CYBER

Badger Mutual INSURANCE

Risk. Liability. Protection.

Did you know that 44% of small businesses have reported that their business has been struck by a cyber attack?

Businesses of all sizes and in every industry are threatened by cyber incidents. 36% of all targeted attacks are directed at businesses with 250 or fewer employees. With the increased use of e-commerce, web-based file storage, and the proliferation of smart phones, laptops, and tablets in businesses of all sizes, the risks associated with data security are growing quickly.

The #1 risk of data loss is employee negligence. This includes opening infected email attachments, unattended and unlocked computers, stale security passwords, and unsecured mobile devices with confidential information.

(TrendMicro, 2012).

FACTS AND FIGURES:

- According to the President and CEO of Identity Theft Resource Center (ITRC), "With an average of 15 breaches a week in 2014, consumers need to be made aware of the risk of exposure to personal identifying information in order to understand the threat posed by this growing list of data breach incidents."
- The number of data breaches dramatically increased in 2014 with 783 breaches, which is a hike of 27.5% from 2013 and 18.3% higher than 2010.
- In 2014, almost 150 million records were exposed through security breaches, according to Privacy Rights Clearinghouse. Which is an increase of 40% since 2013. In 2013, over 90 million confidential records were exposed through more than 600 reported security breaches, according to ITRC.
- 69% of U.S. CEOs are worried that cyber threats will impact business growth (PwC's 2014 Cybercrime Study).
- 2.5% of respondents said that abuse by a malicious insider was the most common way in which a breach occurred in the past year.

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DID YOU KNOW?

It's not just the big banks and multinational corporations that are targets for cyber crime, even if their breaches tend to get the biggest headlines.

The average cost of a breach for a small or mid-sized business is over $180,000.

Legal costs alone (defense and settlements) represent 57% of breach costs. Additional costs include IT services, customer notification, and public relations expenses *(Privacy RIghts Clearinghouse, 2014)*.

MANAGING YOUR CYBER RISK

Many data breaches can be avoided by implementing good data security practices such as:

- Practicing safe data storage and usage
- Training employees on good business practices
- Know your data
- Keep track of your devices
- Protect your network
- Secure physical devices
- Protect your website
- Have clear cyber security policies
- Dispose of confidential information the right way
- Remote mobile device security
- Confidential data encrypted

Sources:
Net Security: http://www.net-security.org/secworld.php?id=16643
Privacy Rights Clearinghouse: http://www.privacyrights.org/data-breach/new

CYBER Coverage Summary

In our increasing digital world, your organization's data can be a valuable asset. Unfortunately, this can also turn into a significant and costly liability if the data falls in the wrong hands. Since 2005, there have been 4,327 reported privacy breaches, exposing over 600 million confidential records (IDTheftCenter.org). In 2014 alone, almost 150 million records were exposed through security breaches, according to Privacy Rights Clearinghouse. That's an increase of 40% since 2013. Of all targeted attacks, 36% are directed at businesses with 250 or fewer employees. This is where your cyber liability insurance can help protect your business!!

PRODUCT FEATURES

NAS' core cyber liability coverage components include:

- Network Security and Privacy Insurance - Coverage for both online/offline information, virus attacks, denial of service, and failure to prevent transmission of malicious code
- Regulatory Defense and Penalties - Coverage for defense costs and fines/penalties resulting from government investigations
- Privacy Breach Response Costs - Coverage for costs incurred to notify affected individuals
- Network Asset Protection - Coverage for income loss, business interruption expenses and costs to restore data that is damaged
- Multimedia Insurance - Coverage for copyright/trademark infringement
- Cyber Extortion - Will pay extortion expenses and monies as a direct result of a credible cyber extortion threat
- Cyber Terrorism - Coverage for income loss and interruption expenses as a result of the interruption of the insured's computer system due to a cyber terrorism attack
- Dependent Business Interruption - Coverage offers reimbursement for lost revenue incurred as a result of a third party vendors' system being down
- Payment Card Industry Data Security Standard (PCI/DSS) fines and penalties

PROGRAM BENEFITS

In addition to our state-of-the-art cyber liability coverages, your policy includes a range of breach response services including:

- Legal services
- Data security & forensics
- Customer notification
- Credit monitoring
- Corporate communication/PR

INSURANCE HIGHLIGHTS

- Legal counsel services
- IT security and forensic experts
- Public Relations/advertising support
- Breach notification
- Call Center and website support
- Credit monitoring and identity theft restoration services

BRANDGUARD™

BrandGuard™ covers what most cyber insurance policies fail to cover - lost revenue as a result of a cyber-breach.

With BrandGuard™, our cyber liability policy will reimburse your client for lost revenue following a claim as they deal with increased customer attrition that causes their income to take a temporary hit.

BrandGuard™ coverage is there for your client where other cyber insurance policies are not. Uniquely designed to help cover the indirect losses that may result from adverse media or notifications following a data security incident, we can accelerate your client's return to service and profitability.

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