



# Six Need-to-Know Cyber Insurance Facts

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With the rate of data breaches and security incidents on the rise, cyber insurance has become an essential tool for the golf industry. It's your responsibility to protect your customer information and data—even a minor security issue can have a major impact on your business. That's why cyber insurance has become an essential part of any modern risk management strategy. This critical coverage is designed to be the barrier that protects your business from a wide range of technology-related risks.

Before you purchase a cyber liability policy, it is essential to understand how it works. Here is a checklist of six cyber insurance facts you need to know:

- ☒ **1. Not All Insurance Policies are Created Equal**  
Most general liability insurance policies do not cover cyber, and if they do, it's usually on a very limited basis. Most attacks are not covered by standard property, crime, errors and omissions, or business insurance policies—hacking, identity theft, credit card fraud, and phone phishing are all crimes that traditional insurance policies do not address.
- ☒ **2. Cyber Insurance Can Help You Fulfill Legal Obligations**  
Any business that stores “personally identifiable information,” including employee birthdates, social security numbers, or client information is legally obligated to protect and secure that information. If your business requires you to store this type of client information, you are required to have it protected!

### ✓ 3. Cyber Insurance Protects Your Bottom Line

When a cyberattack occurs, many businesses must interrupt their operations. Cyber insurance helps to recover lost income from downtime. On average, cyberattacks cost businesses about \$200,000.<sup>1</sup> Not all businesses can recover from these types of losses.

### ✓ 4. No Cyber Policy? No Signature.

Cyber insurance is fast becoming a priority, and many organizations are requiring that their vendors have a policy before entering into an agreement. Businesses, vendors, and customers will all benefit from cyber insurance coverage. With so many organizations affected by cybercrime, companies want to have peace of mind and thus prefer to do business with those who have coverage.

### ✓ 5. It Can Save Small Businesses

Small and midsize businesses tend to be most vulnerable, as they often don't have the infrastructure and capital to recover from a breach effectively. About 43% of online attacks target small businesses, and about 60% of businesses go out of business within six months of the attack.<sup>2</sup>

### ✓ 6. It Can Protect You When Outsourcing

Even if you outsource network security, data management, and payment transactions, as the original data owner, you will likely be named in third-party lawsuits in the event of a breach. Cyber policies offer third-party coverage that insures for the liability of the policyholder to third parties, including clients, arising from a data breach or cyberattack.

## Would You be Covered?

- Your IT manager discovered that a file, which was not part of your website, was being used to steal payment and credit card information.
- An investigation determined that an employee was stealing credit card information and processing fraudulent transactions, and that your business was not compliant with current industry security standards.
- You experience a 48-hour system failure during your busy season, resulting in an inability to process credit card sales and customer order cancellations, as well as disruptions in time-management, job tracking, supply ordering, and communications systems.

If you have cyber insurance, these situations would be covered with minimal out-of-pocket expenses.

## Cybercrime By the Numbers

- **16,856:** Number of businesses that experience cyberattacks each year. That's 46 attacks every day—or nearly two attacks an hour<sup>3</sup>
- **47%:** Percentage of American adults affected by data breaches in the past year<sup>4</sup>
- **556 million:** Number of cybercrime victims per year<sup>5</sup>
- **\$575 billion:** Annual cost of cybercrime to the global economy<sup>6</sup>
- **\$100 billion:** Annual cost of cybercrime to the U.S. economy<sup>7</sup>

### About Buck & Affiliates

Founded in 1982, Buck & Affiliates provides a diverse suite of insurance solutions with a strong regional focus and customized approach. The firm also provides extensive risk management services to augment its insurance offerings. Buck & Affiliates is part of Alliant Insurance Services. Learn more about Buck & Affiliates' innovative insurance solutions at [buckaffiliates.com](https://buckaffiliates.com).

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Alliant Insurance Services is one of the nation's leading and fastest growing distributors of diversified insurance products and services. In the face of increasing complexity, our approach is simple: bring on the best people and invest more deeply in the industries and clients we serve. We operate through a network of specialized national platforms and regional offices to offer a comprehensive portfolio of services to our clients. Our goal is to ensure that they get the most innovative products—and innovative thinking—in the industry.

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<sup>1,2</sup> CNBC.com

<sup>3</sup> IBM

<sup>4</sup> Ponemon Institute

<sup>5</sup> Symantec

<sup>6,7</sup> Intel Security and the Center for Strategic and International Studies