

**"There are only two types of companies:**  
those that have been hacked,  
and those that will be."

Robert Mueller  
FBI Director, 2012



## Is Cyber Insurance the Next Big Thing?

2<sup>nd</sup> Digital Payments Summit - May 2016

Nikos Georgopoulos, MBA, cyRM  
Cyber Risks Advisor

*Not If  
but when*

# Contents

- Cromar Insurance Brokers
- Historical Development of Cyber (Re)Insurance
- American Cyber Insurance Market 2014
- Corporate Assets
- Data Breach Costs
- Time from Earliest Evidence of Compromise to Discovery of Compromise
- The Data Protection Landscape - GDPR
- Simplified Overview of a Data Breach
- Cyber Insurance Covers at a glance
- Claims Statistics
- The incident that would have the greatest impact on a company's reputation
- The Aftermath of a Mega Data Breach: Consumer Sentiment
- What could be done to prevent you from discontinuing your relationship?
- CEO & Data Breach
- How do insurers rate cyber risk?
- Cyber Secure Solution
- Beazley Global Breach Solution
- Cyber Privacy Risks Advisors
- [www.privacyrisksadvisors.com](http://www.privacyrisksadvisors.com) , [www.cyberinsurancegreece.com](http://www.cyberinsurancegreece.com), [www.cyberinsurancequote.gr](http://www.cyberinsurancequote.gr)
- More Information

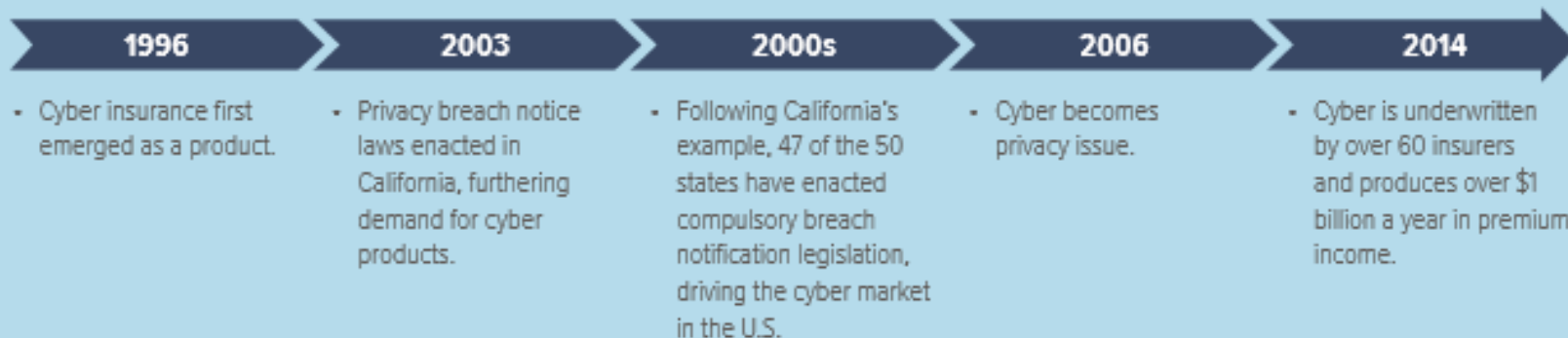
# Cromar Insurance Brokers



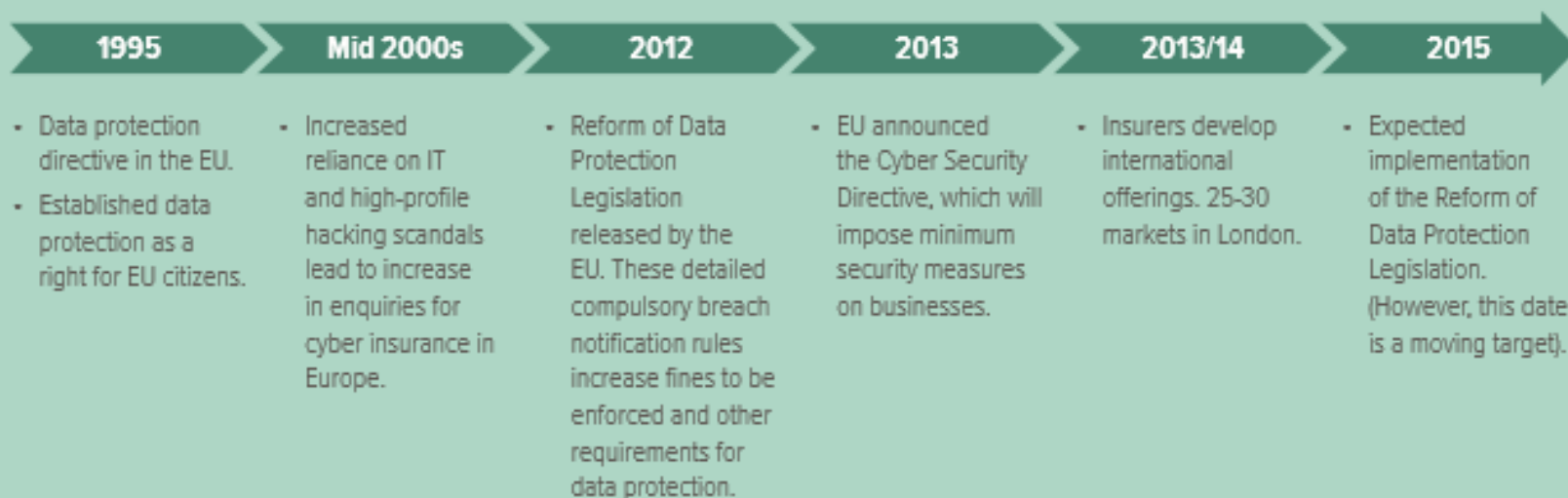
- With an established presence of more than 65 years of experience in the International, British and Greek Insurance markets.
- We are International Insurance and Reinsurance Brokers. We place risks with a carefully selected group of international and domestic insurance companies and make sure all insurers we cooperate with adhere to our demanding security standards.
- Our primary capacity is as a LLOYD'S Coverholder .
- We have been granted binding authorities from three of the leading LLOYD'S syndicates as follows: Tokio Marine KILN, BEAZLEY & QBE.

# Historical Development of Cyber (Re)Insurance

## Evolution of the U.S. Product



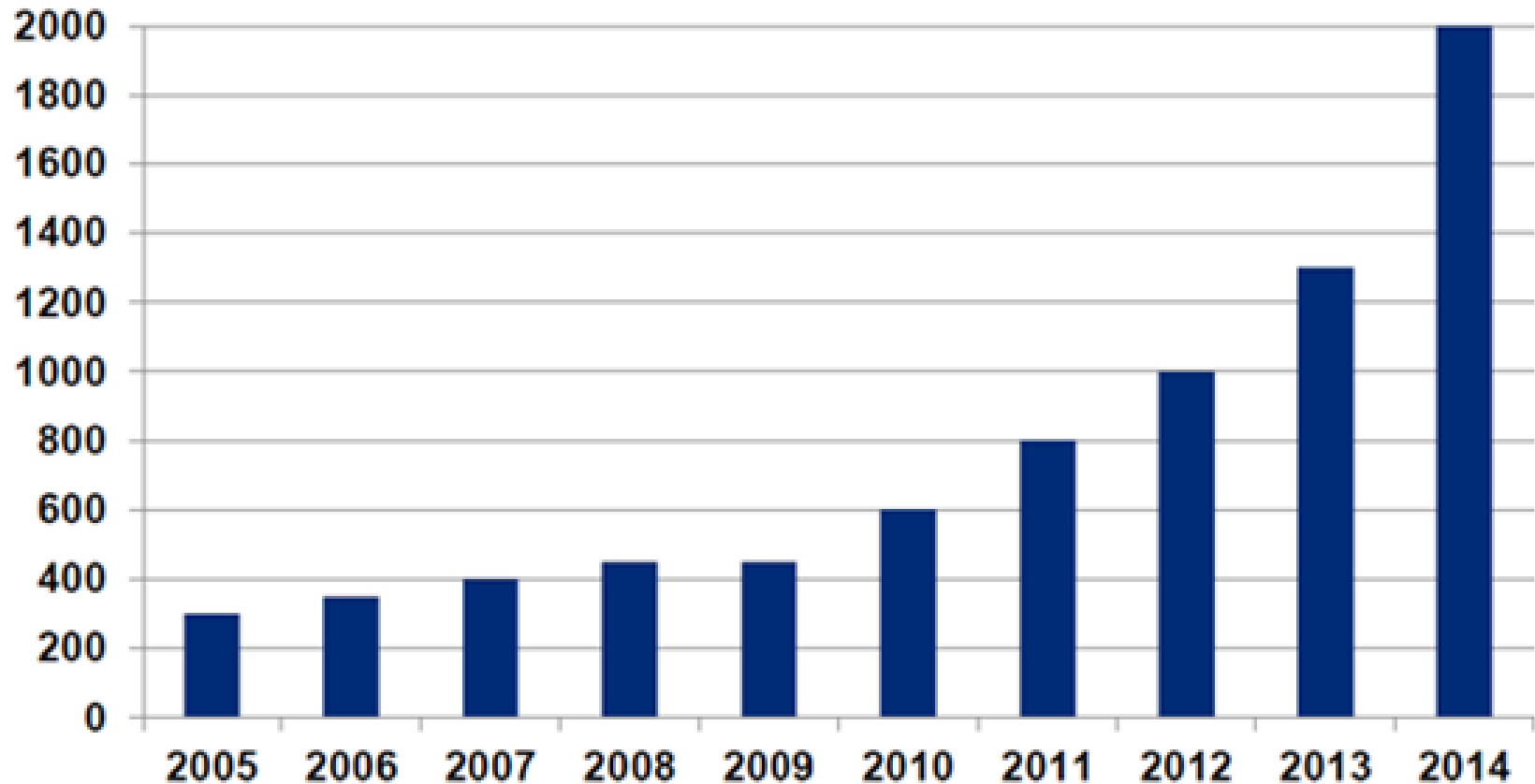
## Evolution of the European Product



Source: *Historical Development of Cyber (Re)Insurance*, GCCapitalIdeas.com, October 23, 2014.

# American Cyber Insurance Market 2014

**The cyber insurance market will triple in size to \$10 billion in annual premiums by 2020 (ABI)**



Source: The Betterley Report, Cyber/Privacy insurance market survey reports

# Corporate Assets



Personally Identifiable  
Information (PII)



Hardware



Protected Health  
Information (PHI)



Company Websites  
and Social Media



Confidential Corporate  
Information



Reputation

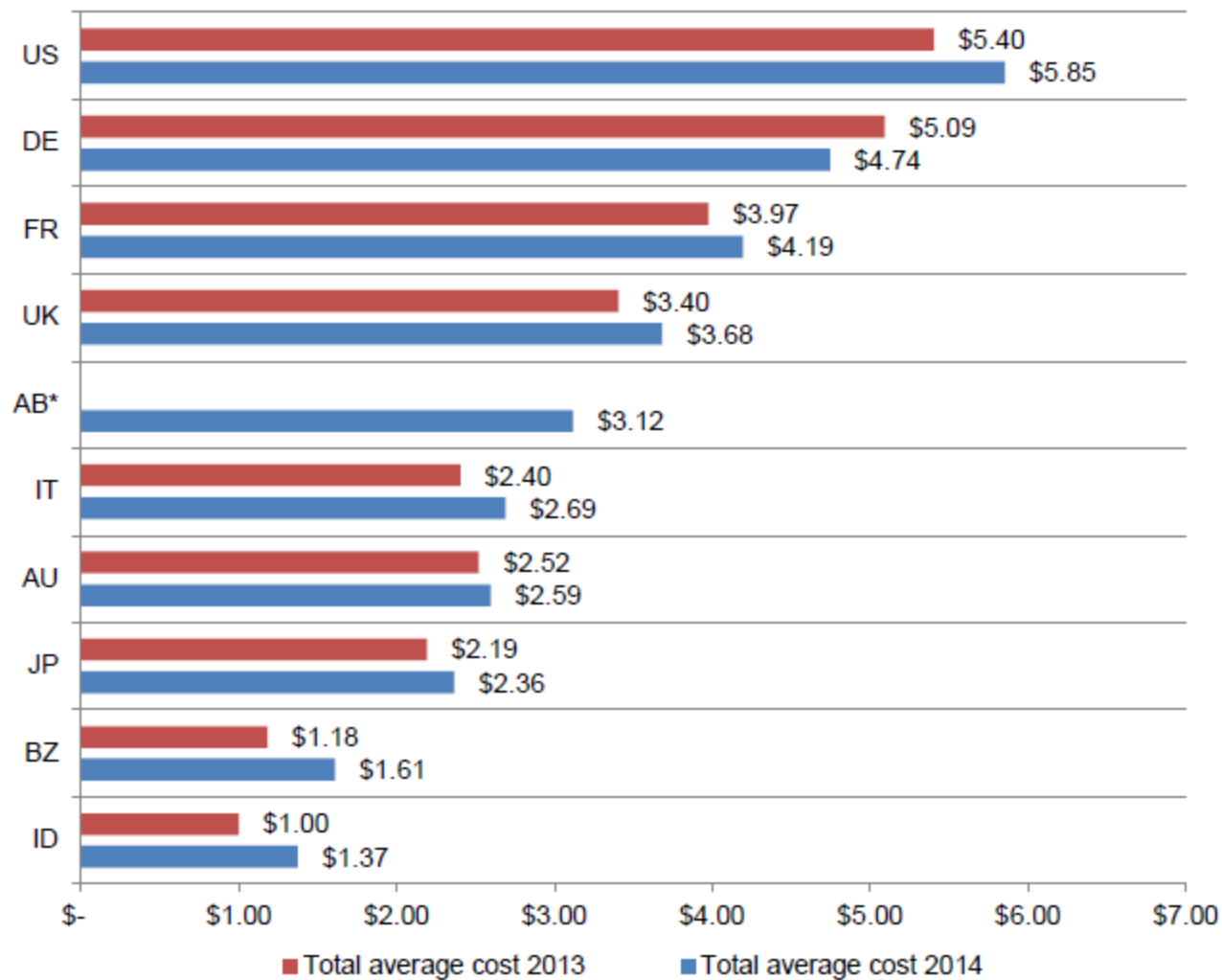


Software  
and Systems



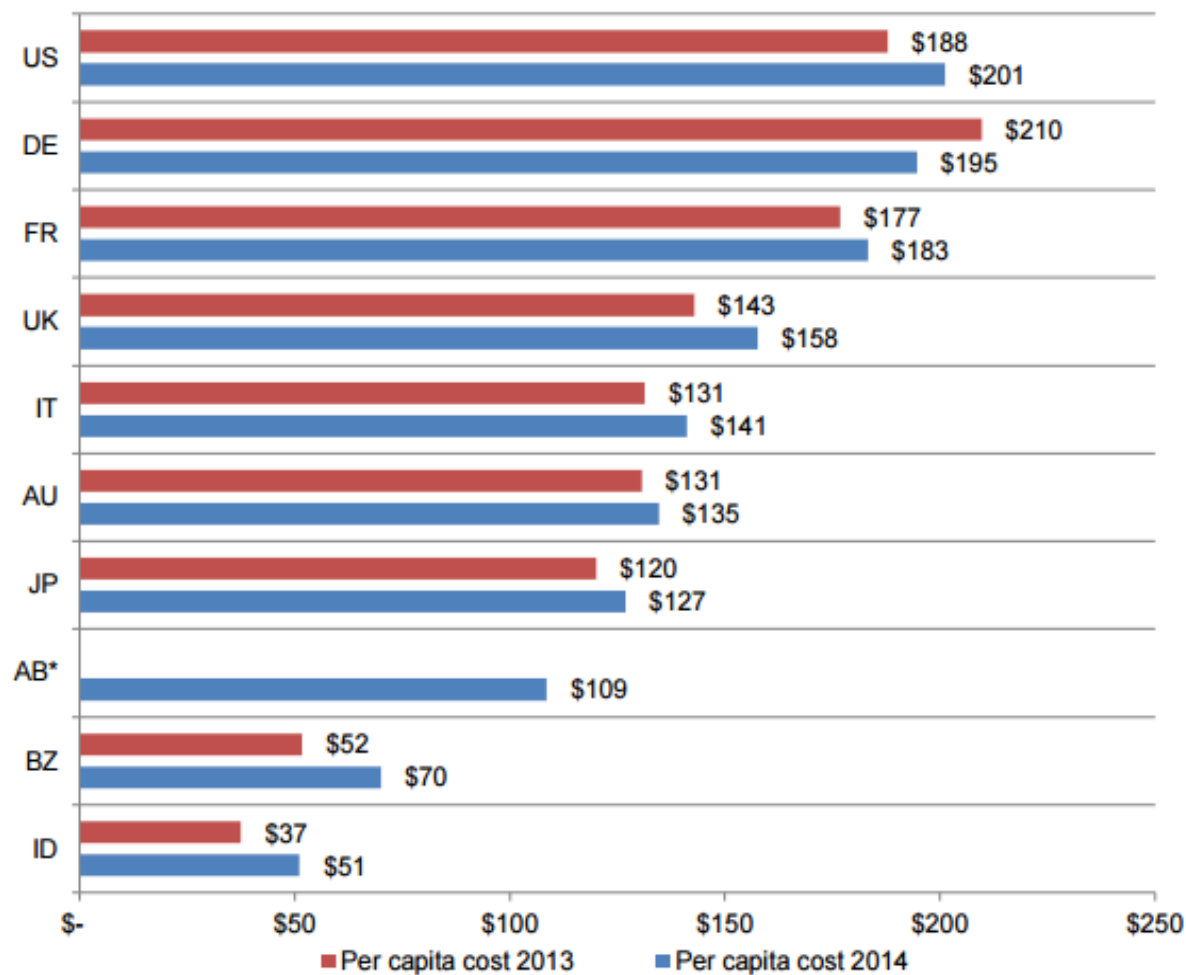
Data Held Elsewhere

# The Average Total Organizational Cost of Data Breach



Ponemon Institute στο Report "2014 – Cost of Data Breach Study Global"

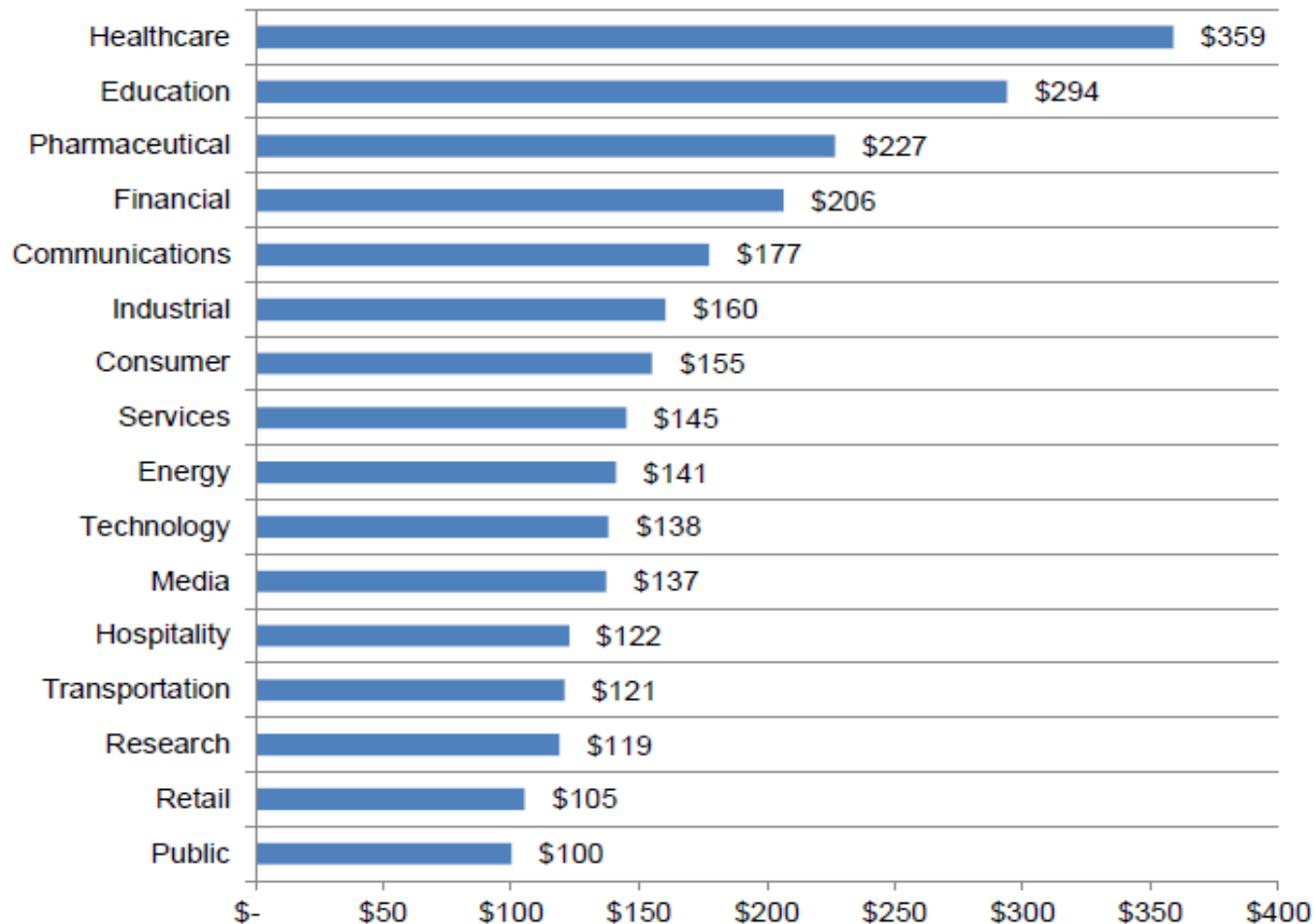
# The Average per Capita Cost of Data Breach



Ponemon Institute στο Report "2014 – Cost of Data Breach Study Global"



# The Average per Capita Cost of Data Breach per Industry



2014 – Cost of Data Breach Study global – Ponemon Institute Research Report

Ponemon  
INSTITUTE

# Time from Earliest Evidence of Compromise to Discovery of Compromise

## Time from Earliest Evidence of Compromise to Discovery of Compromise

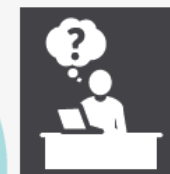
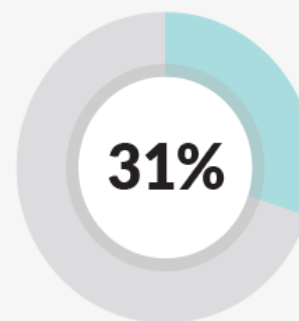


median number of days that threat groups were present on a victim's network before detection

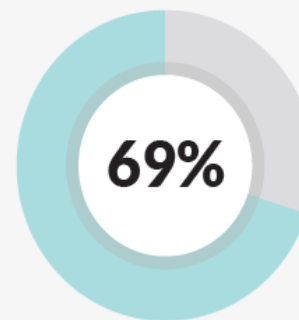
↓ 24 days less than 2013

Longest Presence: 2,982 days

## How Compromises Are Being Detected



victims discovered the breach internally



victims notified by an external entity

Πηγή: M Trends 2015 A View from the Front Lines

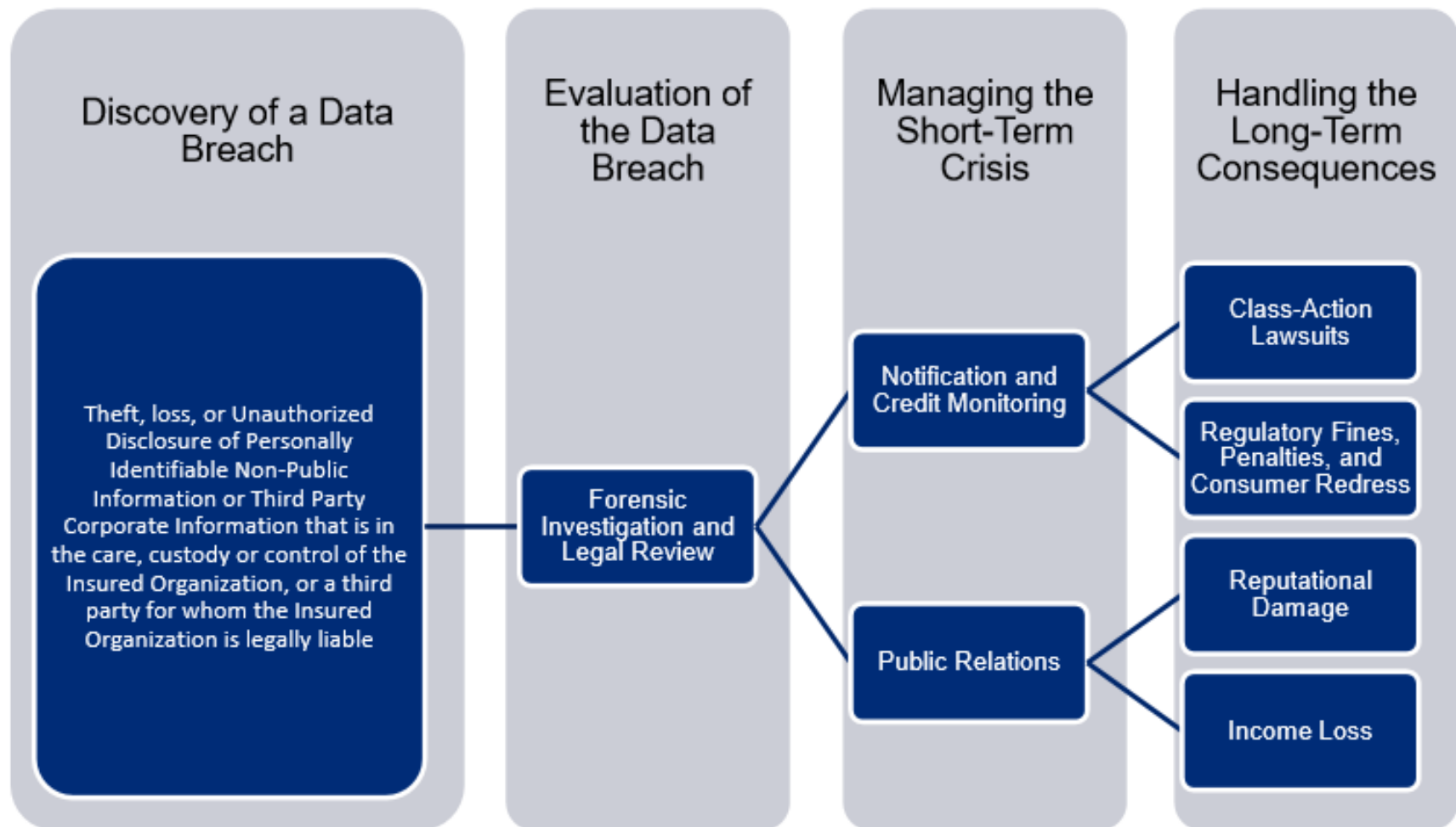
# The Data Protection Landscape - GDPR



## General Data Protection Regulation

- **Fines** - of up to EUR 20m or 4% of annual global turnover for breaches of the rules
- **Breach notification:**
  - **Regulator** - “without undue delay” and where feasible within 72 hours.
  - **Affected Individuals** – only where breaches likely to pose a high risk.
- **Data Protection Officers**
- **Data Privacy Impact Assessments**
  - Focus on Compliance & Risk Management

# Simplified Overview of a Data Breach



# Cyber Insurance Covers

## CYBER INSURANCE COVERS:



**LIABILITY**



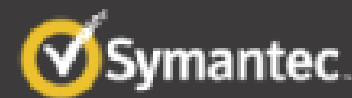
**EVENT  
RESPONSE**



**BUSINESS  
INTERRUPTION**



**CYBER  
EXTORTION**



# Insurance Covers at a Glance

## First Party Coverage

- **Crisis Management & Identity Theft Response:** Expenses for communications to notify affected customers, provide credit monitoring or identity theft services, conduct forensic investigations, and for expenses incurred in retaining a crisis management or public relations firm for the purpose of protecting/ restoring the organization's reputation.
- **Regulatory Defence and Penalties**
- **Cyber Extortion**
- **Data Asset Protection:** Recovery of your costs and expenses incurred to restore, recreate or regain access to any software or electronic data
- **Network Business Interruption:** Reimbursement for loss of income and/or extra expense resulting from an interruption or suspension of systems.

# PCI Fines & Costs

- **PCI Forensic Investigator** in order to comply with the terms of a **Merchant Services Agreement** to investigate the existence and extent of an actual or suspected compromise of credit card data
- **Fees charged by a legal representative** to determine the applicability of and actions necessary by the **Insured Organization** to comply with the **Merchant Services Agreement**
- **Costs for a Computer Security Expert** to demonstrate the **Insured's** ability to prevent a future electronic data breach as required by a **Merchant Services Agreement (Recertify)**
- **Fines** levied by the Card Associations
- **Card Replacements** and related costs



[Understanding Payment Card Industry Payment video](#)

# Insurance Covers at a Glance

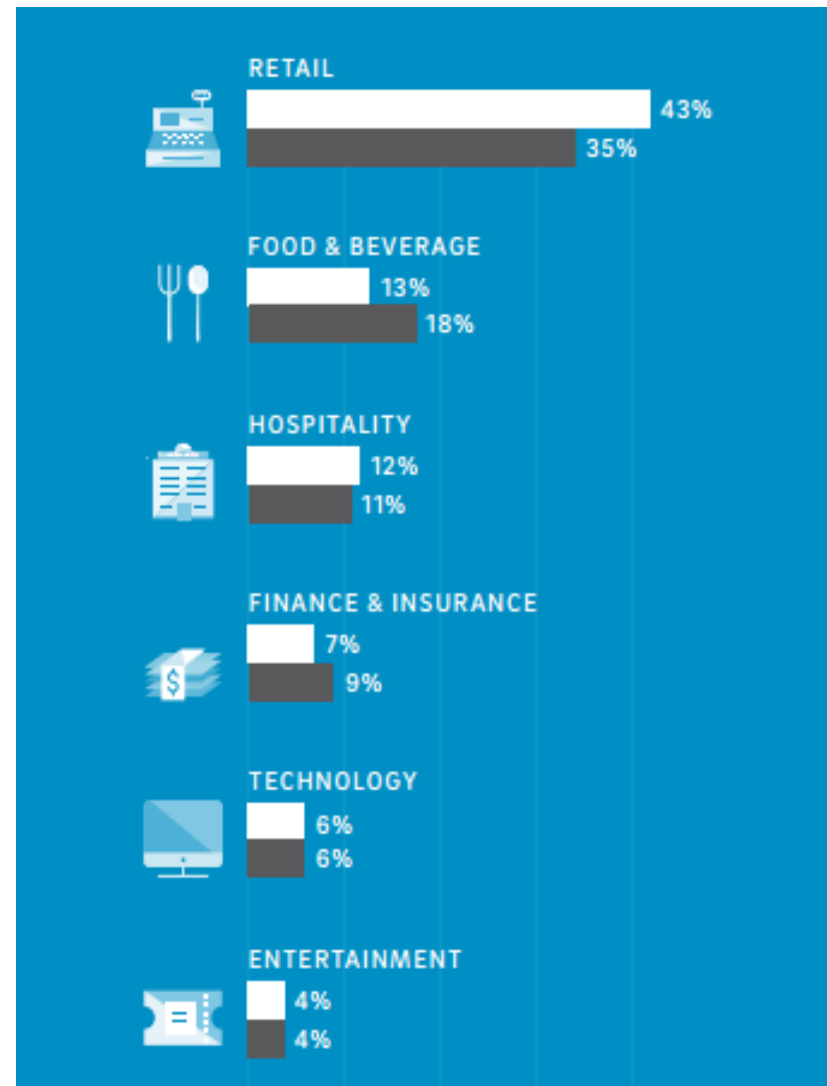
## Third Party Coverage

- **Network Security Liability:** Covers claims from third parties arising from a breach in network security or transmission of malware/viruses to third party computers and systems.
- **Privacy Liability:** Covers claims from third parties as a result of a failure to properly handle, manage, store or otherwise protect personally identifiable information, confidential corporate information, and unintentional violation of privacy regulations.



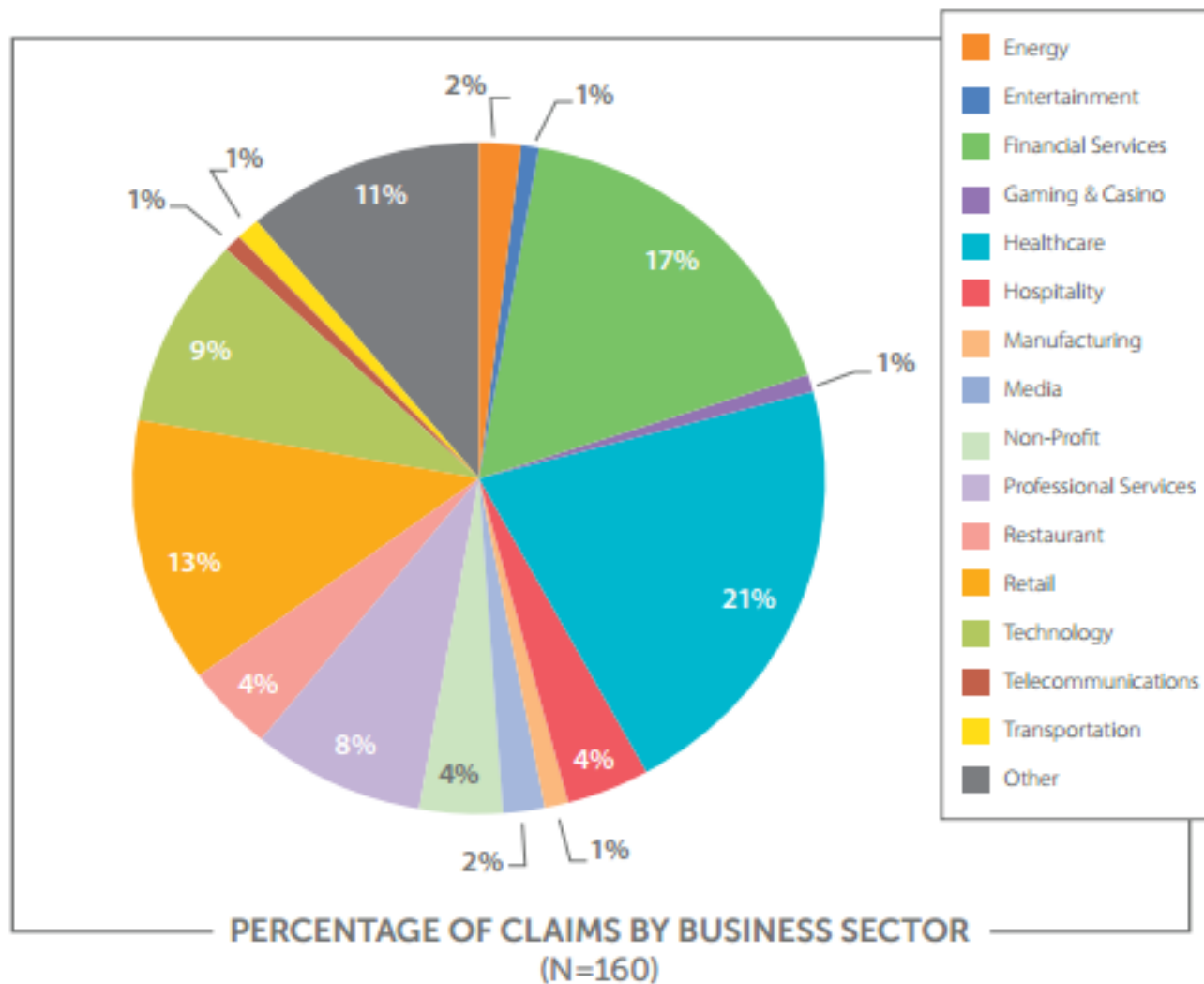
# PCI Insurance - Why card data security is important?

- 574 data compromises investigated by Trustwave\* across 15 countries
- **43% of investigations were in the retail industry**
  - 13% were in the food and beverage industry
  - 12% were in the hospitality industry
- **42% of investigations were of e-commerce breaches and 40% of point of sale (POS) breaches**
- **A data breach can cost over \$100,000 in penalties**



TrustWave: 2015 Global Security Report

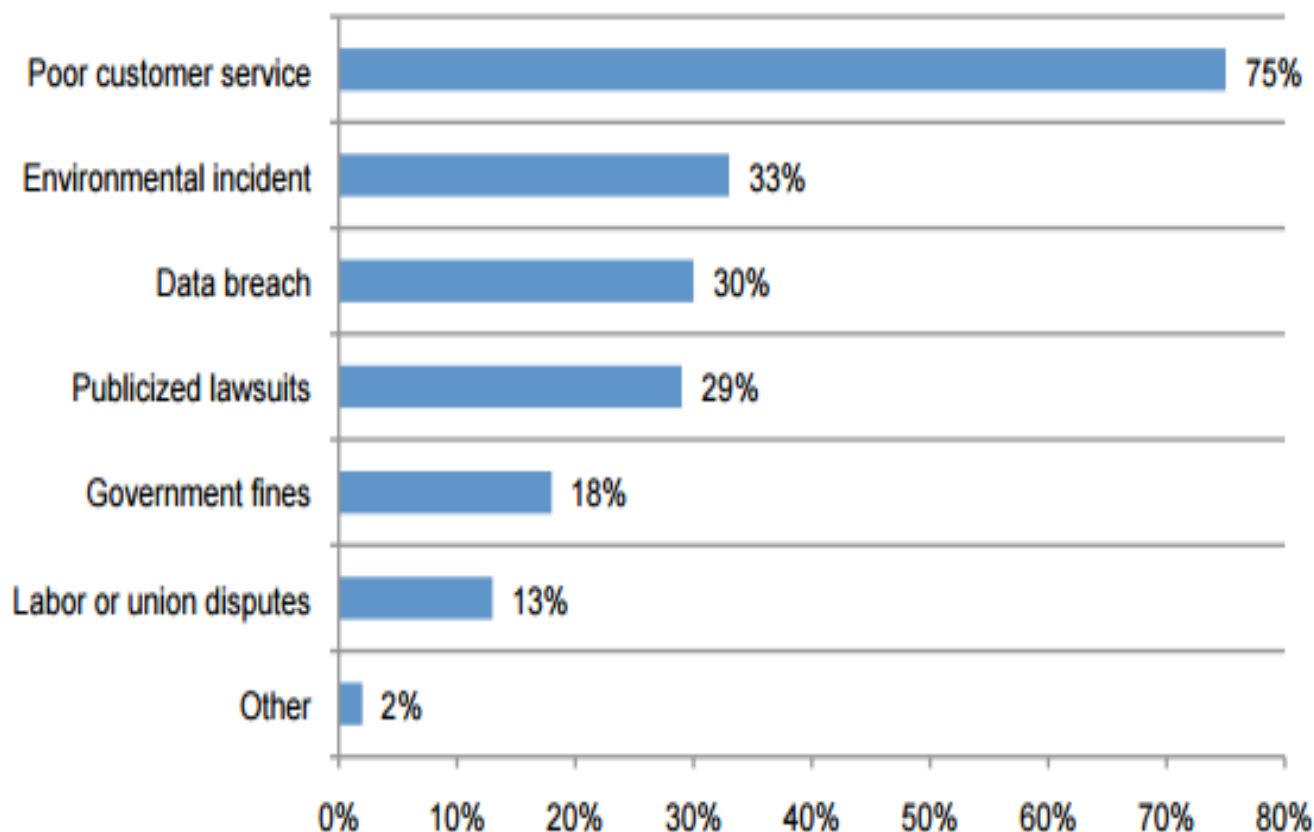
# Claims Allocation by Business Sector



NetDiligence Report 2015 – Cyber Liability and Data Breach Insurance Claims

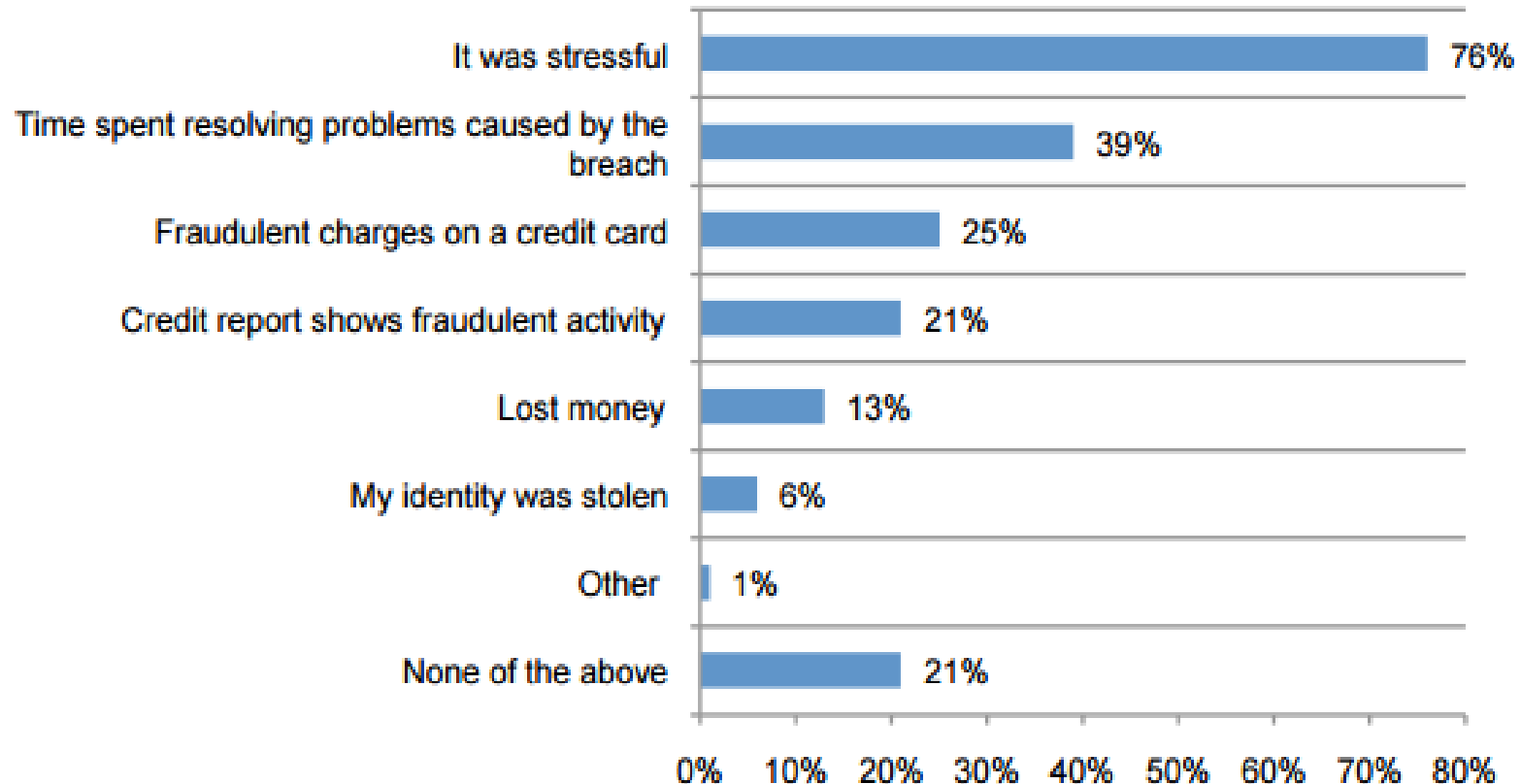
**NetDiligence**

# The incident that would have the greatest impact on a company's reputation



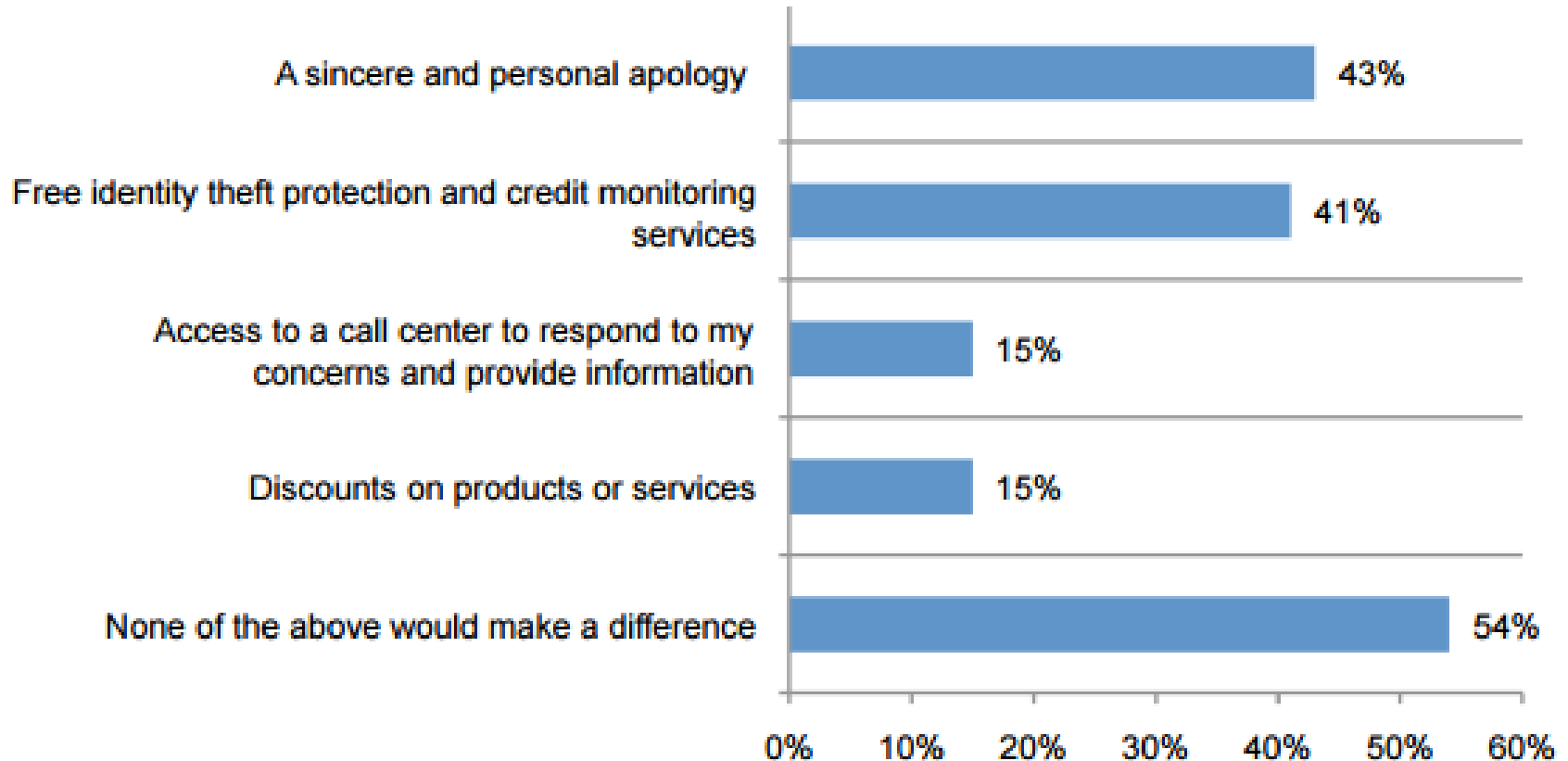
Πηγή: Experian "The Aftermath of a Mega Data Breach: Consumer Sentiment"

# The Aftermath of a Mega Data Breach: Consumer Sentiment



Πηγή: Experian "The Aftermath of a Mega Data Breach: Consumer Sentiment"

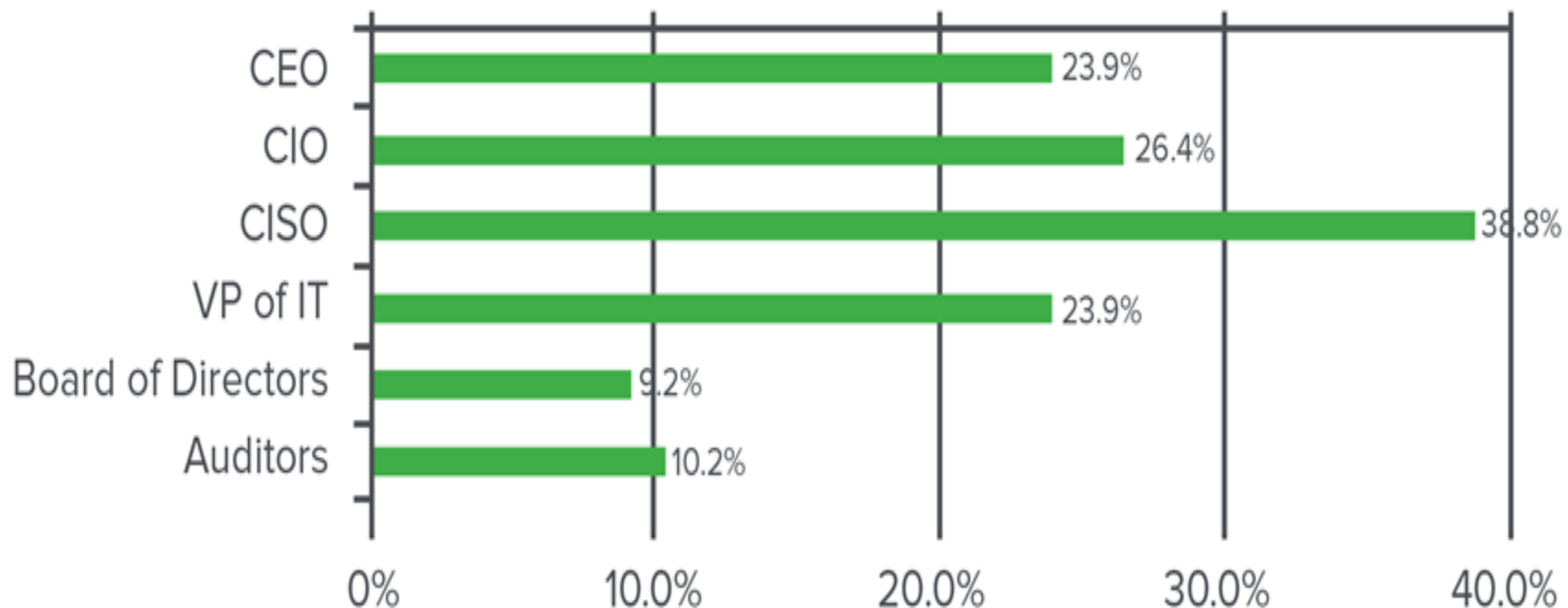
# What could be done to prevent you from discontinuing your relationship?



Πηγή: Experian "The Aftermath of a Mega Data Breach: Consumer Sentiment"

# CEO & Data Breach

Who should take the fall when a company suffers a major data breach?



Source: AlienVault Survey

# How do insurers rate cyber risk?

- **Industry / turnover**
- **Data** – amount and type
- **Reliance on IT network for operations**
- **IT Security, Policies and Procedures**
  - Compliance with regulations (Data Protection Act, Industry PCI, etc)
  - Employee training
  - Firewalls, Encryption..
  - Access controls
- **Readiness to deal with an incident**
- **Cyber risk culture**
- **Claims experience**

# THE WORLD'S SPECIALIST INSURANCE MARKET

A market where our syndicates join together to insure risks

The Lloyd's insurance market estimates that the growing global cyber insurance market will be worth \$85 billion and is positioning itself to be a global hub for coverage.





*Not If  
but when*

**Cyber Secure Solution**



# Beazley Global Breach Solution



**Ratings**

All Beazley's managed syndicates  
(2623/623/3622/3623/6107/6050)  
are covered by the Lloyd's market ratings:

A.M. Best rating	A (Excellent)
Standard & Poor's rating	A+ (Strong)


In addition, Beazley's admitted US carrier  
has an A.M. Best rating:


Beazley Insurance Company, Inc.	A (Excellent)
---------------------------------	---------------


- **Beazley is a pioneer in data breach response insurance and the largest insurer of cyber liability risks in the Lloyd's market.**
- An insurance solution with comprehensive mitigation services for privacy and security risks.
- 3,500+ breaches managed
- 80% of claims spend on service and managing breaches.
- Advisen Award 2015: Beazley Breach Response Team


# Cyber Privacy Risks Advisors

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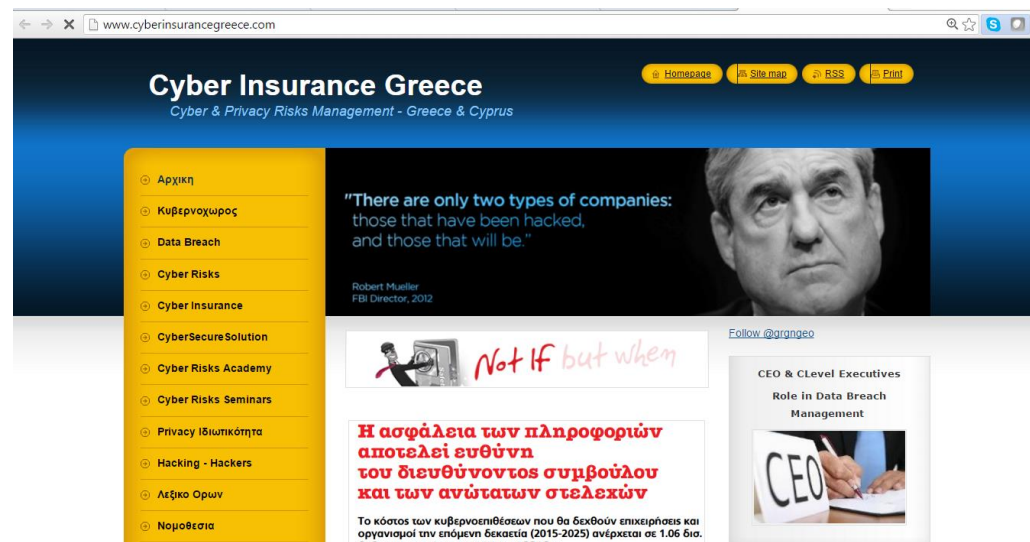
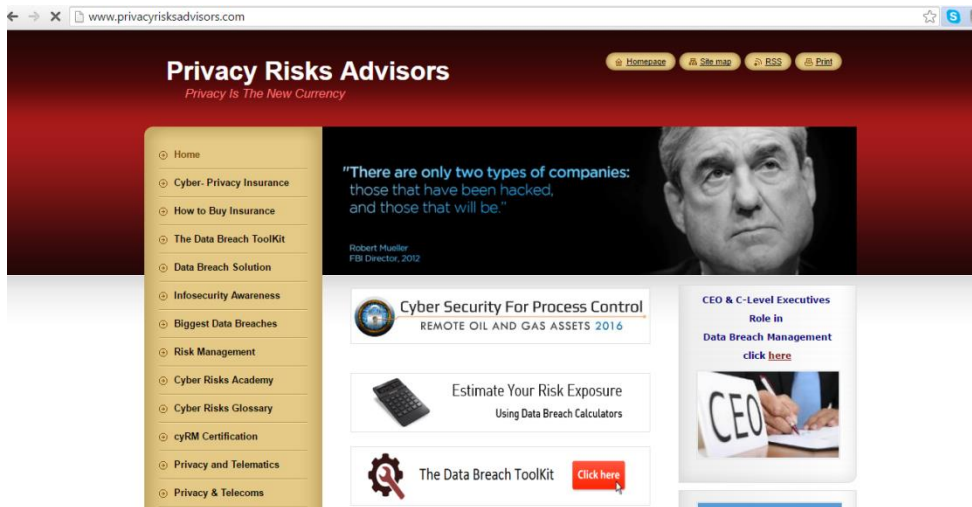
**ABOUT THIS GROUP**

This group discusses issues surrounding Privacy and Data Breach Management. We encourage Information Security, Legal, Compliance, Governance Risk, Crisis Communication Managers and Customer Care Managers to participate by debating the need for regulations and sharing their best practices, solutions and news about upcoming events.

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**Cyber Risks Advisors  
Academy**  
  
[www.privacyrisksadvisors.com](http://www.privacyrisksadvisors.com)

# Portals



[www.cyberinsurncequote.gr](http://www.cyberinsurncequote.gr)

## Cyber Insurance Toolkit

Cyber & Privacy Insurance Quote

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Cyber & Privacy Risks Advisors

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Robert Mueller  
FBI Director, 2012



CYBER RISKS TOOLKIT

- > Γιατί Cyber Insurance
- > Calculators
- > Data Breach
- > Νομοθεσία
- > Μελέτη Ζημιών
- > Ενδεικτικό Κόστος
- > Cyber Risks per Sector

# More Information



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Coverholder at **LLOYD'S**

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<http://www.cromar.gr>



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