



5 Cyber Insurance Myths Debunked

In an increasingly virtual world, data breaches are becoming more prevalent than ever and we want to ensure that you are armed with the right information to protect your business.

Here are the truths behind 5 common myths about cyber insurance:

Myth #1: A small business doesn't need cyber insurance.

Truth: Small business are not immune to cyber-attacks. In fact, more than 67% of companies with fewer than 1,000 employees have experienced a cyber-attack.* And studies show that small business that experience a breach will likely lose $\frac{1}{4}$ of their annual earnings.** Without a standalone cyber liability policy, small businesses are vulnerable to losses and incurring expense that arise from a cyber breach.

Myth #2: Hackers aren't interested in my business data.

Truth: Any data that can be monetized, such as credit card numbers, health records and contact information, is an attractive target. And if it's easy to get, the more appealing it is. Even email addresses can be used to lure employees or customers into disclosing personal information, putting a network at risk.



Myth #3: Data breaches are already covered under my general liability insurance.

Truth: No, they are not. Though some general liability policies have some cyber coverage built in, the policies often state explicitly that losses due to cyber breaches are not covered. The best way to ensure your business is covered in the event of a breach is to work with your broker to assess your risk exposure and find the right policy to meet your needs.

Myth #4: IT vendors have cyber security figured out.

Truth: Any business operating on a network is vulnerable to hackers, even third-party IT vendors. Though using a third-party firm may change your exposure, it does not eliminate it. Organizations are responsible for the data they collect and store. If they use a vendor for this storage and that vendor was to suffer from a breach, the organization may still be liable for the lost or stolen information.

Myth #5: Cyber insurance is too expensive.

Truth: A cyber insurance policy can cost as little as a few thousand dollars annually, whereas loss and remediation costs following a breach can easily climb well into six-figure amounts. Few events can be more damaging to your business than a full-scale data breach. According to a recent [study by Cyentia](#), financial losses following a cyber event typically run about \$200K however, 10% of them exceed \$20M.** Having cyber insurance could prove to be priceless when it comes to protecting you and your business.

Contact your HUB Broker today to learn more about how Cyber Insurance can help you protect your business.

hubinternational.com

*<https://www.keepersecurity.com/assets/pdf/Keeper-2018-Ponemon-Report.pdf>

**https://www.cyentia.com/wp-content/uploads/IRIS2020_cyentia.pdf