



## Cyber Insurance

### What It Is and Why Your Company May Need It

Cyberattacks have grown in frequency, with breaches hitting new records every year. Worse yet, 60% of small businesses close their doors within six months after a cyberattack. Still, a majority of companies today have no cyber insurance. Cyber policies cover a business' liability for a data breach in which the firm's customers' personal information, such as Social Security or credit card numbers, is exposed or stolen by a hacker or other criminal who has gained access to the firm's electronic network.

Cyber policies cover a variety of expenses associated with data breaches, including:

- the costs of recovering comprised data and notifying affected customers;
- credit/identity monitoring;
- costs to defend claims by regulators;
- fines and penalties that arise from regulatory actions.

### *3 Claims Scenarios Covered by Cyber Policies*

#### **1. Identity theft.**

Where sensitive information is stolen by a hacker or inadvertently disclosed, including such Social Security numbers, credit card numbers, employee identification numbers, drivers' license numbers, birth dates and PIN numbers.

**2. Hacks.** We're talking about the introduction of malware, worms and other malicious computer code that can bring your computer systems to a grinding halt.

#### **3. Human error.**

Sometimes, it's your own employees who inadvertently create the problem. Think of an email from an employee to unintended recipients containing sensitive business information or personal identifying information.



## Coverages

### Loss of Digital Assets

Loss resulting from damage to or corruption of your electronic data and computer programs.

### Non-Physical Business Interruption and Extra Expense

Income reimbursement during the period of restoration of the insured's computer system.

### Security Event Costs

Customer notification, regulatory fines and penalties, and public relations expenses.

### Cyber Extortion Threat

Reimbursement for extortion expenses resulting directly from a credible threat to your computer system.

### Cyber Terrorism

Reimbursement for income loss, interruption, and special expenses directly as a result of an interruption or failure of the insured's computer system caused by an act of terrorism.

## A word of caution

Cyber policies are sold under a number of different names, including "cyber risk," "information security," "privacy," and "media liability" coverage. Unlike other types of insurance, there is no standard form on which the insurance industry as a whole underwrites cyber coverage. Be sure your policy includes defense from the earliest stages of an investigation.

**In today's ever-changing risk environment, CCIG is the one constant.**

When you think insurance ...

# Think **CCIG**

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## About CCIG

Based in Greenwood Village, Colo., CCIG was founded in 1985 and has grown into one of Colorado's leading insurance brokerages. We provide Commercial Property and Casualty, Employee Benefits, Bonding, Risk Management, Loss Control and Personal Lines services. Our clients include publicly traded global companies and local family-held businesses that turn to us for uniquely tailored, cost-effective solutions that address their various exposures to risk. CCIG has been repeatedly recognized by the Independent Insurance Agents and Brokers of America as a prestigious "Best Practices" Insurance Broker and was awarded the honor again in 2016.