

## What is Cyber Insurance?

Cyber insurance, also referred to as “cyber liability insurance,” “data breach insurance,” or simply “hacker insurance” is an insurance product that covers the costs associated with hack attacks and data breaches. In today’s world, hackers are constantly evolving (pun intended) by thinking up new, creative methods of illegally acquiring company funds and sensitive data via electronic means. Cyber insurance covers all the costs faced by a business after experiencing a hacker prompted cyber attack.

## What does “cyber liability insurance” cover?

Traditional cyber “liability” insurance coverage provides reimbursement for third party legal defense costs a business faces after a cyber attack results in a third party lawsuit and/or a regulatory fine or penalty. The most common third party lawsuit occurs after a business loses sensitive personally identifiable information (PII), protected health information (PHI), or payment card information (PCI). The second most common cyber liability lawsuit occurs when a business passes a computer virus to a third party.

## What does cyber insurance cover?

Modern day cyber insurance has liability coverage and extensive first party coverage built in for all the costs that come out of the businesses’ pocket after a cyber attack. Most cyber attacks require expensive forensic experts to stop the attack before it is out of control and a data breach attorney to mitigate any future costs by following federal, state, and private regulatory bodies. Other first party cyber insurance costs include notification, PR hourly billables, system damage & restoration, business interruption lost profit, reputational harm lost profit, cyber crime fraudulent transfers, ransomware extortion, cryptojacking, and hardware replacement.



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## What are the most common cyber attacks?

Nearly all cyber attacks start as either ransomware or funds transfer fraud, also known as social engineering or wire transfer fraud. In a ransomware attack, a curious employee normally clicks on a phishing email sent by a hacker that automatically downloads ransomware malware. The ransomware virus is written to locate enterprise information stored in the cloud & locally, encrypt the information grinding the business to a halt, and extort the business for cryptocurrency in order to have their information decrypted. Wire transfer fraud, is reimbursement cyber insurance coverage after the business accidentally sends money to a fraudulent third party, better known as a hacker!

## In a ransomware cyber attack, what is covered by cyber insurance?

A cyber specialist forensic expert, at a \$500 hourly billable rate, is the first call to remove ransomware and get the business back up and running. In the event the ransomware is unable to be decrypted, the business will be directed to pay the cryptocurrency extortion payment to decrypt the data. If the ransomware is not caught in time or the hackers decide not to decrypt the data, the business could face serious business interruption costs, data recreation costs, and reputational harm costs.

## In a funds transfer fraud cyber attack, what is covered by cyber insurance?

Cyber insurance covers the reimbursement cost for funds fraudulently sent to the hacker's bank account from either the businesses' bank account, the clients' bank account, or the senior executive officers' bank accounts.

## Why do businesses buy cyber insurance?

Cyber insurance is a cost effective cyber risk mitigation insurance product that can save a business hundreds of thousands to millions of dollars in the event of a cyber attack. Successful cyber attacks are caused by human error, typically rooted in curiosity or blind trust. Millions of small businesses lose billions of dollars every year to hackers!



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## What does cyber insurance cost?

Cyber insurance costs vary based upon the size of the business, the industry, and the coverage included in the cyber insurance policy. Buyer beware! With over one hundred cyber markets competing against each other, coverage can be extremely limited and pricing is all over the board. It is important to get a professional opinion from an insurance broker on the correct coverage for the right price. For businesses under \$50M in revenue, the average cost for the broadest cyber insurance product is \$5,000.

## What should I look for in a top cyber insurance company?

The best cyber insurance companies offer risk management services that improve the businesses' overall security practices, the broadest cyber coverage that is triggered in the time of a claim, and immediate access to specialized forensic claims handlers on a 24/7 hotline to stop a claim before it gets out of control.

## Cyber Insurance from Evolve MGA

Evolve is a cyber insurance "specialist" market that underwrites the broadest cyber insurance policy in the marketplace distributed directly to retail insurance agencies across the United States. In addition to providing the broadest cyber policy in the market, Evolve policyholders have direct access the largest cyber specialist claims team in the world and risk management vendors that improve overall cyber security. Retail insurance brokers love Evolve's simple streamlined quote to bind process and cyber specialized sales and marketing tools. Interested in a cyber quote? Email [underwriting@evolvemga.com](mailto:underwriting@evolvemga.com) with a business name and revenue figure for quotes!



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