

# CYBER AND DATA INSURANCE SIMPLY EXPLAINED

## What is Cyber Cover Insurance?

Cyber is a contraction of the word Cybernetics, which relates to any electronically controlled systems. Cyber cover insurance incorporates a broad range of products to protect you and your business from losses arising from damage to these systems. Cover should include:

- Data breach caused by unauthorised access.
- Costs of reinstating lost data.
- Compensation awards and regulatory costs of a data loss.
- Loss of income and increased costs following an attack on your systems.
- Extortion costs including ransom.
- Media liability cover for infringement of third party rights or defamation.
- Negligent transmission of a virus.

## Why do I need Cyber Insurance?

You should have cover if you have any reliance on electronic systems, and especially if:

- You hold any personal data such as names, addresses or bank details.
- You are reliant on computer systems to conduct your business.
- You have a business website.
- You are subject to a payment card industry (PCI) merchant agreement.

Some businesses think they are covered by other insurances they have. Indeed, some Professional indemnity and liability policies may include a degree of third party cyber liability cover but this will not cover your own costs and losses.

### A few things to consider to reduce your exposure:

- Evaluate your IT security including Firewalls and Antivirus.
- Have a look at the Government guide, <https://www.cyberaware.gov.uk/cyberessentials/>
- Manage staff use of internet and business email.

## TYPICAL KINDS OF CLAIMS

- **HACKING.**  
your business is hacked and loses customer information.
- **PHISHING.**  
Your business receives an email purporting to come from a recognised organisation which appears legitimate leading to you revealing sensitive data.
- **SOCIAL ENGINEERING.**  
Moving on from Phishing you are convinced to make payments to bogus third parties.
- **DENIAL OF SERVICE.**  
An attacker floods your business's network and computer systems preventing legitimate users from using the service.

## What other insurance might you need?

- Employers Liability insurance
- Public Liability
- Professional Indemnity
- Business Interruption
- Computer Cover

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