



Cyber risk

Your introduction to the risk
that can no longer be ignored

25% of New Zealand businesses suffered a cyber-attack in 2018



Who is at risk?

In New Zealand and worldwide, data cyber breaches and cyber related crime incidents are on the rise.

As virtually all businesses rely on technology and data to run their day to day operations, the risk for cyber-attack is constantly growing. Because of this, cyber risk falls across all aspects of business including email communication, remote mobile devices, data storage, or even social media. Cyber-attacks are the modern form of crime and all businesses, both large and small, need to be aware of this evolving risk.

Even if you outsource your IT support, back-up data offsite or use cloud-based facilities, security and data breaches are still your business's responsibility.

Cyber Insurance is the best way to provide the cover and expert resources needed in the event of a cyber related incident. As specialists in cyber risk and insurance, we're here to help with the right advice you need to protect your business.

Why cyber insurance is needed



Can you afford not to have it?

Ransomware attacks and other cyber related incidents can result in large business income losses, in addition to reputational damage which is longer lasting and harder to quantify.

“Outsourced suppliers can have breaches too”

Your third party can have a breach that exposes your client data, in many cases the fines and recovery expenses are still your problem. It is also your reputation that would suffer the most.

“It’s not just about your computers and collecting sensitive data”

Even simple day-to-day activities like online banking, using accounting software and emailing with clients or suppliers involve cyber risk.

The top cyber scams are phishing emails and fraud scams.**

“Goes above and beyond standard business insurance”

The full extent of a cyber breach cannot be covered with standard policies. First party costs such as IT forensic experts are the largest expense and are exclusive to Cyber Policies.

“Attacks on small businesses are growing”

CERT NZ noted in 2018, that they had a significant increase in reported incidents. Most of these were from individuals and small businesses.

* Source – “Norton SMB Cyber Security Survey New Zealand 2017” Norton Symantec Corporation

**Source – “CERT NZ 2018 Summary” Cert NZ



Cyber claims, client stories

Retailer's employee human error

The client emailed a group of customers to promote a sale but instead of attaching the discount flyer, sent a spreadsheet with customer names, addresses and credit card information.

How insurance helped

As the client had overseas customers, they received help with notifying affected clients in Australia, US and UK following the varying legal rules in each country. In the US credit card fraud monitoring had to be set up and as several clients there took legal action, defence costs were also covered.

Claim amount \$150,000

\$50,000

First Party Costs:

- Breach Response costs
- Notification and PR Costs
- Credit Monitoring

\$100,000

Third Party Costs:

- Defence Costs
- Legal Fees
- Nuisance Settlement

Ransomware hits Not for Profit Organisation

Ransomware infected the client's computers, they were unable to access their systems or database for several days which included members' personal records.

How insurance helped

The emergency response call centre arranged external forensic and IT consultants, who found the breach had damaged backed up information. They had to reinstall new systems and help recover any data they could.

Claim amount \$20,000

- Breach Costs: IT and Forensics
- Data Restoration and Damage Expenses
- Business Income Loss – System Failure

Manufacturer's machine attacked by Cryptolocker

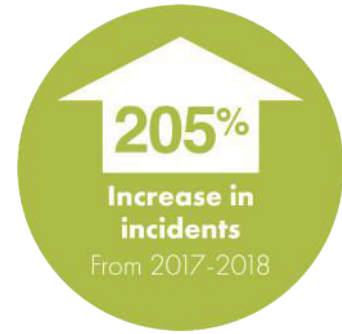
Machinery was hacked and infected, which then spread across the entire network. Business suffered for several days with systems and operations being down.

How insurance helped

Experts were able to coordinate IT forensics to help with restoring data and systems. Because the client had strong backup procedures, the experts were able to restore their systems.

Claim amount \$30,000

- Breach Costs : IT and Forensics
- Business Income Loss – System Failure



**Source – “CERT NZ 2018 Summary” Cert NZ

8 top tips to protect against cyber risk

Unfortunately the majority of cyber related incidents are triggered by human error.

There are a number of things you can do to reduce your risk of a cyber-attack. While these tips cannot 100% safe guard you from an attack, they can increase the awareness within your business and help minimise your risk.

Cyber insurance is there to help businesses recover after a cyber breach.

1. Policies and procedures

Ensure you have a strong information security policy for employees and other system users. Human error is the most common threat to your cyber security.

2. Have a plan

Understanding how your systems would function in the event of an emergency is critical. All businesses should have a business continuity plan and an incident response plan.

3. Keep up with the times

Update systems and software regularly, this includes phones, your version of Windows and even Mac computers. Hackers identify systems that are not up-to-date and can infiltrate them. Remember to disable unused services and users.

4. Use the right defences

Encryption, firewalls, anti-virus software and website penetration testing are there for a reason.

5. Password safety

It's best practice for users to have complex and regularly changed passwords with upper and lower case letters, %(@*\$, and numbers.

6. Implement dual verification

Phishing schemes and invoice fraud are on the rise in New Zealand. Use dual verification as a safeguard for financial payments.

7. Maintain backups

Understand the specifics of your backups and who would be liable in the case of breaches.

8. Manage your mobile devices and remote access

Mobile devices hold the same data but are easier to hack, it's critical to have the same security controls as you do with your onsite computer network.

Your local broker can help
with your cyber insurance needs

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