

## Cyber-Liability Insurance



As technology becomes increasingly important for successful business operations, the value of a strong cyber-liability insurance policy will only continue to grow. The continued rise in information stored and transferred electronically has resulted in a remarkable increase in the potential exposures facing businesses. Regulations such as the General Data Protection Regulation (GDPR) must also be considered, because a loss of sensitive personal information may subject you to fines and sanctions from the Information Commissioner. In an age where a stolen laptop or hacked account can instantly compromise the personal data of thousands of customers, protecting yourself from cyber-liabilities is just as important as some of the more traditional exposures businesses account for in their general commercial liability policies.

### Why Cyber-Liability Insurance?

A traditional commercial insurance policy is extremely unlikely to protect against most cyber-exposures. Standard commercial policies are written to insure against injury or physical loss and will do little, if anything, to shield you from electronic damages and the associated costs they may incur. Exposures are vast, ranging from the content you put on your website to stored customer data. Awareness of the potential cyber-exposures your company faces is essential to managing risk through proper cover.

Possible exposures covered by a cyber-policy include:

**Data breaches** – Increased online consumer spending has placed more responsibility on companies to protect clients' personal information.

**Business/Network Interruption** – If your primary business operations require the use of computer systems, a disaster that cripples your ability to transmit data could cause you or a third party that depends on your services, to lose potential revenue. From a server failure to a data breach, such an incident can affect your day to day operations. Time and resources that normally would have gone elsewhere will need to be directed towards the problem which could result in further losses. This is especially important as denial of service attacks by hackers have been on the rise. Such attacks block access to certain websites by either rerouting traffic to a different site or overloading an organisation's server.

**Intellectual property rights** – Your company's online presence, whether it be through a corporate website, blogs or social media, opens you up to some of the same exposures faced by publishers. This can include libel, copyright or trademark infringement and defamation, among other things.

**Damages to a third-party system** – If an email sent from your server has a virus that crashes the system of a customer or the software your company distributes fails, resulting in a loss for a third party, you could be held liable for the damages.

**System Failure** – A natural disaster, malicious activity or fire could all cause physical damages that could result in data or code loss.

**Cyber-Extortion** – Hackers can hijack websites, networks and stored data, denying access to you or your customers. They often demand money to restore your systems to working order. This can cause a

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temporary loss of revenue plus generate costs associated with paying the hacker's demands or rebuilding if damage is done.

Cyber-liability insurance is specifically designed to address the risks that come with using modern technology; risks that other types of business liability cover simply won't. The level of cover your business needs is based on your individual operations and can vary depending on your range of exposure. It is extremely important to work with a broker that can identify your areas of risk so a policy can be tailored to fit your unique situation.

### Aspire Insurance Services Limited: Your Cover Expert

As reliance on technology continues to increase, new exposures continue to emerge. As your business grows, make sure your cyber-liability cover grows with it. Aspire Insurance Services Limited is here to help you analyse your needs and make the right cover decisions to protect your operations from unnecessary risk. Contact us today at 0333 222 1182.