

Your defence toolkit

How to combat the cyber threat



About Howden

Howden is an independent, specialist insurance broker, part of the Hyperion group – the worlds largest employee owned insurance group.

Within our network we have a presence in over 75 territories and over 5,000 specialists. Our Care division (previously Care Home Insurance Services and Primecare) has over 20 years' of experience and expertise in providing insurance solutions for care providers in the UK.

We are the preferred insurance partner to the National Care Association (NCA), the voice of the nation's care sector.

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The Threat of Security and Data Breaches



Security and Data Breaches can put your business at risk.

Businesses in the UK are becoming increasingly reliant on information technology and data. This is particularly true for the care industry.

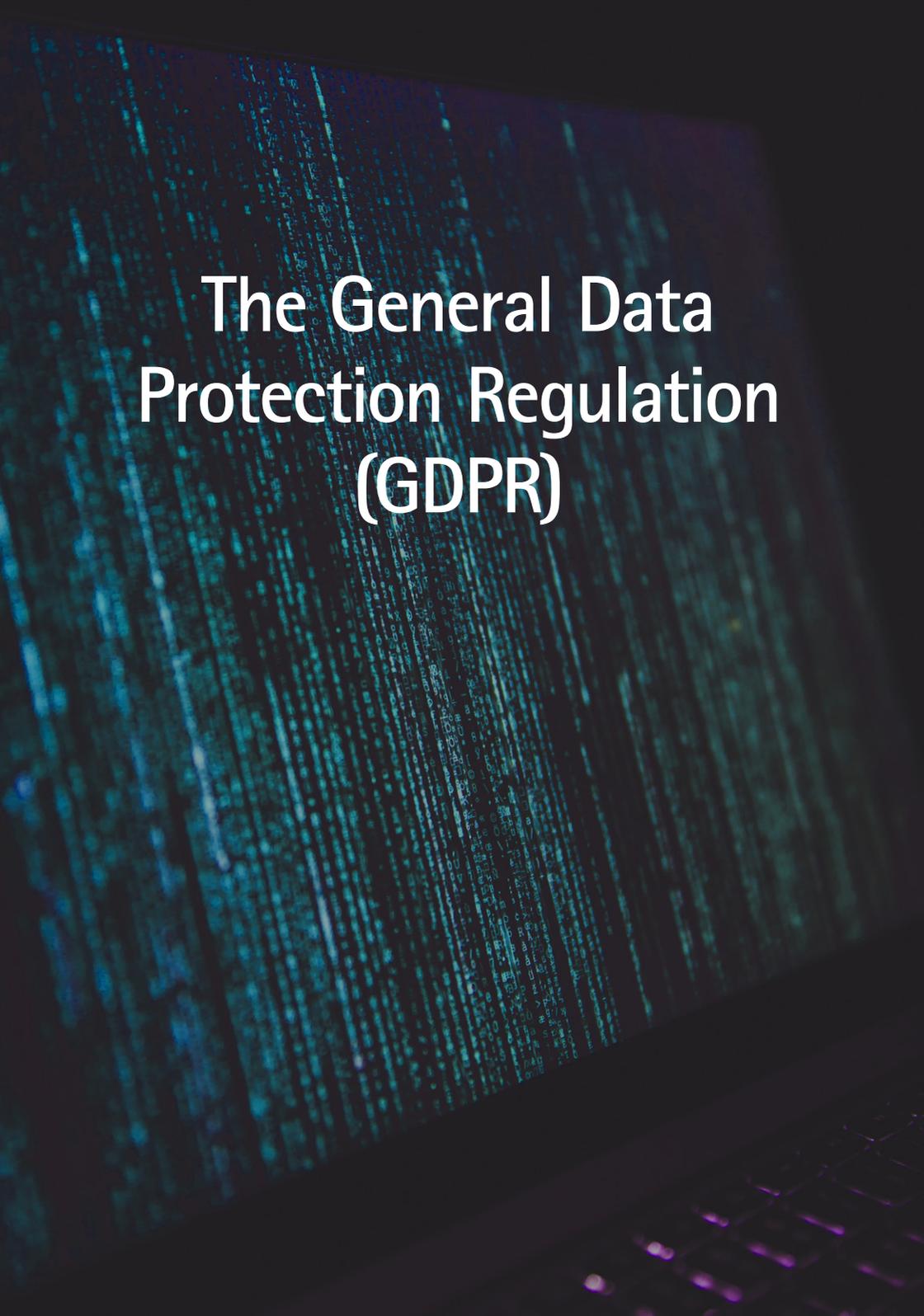
Whilst digital tools can encourage innovation, improved efficiencies and ultimately patient care, they can also increase your exposure to cyber attacks and cyber crime.

A data breach that is not handled properly can impact upon your reputation, and cause lasting damage to your business.

43%

of all businesses have identified at least one cyber security breach or attack in the last 12 months*

***Source:** Cyber security breaches survey 2018, UK Government Department for Culture, Media and Sport in association with Ipsos MORI and the University of Portsmouth



The General Data Protection Regulation (GDPR)

After May 2018, businesses in the UK and Europe need to adhere to the new GDPR. Breach of these regulations could incur fines of up to 20 million euros or 4% of group worldwide turnover (whichever is greater).

Care providers hold and process a great deal of information about the people they care for and the staff they employ. Under the GDPR, businesses must have explicit consent or legitimate business interest to hold personal data and there is a much greater emphasis on proactively informing individuals how their data is securely used, stored and processed.

There is a requirement that businesses continually monitor for breaches of personal data, and must notify the Information Commissioner's Office (ICO) within 72 hours of discovery. In the event of a data breach, it is critical that an investigation is immediately conducted (including IT Forensics as necessary) to ensure that the regulator receives a detailed exposition of what happened, how it occurred, the scope of the individuals affected, and remedial steps taken to prevent further breaches.

Protecting your business



Cyber liability insurance provides support and financial cover to manage the immediate and long term impacts of a cyber attack

There are three main ways in which Insurers can assist:

1. 24/7 365 support in the event of a breach and paying the financial costs associated with this, including:
 - a. Assistance in responding to Regulatory Issues, including compliance with the General Data Protection Regulation.
 - b. IT Forensic Services to assist you in identifying the cause of a breach, and remediating the issues.
 - c. Support in communicating with your customers in the best way to possible to minimise impact on your business.
2. Compensating you for any financial liabilities that you are responsible for in the event of a privacy or security breach
3. If monies are stolen from you (Cyber Crime) or you are defrauded of them (Social Engineering Fraud), these exposures can also be Insured within a Cyber Policy

By providing you with access to specialist expertise, it enables you to focus on your core business activities; providing high quality care to your service users.

Case studies



Case study 1 – Data Breach

Scenario: An Insured in the UK received a message from a hacker advising that they had gained access to their server. A scan of their system validated the hacker's claim. The hacker challenged the Insured to patch their system and prevent further access or they would release the Personally Identifiable Information that they had obtained from the hack. They later demanded a ransom not to carry through the same threat.

Response: It was necessary to utilise a Forensic Services provider (from the Insurer's Panel) to validate the claim. The server was imaged and analysed in full. The ICO were notified of the breach by the Insurer's Legal experts, utilising information obtained from the Forensics Provider.

Outcome: It was determined that a data breach had taken place, and approximately 35,000 individuals' data compromised. In order to protect the affected individuals, they were provided credit monitoring services and ID Theft Insurance, which the Insurer paid for.

Financial impact: The total cost of the breach to the Insurer was £285,000.

Case Study 2 – Social Engineering Fraud

Scenario: A small firm in the UK was the victim of a Social Engineering Fraud. The Insured's finance team received 4 requests for payment purporting to be from the Managing Director. The total of the requests was £30,000, and the four payments were made in full. The Insured discovered the issue very shortly after the last payment was made, when the Managing Director returned from holiday, and contacted their bank flagging the payments.

Response: Following advices from their Insurer, the Insured communicated with Fraud Action and their bank.

Outcome: A total recovery of £12,000 was made. There was no system intrusion.

Financial impact: Insurers paid the £17,000 balance of the loss after the Insured met their £1,000 Excess.



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