UK Cyber Claims:
Year in Review

CFC Underwriting Ltd. for BIBA

May 2020

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Learning Objectives

By attending this event, delegates should be able to:

- Understand why Cyber claims have become so prevalent in the UK

- Identify the three key areas of cyber exposures for companies

- Understand how to explain the cyber claims solution a policy can provide
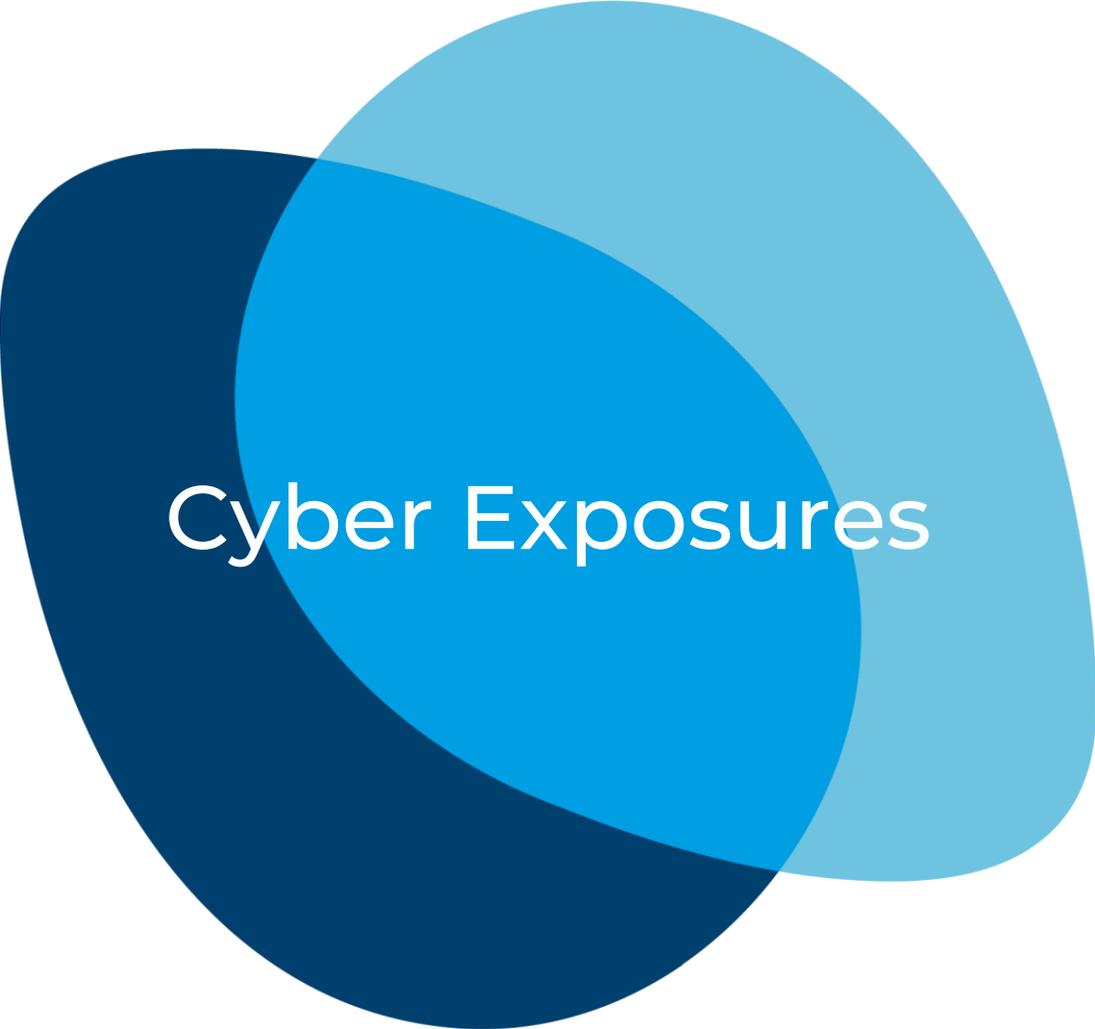
Cyber Exposures

Cyber risk

70% of UK businesses are aware that cyber exposures are a risk

10% of UK businesses currently buy cyber insurance cover

£3.8bn is the estimated size of the global cyber insurance market

80% Proportion of that premium that currently comes from US domiciled businesses

Cases of crime in millions

Year	
2000 / 01	13.0
2001 / 02	12.0
2002 / 03	12.0
2003 / 04	11.0
2004 / 05	10.5
2005 / 06	10.5
2006 / 07	11.0
2007 / 08	10.0
2008 / 09	10.0
2009 / 10	9.5
2010 / 11	9.5
2011 / 12	9.5
2012 / 13	8.5
2013 / 14	7.0
2014 / 15	11.5
2015 / 16	12.0
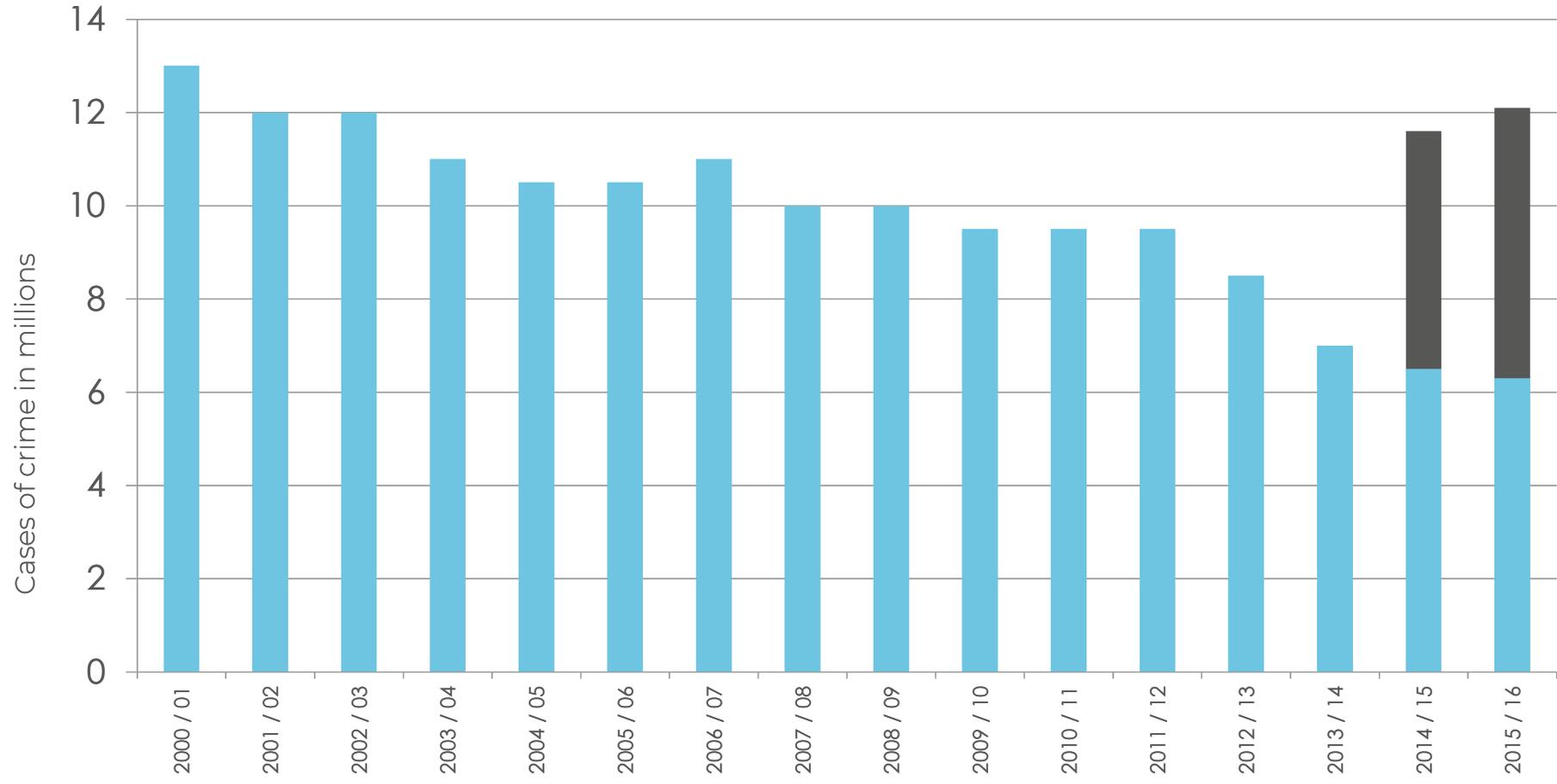
UK Cyber Claims

- Crime has shifted from the physical to the electronic

- Ransomware: clicking on a malicious link that encrypts your files or destroys systems

- Theft of Funds – fake CEO / supplier scams

- 75% of our cyber claims are Crime related
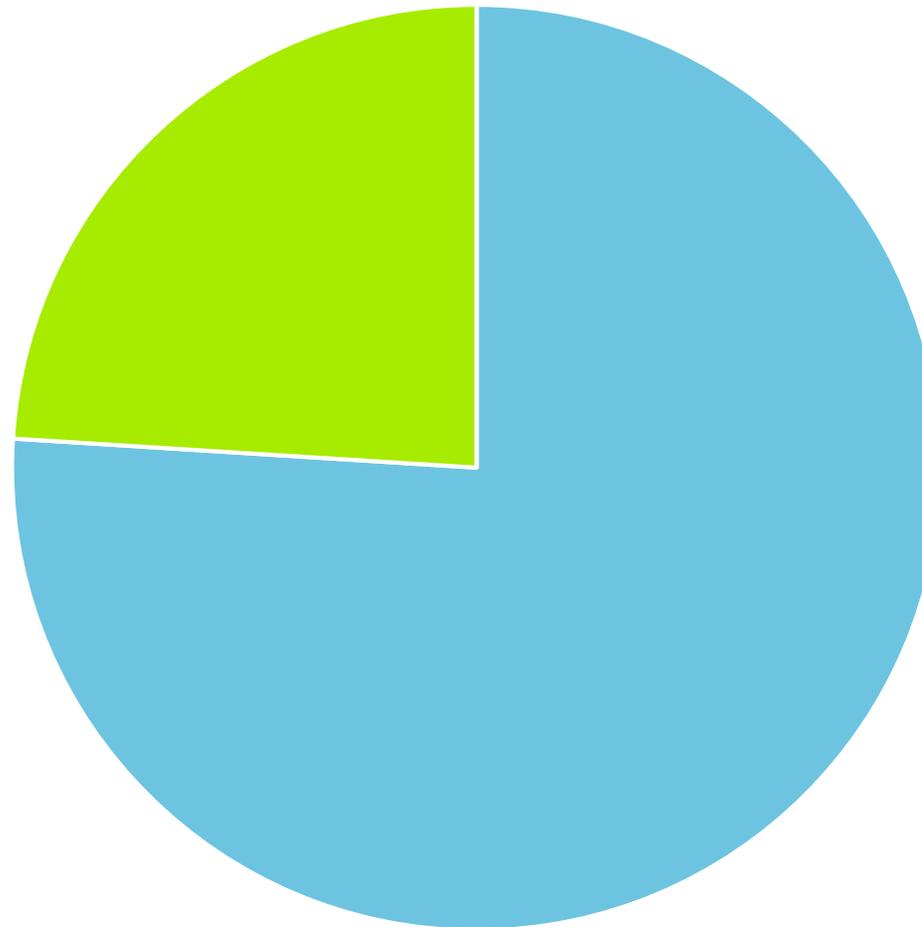
Legend:
- Theft of Funds
- Ransomware
- Data Breach (Other)
- Data Breach (Hack)
- Malware (Other)
- Data Breach (Phishing)
- Cyber Extortion
- DDoS Attack
- Errors & Omissions
- IP Infringement
- Defamation
- Other

First party v. third party claims

96%
First party

4%
Third party
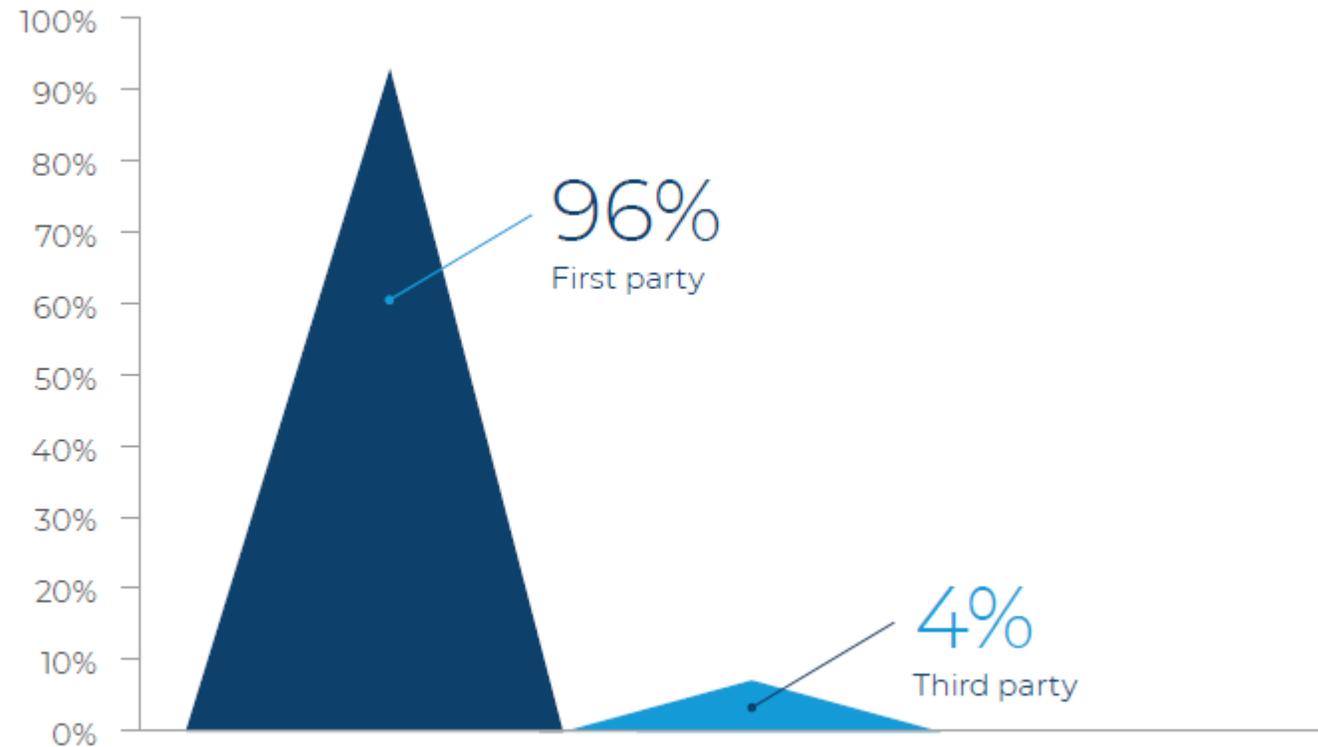
CFC Underwriting cyber claims statistics, 2018

Common objections we hear...

- "I'm too small to be a target"

- "We don't hold any sensitive data"

- "We outsource everything, our IT company tells us they're secure"

- We invest in our IT and have great systems

- I've got coverage in other policies

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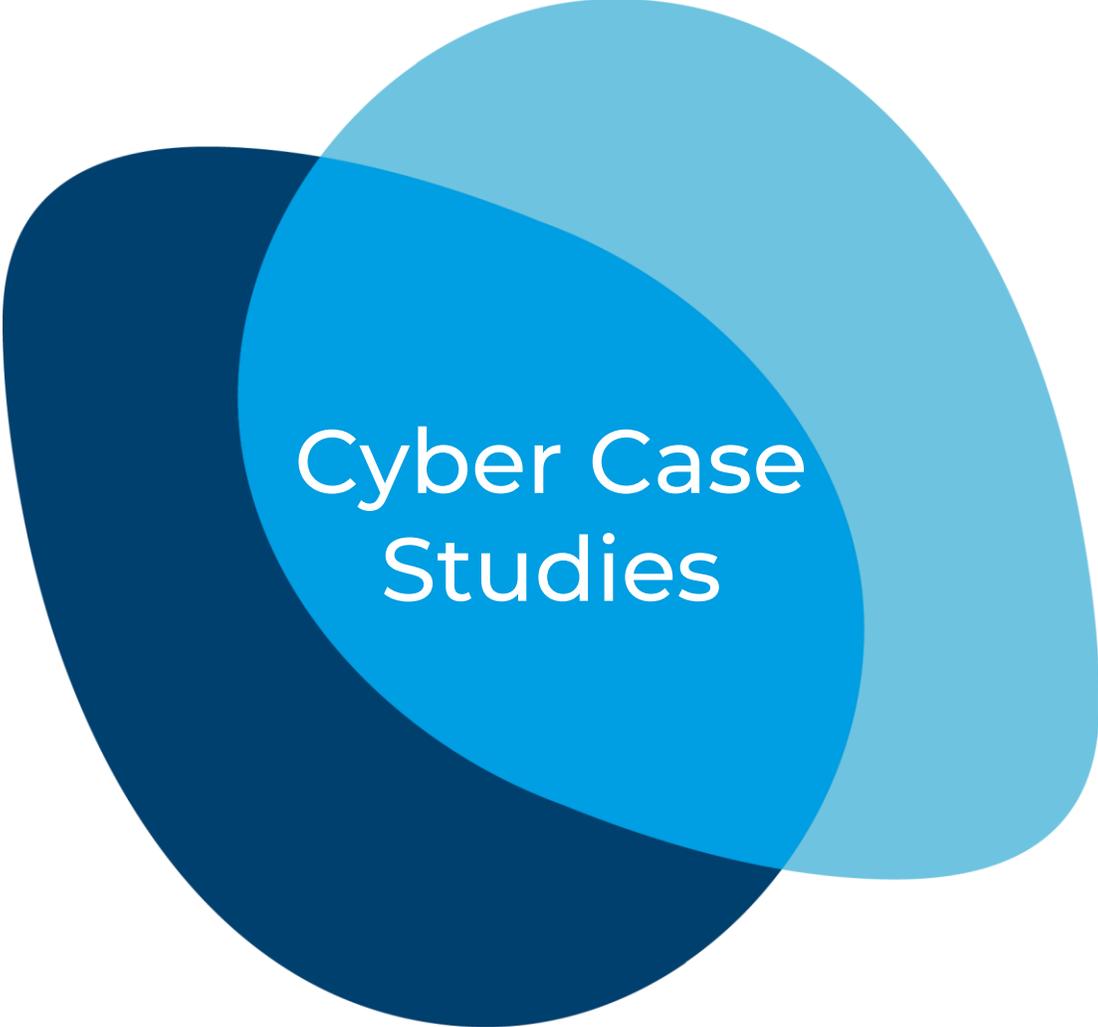
Cyber Case Studies

Case Study:
Damage to Digital Assets

- London based engineering company with 4 employees

- Hit by ransomware, encrypting all digital drawings, designs, prints

- Back-ups had failed for 3 years

- Recreation costs exceeded > £200,000

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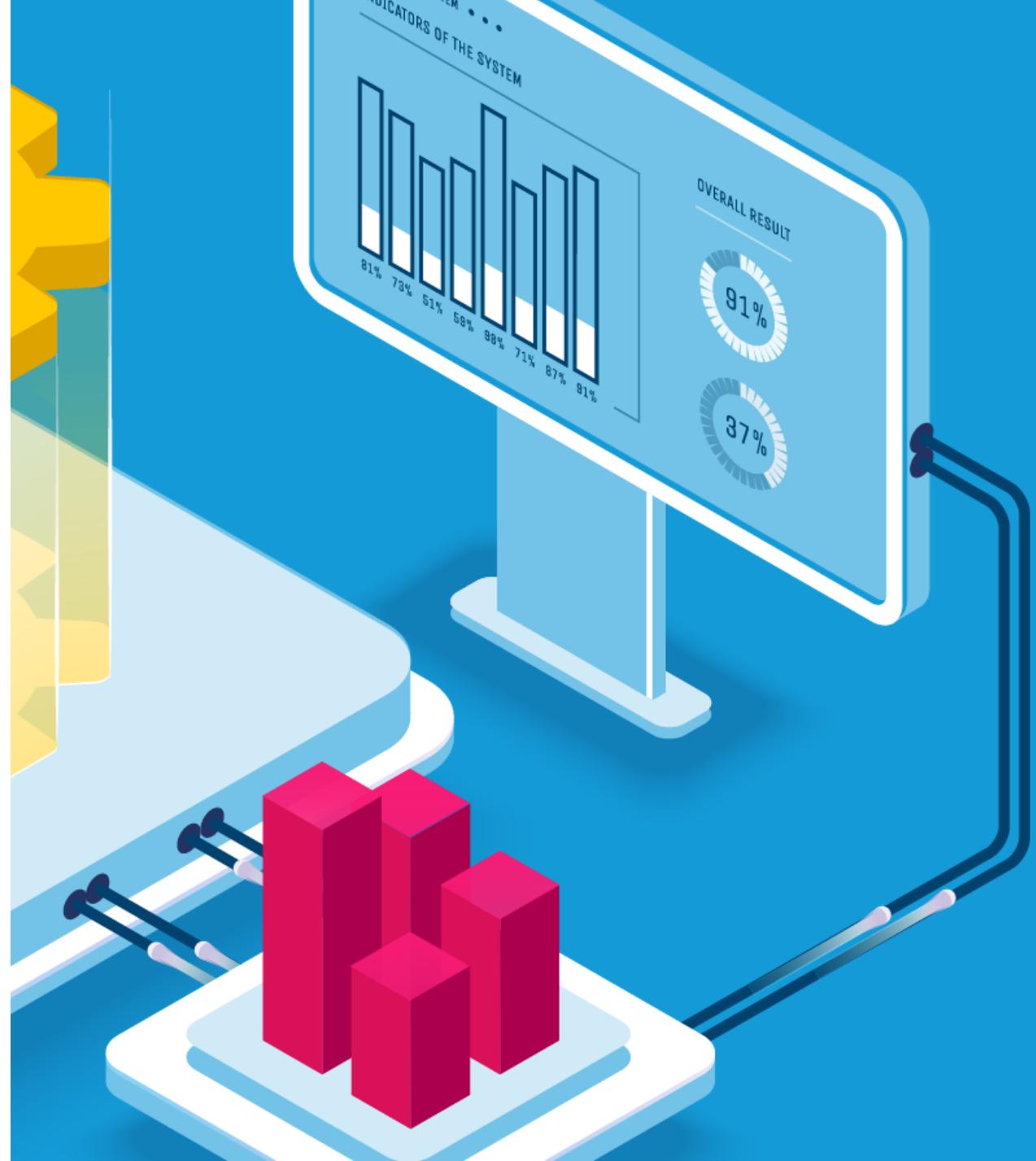
Case Study: Property Surveyor

- Residential and commercial valuation services used by the major banks

- Disclosure of documents including valuations

- Suspension from their clients as a result

- Total loss - **>3,000,000**

Unlimited reinstatements explained
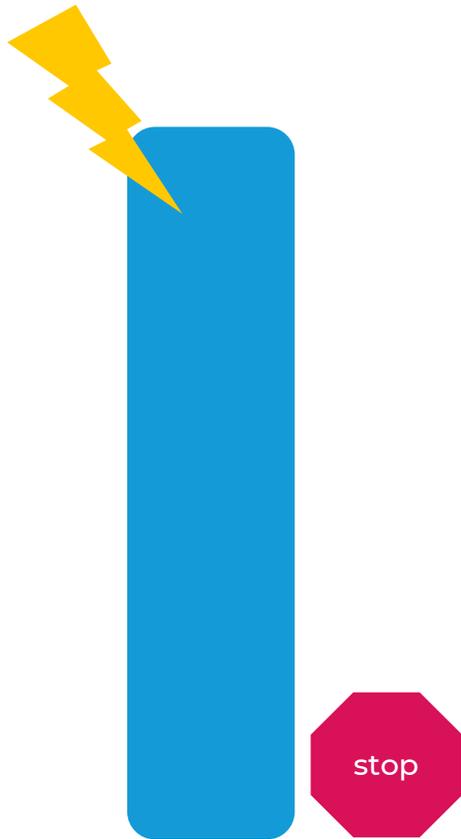
Single aggregate limit
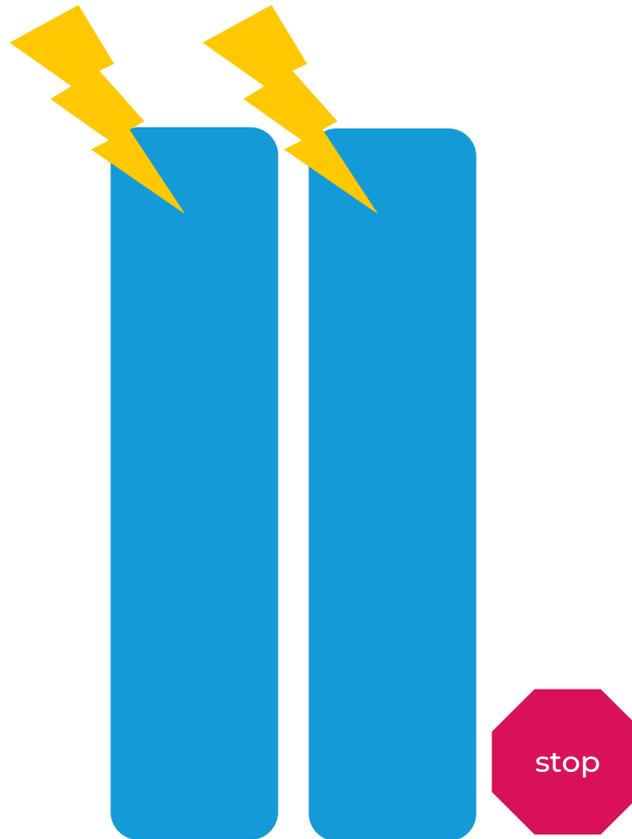
Two separate limits
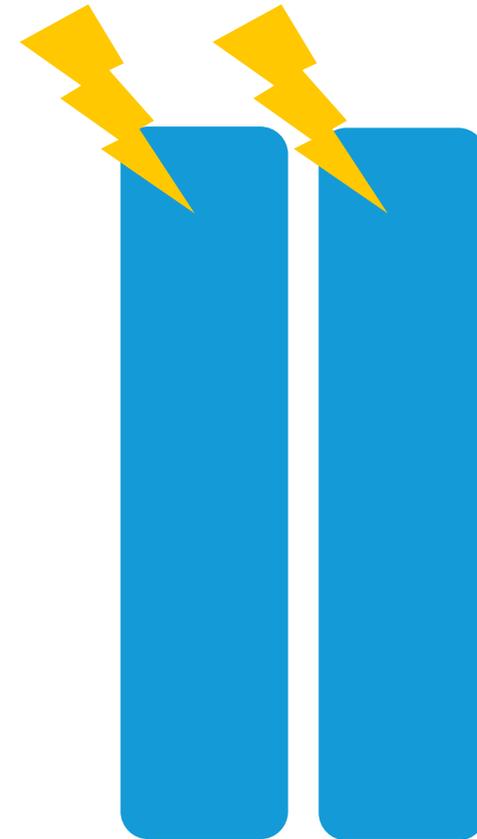
Unlimited reinstatement

Case Study:
Theft of Funds

- **Bristol:** water treatment company - £81,000

- **London:** jewelers - £43,000

- **Manchester**: manufacturer - £215,000

- **Leeds:** haulage company - £49,500

- **Glasgow:** insurance broker - £20,000

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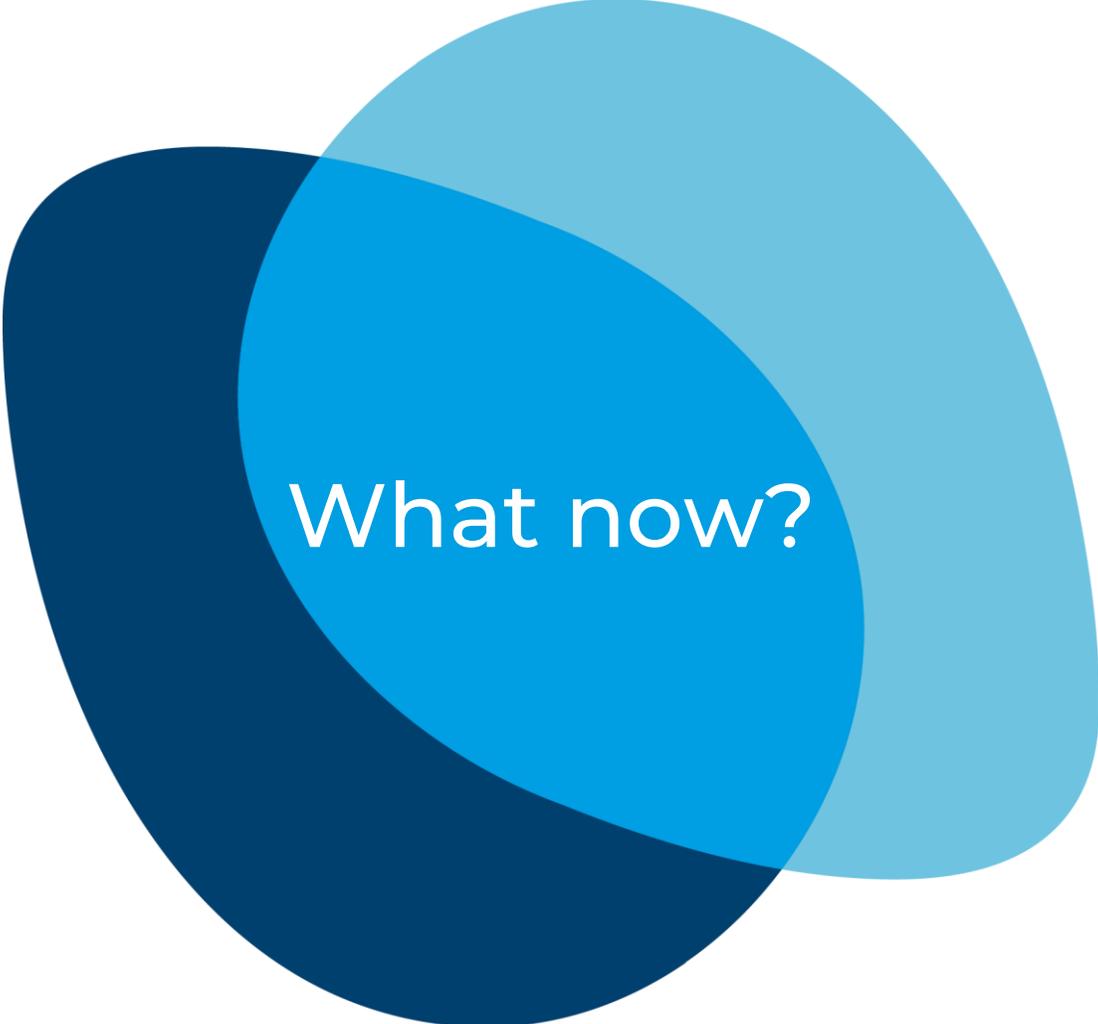
What now?

What are their challenges?

- Were you able to switch to working remotely with minimum disruption?

- What would happen if you couldn't log on to your computer?

- Do you know what your employees NEED to have access to?

- Is someone testing back-ups monthly?

- Has MFA implemented across emails?

- How would you handle an incident remotely?

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Cyber Insurance

- One central point of contact for an incident

- For data wherever it's hosted, and whomever it's caused by

- Suspected or actual events

- Set of experts picking up the phone and coordinating a response

We've handled thousands of cyber claims from businesses of all sizes and in all sectors

1 2 5 +
Claims handled every month

5 0 k
Cyber policyholders

< 1 5
Average minutes to respond

6 5 +
Customer countries

3 5 +
Strong cyber claims team

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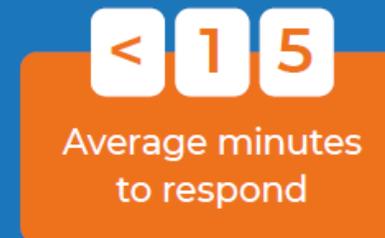
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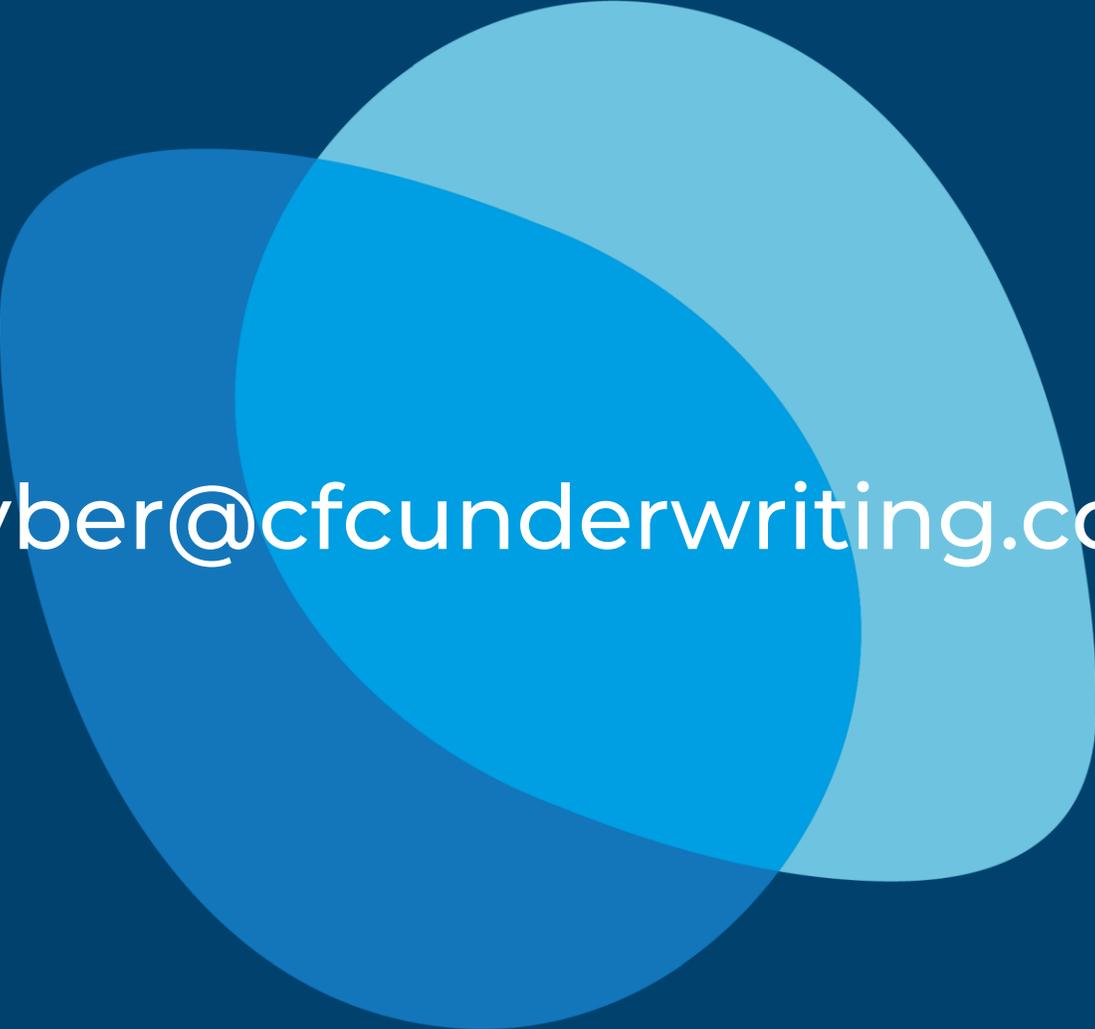
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