

Financial Lines

Cyber Liability for SME



# What is the new Gold?

- Can you trade without your devices
- What if someone knows your secret?
- Are you prepared for the digital economy



# Common Misconception

- Not “online” ≠ no risk
  - Electronic files / records
  - Every business uses a computer or network
- Only big businesses at risk?
  - SME’s are easy targets, they lack security measures of larger businesses
- Simple mistakes
  - Ever left your company phone, memory stick or laptop out at a bar or in a taxi?
- Unanticipated breaches
  - Did you know photocopiers contain a chip that records scanned and printed data?

# Data protection legislation

- Singapore Personal Data Protection Act 2012 (PDPA), fine up to S\$1m
- Mandatory notification in Taiwan, Thailand, Korea and Philippines
- No mandatory notification laws in Singapore, but requiring businesses to notify a data breach or loss to:
  - local privacy authority
  - affected individuals
- There are requirements to respond to complaints and maintain the security of personal data



# GDPR

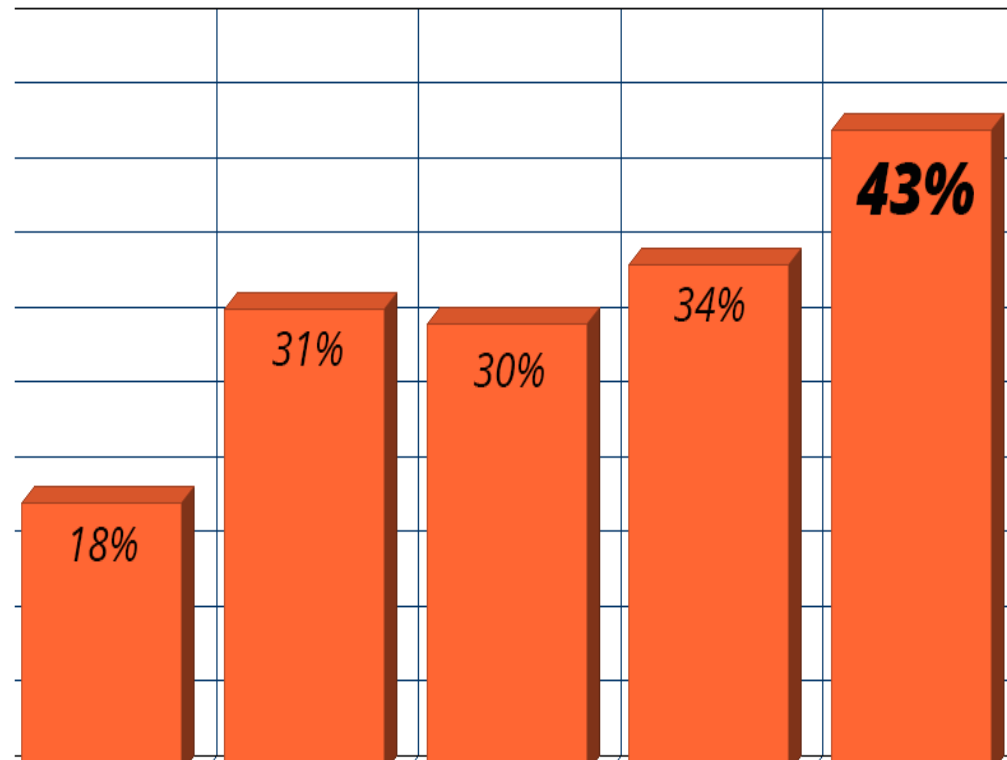


- Came in force 25 May 2018
- Applies to any business worldwide who captures, stores or processes the personal data of EU residents to comply with the regulations.
- This also include SME!
- Company can be fined up to EUR20m (SGD30m) or 4 per cent of an organisation's global turnover

# Facts

## 43% of Cyber Attacks Target Small Business

Dramatic Increase Seen Since 2011



# Real life examples



**1.5m patient information breached**



**MINISTRY OF HEALTH  
SINGAPORE**

**14,200 people with HIV leaked**



**9.4m customer information  
breached**

# Does it happen to smaller entities?



**Singapore Taekwondo Federation  
fined \$30,000**



**Swensen's Kids club website  
revealed children's name and  
birthdate**



**Xinmin Secondary School  
students NRIC number leaked**



**HENRY PARK PRIMARY SCHOOL**

**Henry Park Primary School  
exposed 1,900 students personal  
data**





# Facts

- Motivation behind attacks:
  - Cyber crime
  - Hacktivism (e.g. Legion)
  - Cyber war
  - Cyber espionage
- Main Industry Targets:
  - Industries
  - Government
  - Education
  - News Agencies
- Many employees handle data on a daily basis



**BREACHED!**  
What are the costs?

Detection

Notification

Legal

Remediation

Revenue

# Cyber policy, What is covered?



**First party**

**Third party**

**Business  
Interruption**

## What's Covered? – First Party Costs

- First party costs – reimburse the insured for the costs, including:
  - Credit Monitoring Costs
  - Cyber Extortion Costs
  - Data Restoration Costs
  - Forensic Consultant Costs
  - Notification Costs
  - Public Relations Costs
  - Legal Representation Expenses
- Common claim - your systems are hacked, client credit card data is stolen. We will pay:
  - Reimbursement of ransom payment to a hacker
  - Costs to notify all affected clients, and monitor their credit cards
  - Costs to repair your systems

## What's Covered? – Third Party Claims

- Third party claims :
  - Claims for compensation
  - Investigation
  - Fines and penalties
  - Defence costs
  - Legal representation costs
- Common claim – losing your iPad containing confidential client information:
  - The client sues you for breach of privacy
  - An investigation may be launched by the Department of Personal Data Protection

## What's Covered? – Business Interruption

- Business interruption:
  - Reimbursement for the insured's loss of net profits
  - Necessary expenses to maintain business operations
- Common claim - online retailers systems are hacked and the business is unable to trade. We will cover:
  - Lost net profits from the interruption
  - Additional expenses such as additional call centre staff to handle telephone enquiries from clients trying to buy online

## Cyber Liability and Data Protection - What's NOT Covered?

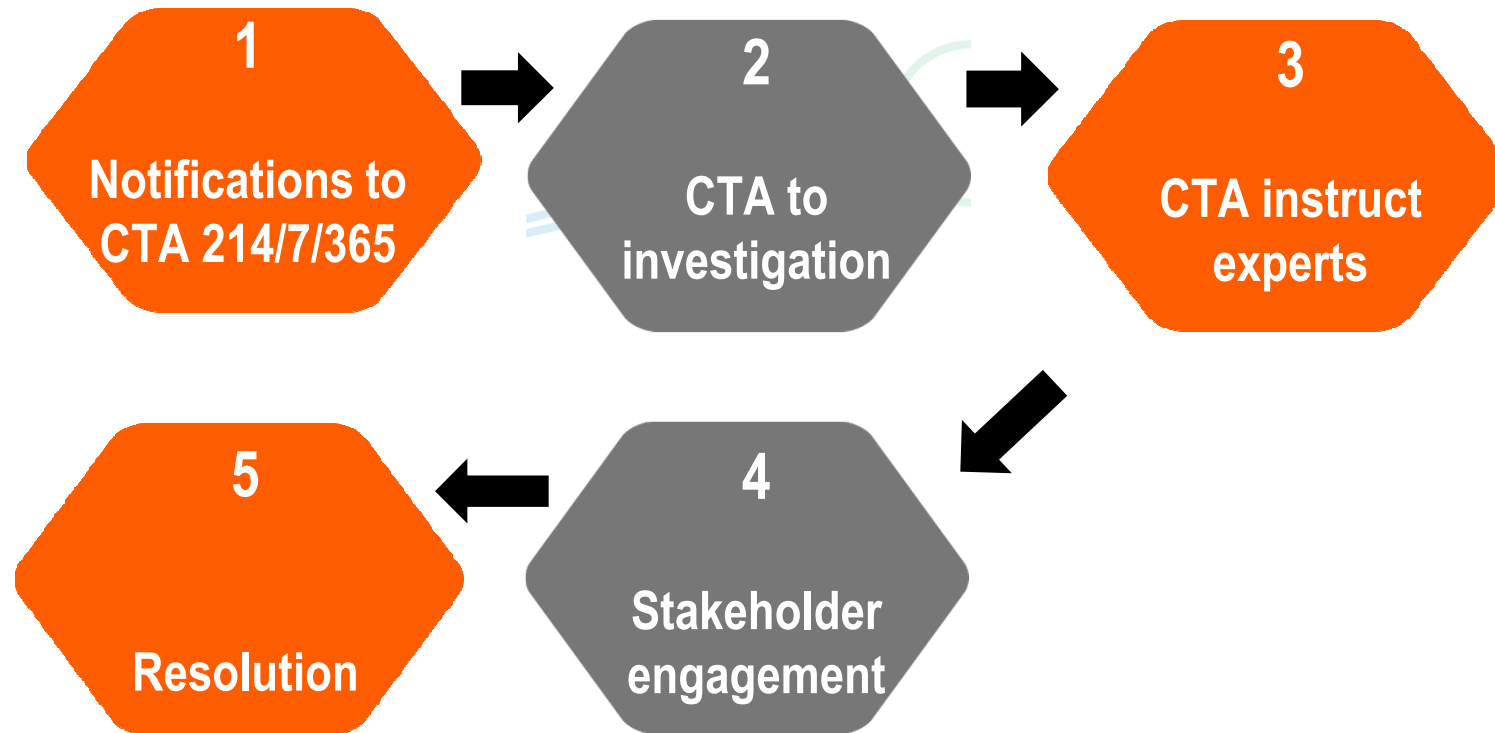
- Bodily injury – unless mental anguish/mental injury as a result of data liability event, media liability event, business interruption event or network security event
- Property damage
- Deliberate act by the insured – cover is provided in respect of unauthorised access by employees
- Upgrade or improvement of application, system or network of the insured
- Failure or outage in or disruption of power, utility services, satellites or telecommunications external services not under the direct operational control of the insured.

## Claims: Charles Taylor Adjusting (CTA)

- Breach response and claims investigations
- Offices throughout Asia (Malaysia, Singapore, HK, Japan, Korea, Philippines, Indonesia, Taiwan)
- End to end solution:
  - Project management
  - IT forensic
  - Legal
  - Data subject services
  - PR
  - Forensic accounts
  - Stakeholder engagement



## First 48 hours Critical



## Underwriting

- Appetite
  - Broad appetite by Industry
  - Up to SGD\$10M limits
  - Target limits SGD\$500k to \$2m
- Decline
  - Adult Entertainment Industry
  - Virtual Currency Exchange
  - Virtual Currency Miner
  - Payment processing
  - Utilities and Telecommunications
- Offer:
  - Bolt on to existing DUAL policies – limited coverage, set price
  - Pre-priced SME (tick a box option) – full coverage, set price
  - Underwritten open market – full coverage, underwritten individually

# Cyber Offer (Pre-rated)

**OPTIONS & PRICING** (based on past 12 months revenue)

Revenue	\$250,000 Limit	\$500,000 Limit	\$1M Limit	\$2M Limit
Up to \$1M	\$900	\$1,280	\$1,450	\$1,820
\$1M to \$3M	\$1,180	\$1,650	\$1,820	\$2,250
\$3M to \$5M	\$1,450	\$2,100	\$2,350	\$2,950
\$5M to \$10M	\$2,100	\$2,950	\$3,250	\$4,100
\$10M to \$20M	\$2,800	\$4,050	\$4,750	\$5,750
\$20M to \$35M	\$3,700	\$5,000	\$5,750	\$7,250
\$35M to \$50M	\$4,750	\$6,500	\$7,320	\$9,150

(All figures are in SGD and include GST)

## DEDUCTIBLE

- Waiting Period - 8 hours in respect to Business Interruption

Revenue	Deductible
Up to \$1M	\$1,000
\$1M to \$3M	\$1,500
\$3M to \$5M	\$2,500
\$5M to \$10M	\$3,750
\$10M to \$20M	\$5,000
\$20M to \$35M	\$7,500
\$35M to \$50M	\$10,000

# Takeaways

Why buy Cyber liability policy

- Data Laws are onerous
- Digital age, data is new Gold
- Small business are vulnerable to cyber attacks

# Questions?

