

## CYBER RISKS COVER

**Does your business use computers or smart phones?**

**Do you have a company website?**

**Do you hold customers' or employees' personal information?**



**If the answer is yes your business may not be sufficiently insured**

Few businesses would think of operating without fire or flood insurance cover for their property or public liability cover. Yet many are leaving themselves exposed to significant costs if they cannot operate due to a cyber-attack, the financial exposure and reputational harm if confidential data is lost.

Traditional insurance policies have not been designed to protect businesses against cyber risks and some policies have made additional exclusions to avoid providing this protection.

Businesses are increasingly using computers and electronic devices to trade. Work may be carried out away from the business premises and data stored remotely in "the cloud" but companies are left vulnerable without the necessary insurance cover.

### What are the risks?

**Telephone Hacking** – Criminals hack into phone systems and dial out on premium rate numbers, this reportedly costs over £1 billion a year.

**Phishing Scams** – Emails which entice the receiver to disclose information or click on links and download malicious software.

**ID Theft** – Customer's and employee's own data loss can cost the business thousands both in terms of legal costs, reputational harm and recovering the information.

**Business interruption** – Loss of profits or expenses incurred due to failure of IT systems.

**Virus and Malware Attacks** – The direct financial loss suffered arising from computer or electronic systems being attacked by malicious software.



## The risk is growing

In May 2013 a team of hackers managed to crack more than 14,800 supposedly random passwords – from a list of 16,449 – as part of a hacking experiment for a technology website. *Daily Mail*

123456 and password are still the most common passwords used. *WP Engine report*

It is estimated that 81% of large corporations and 60% of small businesses suffered a cyber-breach. *Cabinet Office*

Average cost of a cyber-security breach is £600k - £1.15m for large businesses and £65k - £115k for small to medium sized business. *Cabinet Office*

UK losses from online fraud are now running at more than £670m a year. *Cabinet Office*

In November 2014 The NotCompatible virus affected hundreds of thousands of android phone devices. The phones were then automatically enrolled into a network and rented out to any crime group. *BBC News 21/11/14*



## Is this aimed at large business?

Absolutely not. News stories may outline the significant cyber breaches of banks or international companies but any business is susceptible to attacks or loss of data. Smaller companies may have no access to the necessary expertise like larger companies. However in the event of a security failure and the subsequent loss of revenue, liability costs, operational costs and reputational damage could be devastating.

## My business has a firewall and an antivirus is that not enough?

Rogue or negligent employees could cause data losses which deliver significant damage to a company's reputation and legal costs.

Service providers could expose your business to risks. Perhaps a remote data storage facility is hacked permitting unauthorised access and interruption to your business.

If your company operates social media profiles there is an increasing threat of security breaches through the company accounts or employee's own personal accounts.

This insurance cover is aimed at all businesses of any size that trade online, use computers or electronic devices as part of their work, or hold confidential data.

At Sharrocks we have access to leading insurers with the expertise to provide the right cyber risks insurance cover for your business.

Contact us today to discuss your requirements.

Watsons' Mill, Ride's Passage, High Street, Sheerness, Kent ME12 1UD

T:01795 580800 F: 01795 662499

[www.sharrocksinsurance.co.uk](http://www.sharrocksinsurance.co.uk) [enquiries@sharrocksinsurance.com](mailto:enquiries@sharrocksinsurance.com)

Sharrock Insurance Services Limited are authorised and regulated by the Financial Conduct Authority