



## Cyber Liability Insurance Coverage for Today's Businesses

Small businesses are increasingly targeted by cyber criminals.

- With fewer protections than large companies, smaller businesses are more vulnerable and less prepared for the complexity and cost of responding.
- 43% of cyberattacks are aimed at small businesses, but only 14% are prepared to defend themselves.<sup>1</sup>
- Smaller businesses face disproportionately larger costs relative to larger organizations.<sup>2</sup>
- The average cost of a cyber attack on small businesses is \$200,000.<sup>3</sup>
- 60% of small businesses go out of business after a cyber breach.<sup>4</sup>

IAT Specialty, a member of IAT Specialty Insurance Group, offers an affordable, comprehensive cyber insurance policy tailored to meet the specific needs of your customers.

### DATA COMPROMISE INSURANCE:

Most entities hold the personal information of their customers and employees. All states have data breach laws that require companies to notify affected individuals if their personally identifying or personally sensitive information may have been compromised.

Data Compromise Insurance is designed to help small to medium-sized businesses respond to the financial burden and service obligations of a personal data breach.

- This coverage pays for first-party expenses in responding to a data breach involving personally identifying information. Coverage also pays for outside legal counsel review, forensic IT review, notifications to affected individuals, credit monitoring and identity restoration services to affected individuals.
- Coverage is offered for legal defense and liability costs for actions brought by one or more affected individuals or government entities on behalf of the affected individuals.

### CYBERONE™ INSURANCE:

Virtually every small to medium-sized business relies on their data and computer systems. When these systems experience a virus or other computer attack, a company's bottom line and reputation can be significantly impacted.

CyberOne™ coverage helps pay for the costs associated with restoring data and computer systems as well as protect against third-party liability that may arise from a failure of a system security. The coverage is designed to:

- Pay for data restoration from electronic sources, data recreation from non-electronic sources, systems

restoration, business interruption and public relations services.

- Covers costs of defense, settlement and judgment in the event of a network security liability suit as defined by the policy. Defense is provided within the coverage limits.

### IDENTITY RECOVERY INSURANCE:

Identity theft is a serious risk for business owners. Their credit may be a critical asset to the business. Most identity theft victims report the greater cost of identity theft is the frustrating and time-consuming process to restore their credit history and identity. Business owners can't afford the distraction and time demands of restoring their identity.

Identity Recovery Insurance combines identity theft insurance with services that can save business owners the money, time away from work and trouble it takes to restore their credit history and identity records to pre-theft status.

- Coverage includes case management services from an identity recovery case manager to respond to the identity theft.
- Identity Recovery Coverage provides expense reimbursement of identity recovery expenses incurred as the direct result of the identity theft.

### THE RISKS ARE REAL:

**Data Compromise Response Expenses:** A burglar broke into an accountant's office and stole a computer with the tax records of clients. The insured's clients were in four states and he needed assistance meeting the various state law notification requirements. Clients were urged to contact their banks and place alerts on their credit files.

**Paid Loss after Deductible: \$28,000**

**Identity Recovery:** A business owner reported being sued due to unauthorized accounts that had been opened in his name. An unauthorized person used the insured's personal information to rent several items and open lines of credit. An identity recovery case manager consulted with the insured and placed fraud alerts. The insured hired an attorney to help resolve the issues.

**Paid Loss after Deductible: \$5,652**

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<sup>1</sup><https://www.dataprivacyandsecurityinsider.com/2019/10/small-and-mid-sized-businesses-continue-to-be-targeted-by-cybercriminals/#page=1>  
<sup>2</sup>2019 Ponemon Institute Study  
<sup>3</sup><https://www.cnbc.com/2019/10/13/cyberattacks-cost-small-companies-200k-putting-many-out-of-business.html>  
<sup>4</sup><https://www.inc.com/joe-galvin/60-percent-of-small-businesses-fold-within-6-months-of-a-cyber-attack-heres-how-to-protect-yourself.html>