



Understanding Cyber Liability Insurance

Watch Out, it is Now Everywhere...

With unfortunate regularity you hear about companies disclosing they are the latest victims of ransomware, massive credit card or Personally Identifiable Information (PII) theft. **These are companies with the most expensive and elaborate controls in place.** What you don't hear about are the countless other breaches that go on every day to regular companies like yours. There is an average of 2,244 Cyber Attacks per day, which is one every 36 seconds! 63% of all losses are to firms with less than 100 employees.

A business is liable in the event of a data breach involving lost or stolen information, whether it's paper or electronic. Companies that maintain employee or customer social security numbers, credit card details, bank account information, health information and other private information are all at risk due to failure of computer security or wrongful release or disclosure of information. In other words, this applies to almost everyone.

Typical Cyber, Privacy and Data Breach Exposures

- Ransomware
- Social Engineering/Deceptive Funds Transfer
- Theft of PII, PHI or Corporate Confidential Information on an entity's or third party's computer system (vendor or cloud)
- Introduction of malware or spyware by an unauthorized outside party which then creates unauthorized outside access or sends data out of the system
- Rogue Employees - An authorized employee using information in an unauthorized way
- Stolen or lost, computers, servers, laptops, iPads, smart phones resulting in loss of data, access to data or held for ransom
- Theft of information at service terminals
- Work from home

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“ 2 A.M. is a lousy time to find out you chose the wrong insurance broker. ”

What are some of your other exposures & coverages?

- Legal and IT advice
- Ransom
- Defense costs
- Business Interruption/Loss of Income
- Notification costs such as sending a letter to clients and/or employees who have had their information compromised. This is required in almost every state.
- Credit Monitoring Costs you may be required to pay a credit bureau to monitor someone's credit. These costs can be very expensive, ranging between \$30-\$60 per person per year.
- Forensic expenses to pay an expert to figure out how your network was hacked and how the data was compromised. Plus the costs to recreate and repair the damage.
- Crisis Management costs associated with public relations damage control and/or have had a breach

WHY DO YOU NEED THIS COVERAGE?

- You have a very good chance of having an occurrence.
EVERYONE IS EXPOSED
- The claims are often large and expensive
- The cost is very reasonable, actually inexpensive, although prices are rising
- The included 800 # for advice is worth the entire premium

We hear every day:

**“All of our systems
and information is
encrypted and
protected “**

NO, IT'S NOT!
(that's impossible)



**Butwin Insurance Group recommends that almost every client consider
Cyber Liability Insurance as part of their insurance program.**

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60 Cutter Mill Road, Suite 414
Great Neck NY, 11021
(516) 466-4200
www.butwin.com
info@butwin.com


Butwin Insurance Group
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