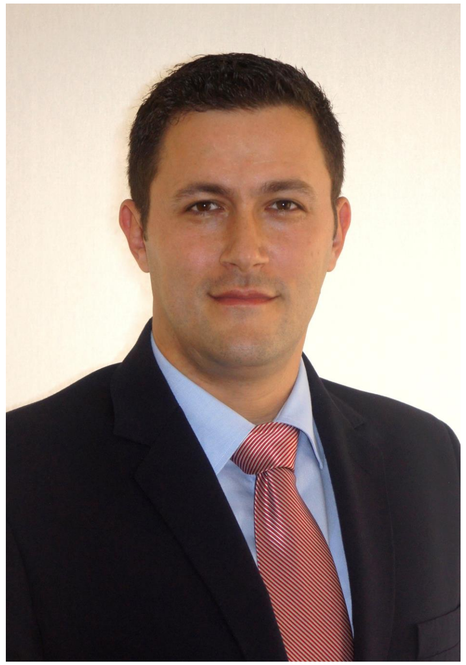
CONTACT



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