

# Care & Cyber Liability

Powerful insurance for committed businesses



# Cyber - Simple Truths

- Increasing reliance on information technology
- Seen more and more in the care sector
- Tools/software developed to support care businesses
- Data held & processed:
  - Employees
  - Service Users
  - Their families
- GDPR places greater emphasis on the protection and security of data

# Do I have an exposure?

- **You could be vulnerable if you: -**
- Hold sensitive information including names & addresses, banking information etc.
- Rely on computer systems to conduct business
- Have a website
- Are subject to payment card industry merchant services
- Store data (including cloud based services)

# What is Cyber Liability?

- Our minds immediately turn to....

# What is Cyber Liability?



# What is Cyber Liability?



# What is Cyber Liability?

The background of the slide is a composite image. The top half shows a digital rain effect with white and grey binary code (0s and 1s) falling against a black background. The bottom half shows a person's hands typing on a laptop keyboard, with the scene lit in a dark blue and red glow. A white text box is overlaid on the center of the image.

But actually, it covers the simple mistakes too...

Like sending data to the wrong recipient; leaving a file or laptop on a train...

# What is Cyber Liability?

- You mitigate your risk through Governance & Management
  - Culture
  - Procedures & Controls
  - Reporting
  - Training & Awareness
- But how does a Cyber Liability insurance policy cover and support you when an incident occurs?



# Cyber Liability Insurance

- **COSTS YOU MAY INCUR**
- **Breach Costs**
- 24/7 365 accessible support including:-
- Assisting notification to regulators (GDPR issues)
- IT forensics – investigate / report on the event
- Legal advice
- Support notifying those potentially affected
- Offer credit monitoring to those affected

# Cyber Liability Insurance

- **Crisis Containment**
- Support prompt, confident communication
- Minimise damage to reputation
- Expert support from PR firm
- ...from developing a communication strategy
- ...to running a 24/7 crisis press office

# Cyber Liability Insurance

- **Cyber business interruption**
- Compensation for loss of income (affected earnings)  
...including caused by damage to your reputation
- **Cyber Extortion**
- Hacker holding business ransom – includes potential payment of ransom as well as management support
- **Hacker Damage**
- Covers costs of repair restoration or replacement of damaged website, programs or electronic data

# Cyber Liability Insurance

- **YOUR LIABILITY TO OTHER PARTIES**
- **Privacy Protection**
- Defend / Settle claims for failing to keep data personal data secure
- Costs associated with regulatory investigations
- **Media Liability**
- Mistakenly infringe copyright
- Inadvertently defame a third party

# Cyber Liability Insurance

- **ADDITIONAL COVER OPTIONS**
- **Cyber crime & social engineering** – financial loss following theft of:-
  - money
  - property
  - or digital assets
- either by hacking or employees falling victim to social engineering

# Cyber Liability Insurance

- **OTHER ADDITIONAL COVER OPTIONS (Cont'd)**
- **Dependent business interruption** (outsourced providers)
- **System Failure** (BI/ICOW where employee/supplier error causes outage)
- **Telephone Hacking** (hacker's unauthorised calls via fixed line, Skype, VoIP etc.)

# Cyber Liability Insurance

- **But beware....**
- The Cyber insurance market is relatively embryonic
- Cover...and Price... can vary
- It's important to understand your exposures
- And what you're seeking to protect against
- **Case Studies:-**
- **Howden's Cyber Guide in your delegate packs provides two case studies indicating the potential costs**

# Case Study 1

- **SCENARIO:-**
- UK Insured receives message from a Hacker
- “Access gained to your server”
- A scan of the system validated the hackers claim
- Hacker challenged insured:
  - Patch your system OR
  - Will release personal information obtained
- Hacker later demanded a ransom not to carry out the threat



# Case Study 1 Cont'd

- **RESPONSE:-**

- Insurer's Forensic Services provider validated substance of claim
- Insured's server was imaged and analysed in full
- The ICO were notified of the breach by insurer's legal experts – using information obtained by forensics provider

- **OUTCOME:-**

- 35,000 individuals' data compromised – they were provided with:
  - Credit monitoring services
  - ID Theft insurance
- **Total Cost of Breach to Insurers £285,000**

## Case Study 2

- **SCENARIO:**
- Small UK company fell victim of a Social Engineering Fraud
- Insured's Finance Team received 4 requests for payment from their MD (or purported to be)
- Total of the requests was £30,000 – the 4 requests were paid in full
- There was no system intrusion
- Discovered when MD returned from holiday

## Case Study 2 Cont'd

- **RESPONSE:**
- Taking advice from their cyber insurer – Insured communicated with Fraud Action and their bank
- **OUTCOME:**
- Able to recover **£12,000**
- The Insured paid their Excess **£1,000**
- Insurers paid the balance of **£17,000**

Speak to your insurance advisor about the type of protection you need.

**Howden Care** would be delighted to help

Thank you.

