



AXIS INSURANCE GROUP

## 6 REASONS WHY YOU NEED CYBER LIABILITY INSURANCE

While cyberattacks on large corporations are becoming ever more common in the news, smaller and medium sized businesses are equally at risk, and are generally less aware of the danger. Here are a few reasons why a cyber insurance policy from Axis Insurance can provide peace of mind in our constantly evolving digital landscape.



### 1. Most standard property insurance policies do not cover data

Data is one of the most important assets of many businesses, usually worth much more than the equipment that stores it. But most businesses do not realise that a standard property policy would not respond if the data is damaged or lost. A cyber insurance policy is able to provide comprehensive coverage for data restoration and rectification in the event of a loss, no matter how the loss occurred, up to the full policy limits.

### 2. System downtime is not covered by a standard business interruption insurance policy

Systems are crucial to operating your day to day business, whether it is electronic point of sales software, or a database of clients. If the system is interrupted by a hack, computer virus, or malicious employee, most business interruption policies will not respond. Cyber insurance can provide cover for loss of profits suffered because of a systems outage that is caused by a “non-physical” peril, like a computer virus or phishing scam.

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### 3. You are liable for loss of third party data

More than ever before, data is accumulated and stored by businesses. Many non-disclosure agreements and commercial contracts contain warranties and indemnities in relation to the security of the data. This can trigger expensive damages claims in the event that the data is exposed. As this becomes more prevalent, consumers are seeking legal redress from businesses who suffer the loss of their data.

### 4. Complying with breach notification law can be costly

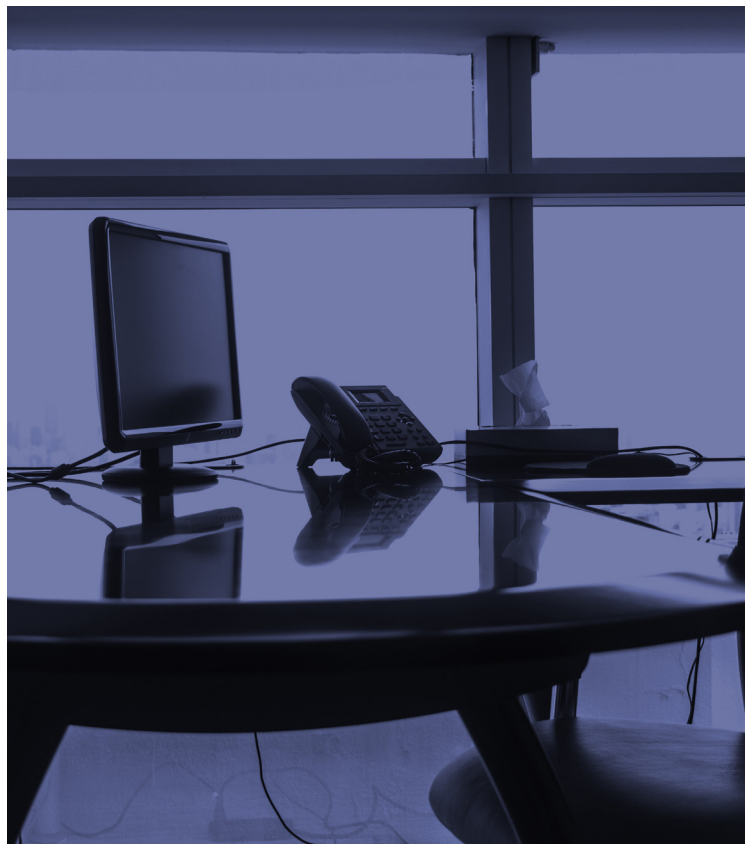
Breach notification law in Canada is regulated by the Personal Information Protection and Electronic Documents Act, or PIPEDA for short. PIPEDA is currently under revision to require any business that suffers a breach to notify any potentially affected individuals (although some provinces already require breach notification). The cost of notifying a relatively small database of 50,000 clients could be more than most businesses realize. A cyber policy can respond to cover those costs.

### 5. Just because big businesses are in the news, doesn't mean small businesses are not targeted

We hear about the cyber attacks on large corporations almost every week. But the threat to small and medium sized businesses is growing. Attacks can potentially target the computer systems of many companies in a single hit, demanding funds to release the code and enable victims to access their data. The top cyber insurance products offer access to a sophisticated team of experts to deal with the potential issue and get your system back up and running as soon as possible. Without this coverage, many insurance companies will waste time trying to find the expertise to help or just pay the extortion amount. Both costs can be significant.

### 6. Humans make mistakes

It's easy to work from anywhere, not just in the office. But that freedom comes with risks. Something as simple as a laptop or thumb drive left in a public place, or connecting to a malicious internet connection in a coffee shop can expose you. And as phishing scams become more sophisticated, even digitally literate employees could be fooled. Cyber insurance is there to cover costs associated with human errors like these as well.



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