

## Protecting Your Data and Reputation - Cyber Insurance

Every business has at least some dependence on technology and the internet. So how will your business be affected when your computer network security is compromised?

It is almost certain there will be a financial cost. It could be lost revenue from being unable to sell goods or conduct your business, it could be damage to your reputation arising out of a breach of confidentiality and possible liability associated with this or it could simply be your own significant costs associated with cleaning the network up and reinstating the data.

A 2015 paper, based on a study conducted with Auckland University, reported that up to 133,000 New Zealanders were victims of identity theft each year and that more than 42% of people have had their employee records compromised. A staggering 86% of New Zealand executives for public amenities (such as water and power) have said that their organisations suffered at least one security breach which compromised confidential information over the previous year.

So the issue is a real one for New Zealand businesses and it is imperative that network security receives appropriate attention when reviewing your data and internet protection. The size of your business does not influence whether you will be a target or not.

These days Cyber Insurance is available and it should be a key part of your risk management strategy. While an insurance policy cannot prevent a breach of your network security it can assist you by providing funds and in some cases professional guidance.

Cyber Insurance policies are designed to fill the gaps that exist in traditional insurance policies. They generally consist of numerous sections, with each section responding to a different type of loss. For example one section will cover your own losses and another section will cover your liability to others that arises of the breach in your network security.

Recent claims on Cyber Insurance policies show that there has been a significant increase in the use of ransomware in New Zealand where files are encrypted until the ransom has been paid for the encryption key. This can take the form of a threat to delete or corrupt your data, to take down your access to a network or to disclose your confidential information. A good Cyber Insurance policy will respond to this type of network security breach.

Another benefit of purchasing Cyber Insurance policy is that it will provide you with 24/7 access to a response line that is supported by expert professionals. They will help you restore your network and minimise your exposure to loss and liability. Cyber Insurance response panels include lawyers, forensic experts, IT consultants, public relations firms, loss adjusters and other industry experts.

There are a number of insurance companies offering Cyber Insurance policies in New Zealand and we at Gregan & Co will be able to advise you about the best policy for your circumstances.