



LOCKTON[®]

Broking done *differently*

Cyber Risk- NEPIC

27th March 2019



The 2 Fundamental Questions Every Company Should Answer

1

“Does the company have data that could be breached or computer systems that could be attacked?”

2

“Would a breach or attack have a material financial impact on the company?”

The 2 Fundamental Questions Every Company Should Answer

If the answers are “Yes”, . . .

1

“Does the company have data that could be breached or computer systems that could be attacked?”

CYBER RISK!

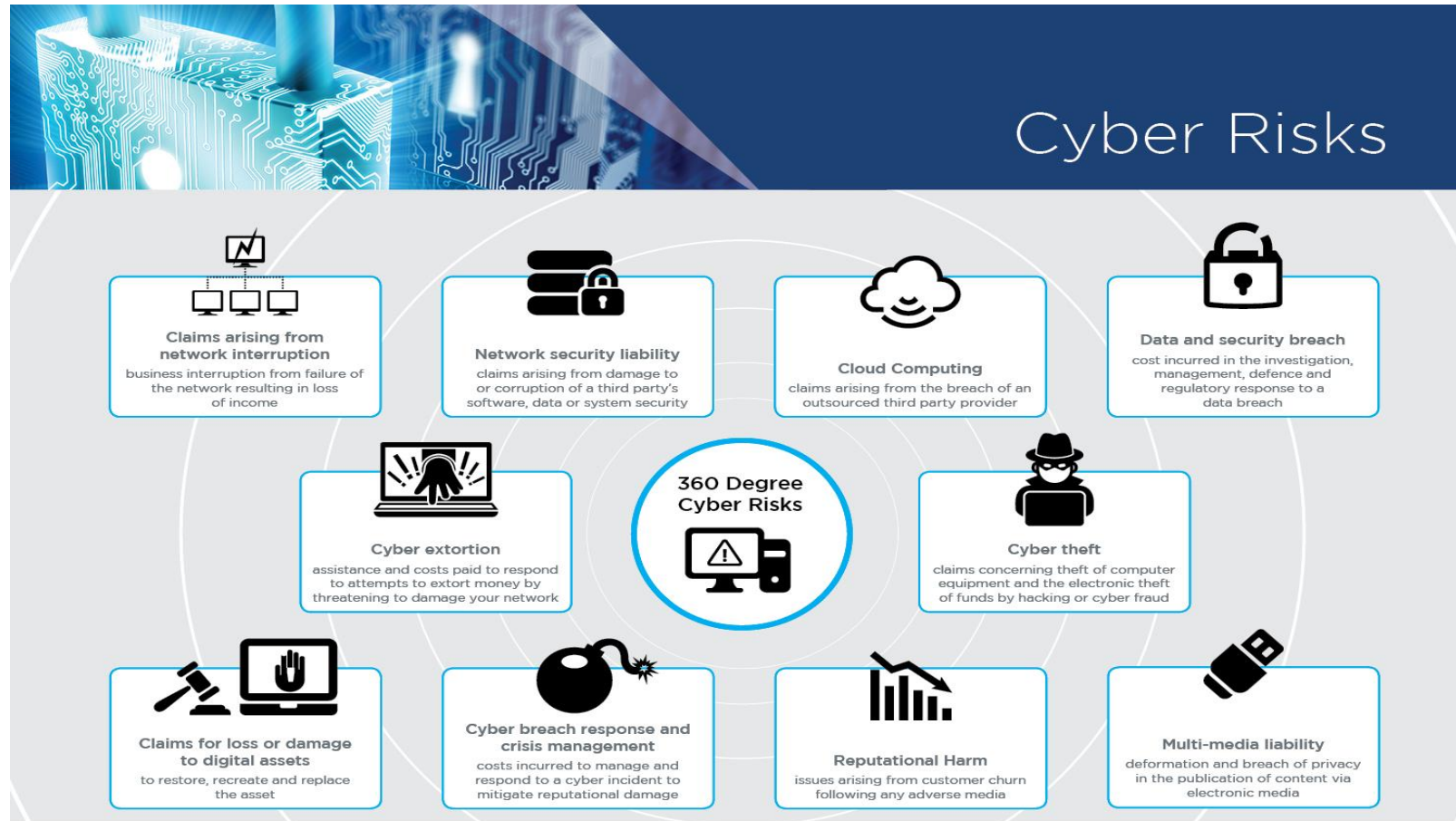
2

“Would a breach or attack have a material financial impact on the company?”

CYBER RISK

Cyber risk' means any risk of financial loss, disruption or damage to the reputation of an organisation from some sort of failure of its information technology systems.

What is Cyber Risk?



Lockton Companies LLP. Authorised and regulated by the Financial Conduct Authority. A Lloyd's broker. Registered in England & Wales at The St Botolph Building, 138 Houndsditch, London, EC3A 7AG. Company No. OC353198. lockton.com



Cyber as a Peril



Key:

- Covered by a traditional Cyber policy and potentially covered by a Property policy
- Covered by a traditional Cyber policy
- Covered by an Enhanced Crime policy
- Potentially covered by a Cyber Buyback or within a traditional P&C program
- Uninsurable under current market conditions

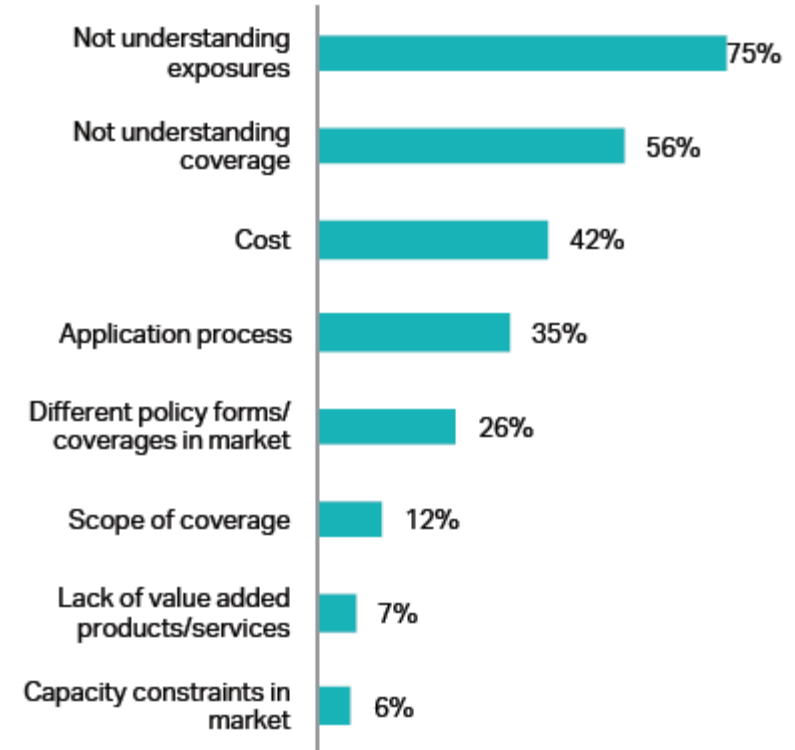
Claims Stats

- 2017 saw the rise of significant business interruption event caused by Malware.
- Majority of attacks are still financially motivated.
- Attacks are not always targeted, you don't need to be a global brand to be a victim.
- Ransomware attacks are growing at more than 350% annually, a business falls victim to an attack every 14 seconds.
(source Varonis)
- 2017 brought a 29% increase in detected vulnerabilities on Industrial Control Systems. (source Varonis)
- 61% of attack victims in 2017 were business with under 1000 employees. (source Varonis)
- Internet of things attacks up 600% in 2017. (source Varonis)
- 71% of attackers use Phishing emails as the initial vector of attack. (source Varonis)
- Marriott hotels – 100 Million customers information breached
- Morrisons – 100,000 employees personal information leaked online

Common Objections

- Too expensive
- Too many exclusions
- Doesn't pay out
- IT have it covered
- We don't have any exposure
- We don't understand our exposure
- We have software in place that protects us
- We're already covered under our Property/ PI policy
- We're not a targeted industry/ business
- We outsource our security
- We've never had a cyber breach

Q What are the biggest obstacles to writing cyber insurance policies? (select up to 3)



Background to Lockton

- Lockton, world's largest privately owned insurance brokers
- Revenues approach \$2 billion.
- Sector experience with North East clients such as Faltec Europe, PD Ports, Esh Construction, Chemoxy International, Exwold and Northumbria University.
- Services for NEPIC delivered from our office in Newcastle Upon Tyne
- Specialised Cyber team with over 30 members of staff



Areas we can Assist

Insurance

- Cyber
- Public Liability
- Employers Liability
- Overseas
- Property
- Business Interruption
- Motor Fleet

Risk Management

- Risk Assessment
- Health & Safety
- Business Continuity Management
- Property Loss Control

Employee Benefits

- Group Life
- Group Income Protection
- Private Medical Insurance
- Critical Illness / Dental / Travel

Benefits to NEPIC Members

- Guaranteed cost savings
- Enhanced policy coverage giving your business better protection
- Products exclusive to the membership
- Benchmarking of existing cover & pricing
- Market leading expertise in all sectors including Cyber





LOCKTON[®]

Broking done *differently*

Thank you

Should you have any queries you can find me on Lockton stand in concourse

t(0191 2613045) m(07872808405)

colin.donohoe@uk.lockton.com

