

# Cyber Risks

Directors are now realising that cyber risk is no longer just an IT Department concern and that a fiduciary duty exists to oversee how this risk is managed. When a cyber attack occurs the company and its board will be publicly scrutinised.

With companies so heavily reliant on computers and data to function it is critical to expand perception of risk from tangible to intangible assets and what can happen if these assets are no longer available or have slipped from your grasp.

Every board of directors should be questioning its management as to whether or not the company should be purchasing cyber insurance to mitigate its cyber risk.

A comprehensive cyber insurance policy will help to transfer significant expenditures that must be made rapidly to get the company back on line.

## Cyber risks

### 1. What



### 2. Who



### 3. Where

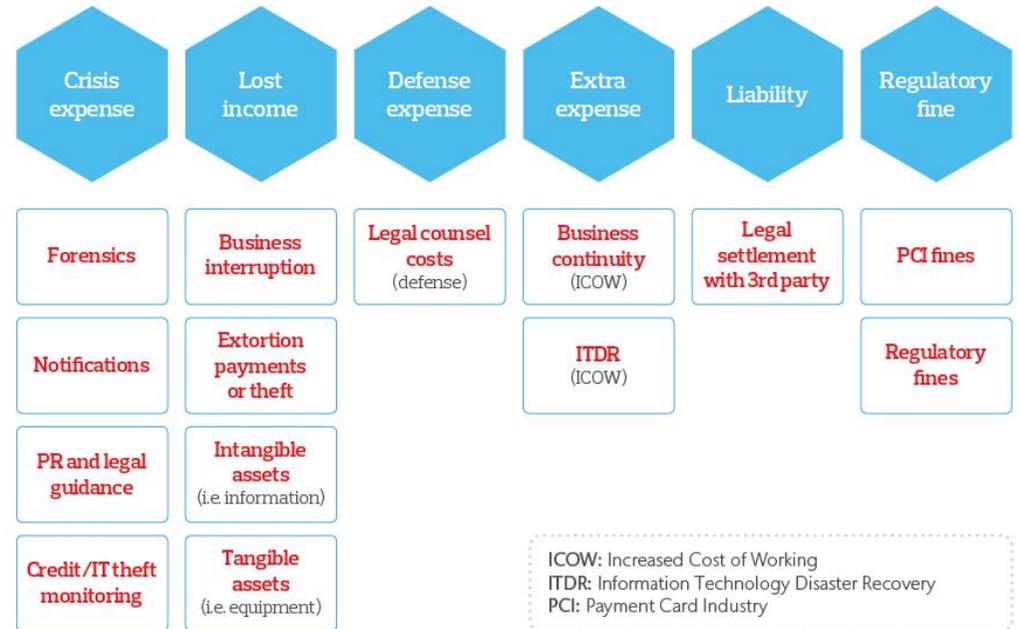


## What are the consequences of a cyber-attack?

Significant cost can be incurred for post breach mitigation services to find and repair quickly the areas affected by the cyber incident, develop and execute public and regulatory disclosure strategies to minimise reputational damage, and position legal services to minimise the impact of lawsuits.

A company is also exposed to loss of productivity, loss of profit and possibly a decline in a company's value.

## Breakdown of costs



## Traditional insurance

Traditional policies were never designed with cyber risks in mind. It is expected that providers of traditional insurance will add cyber exclusions now specific cyber policies are available.



## What is driving the decision to buy cyber insurance?

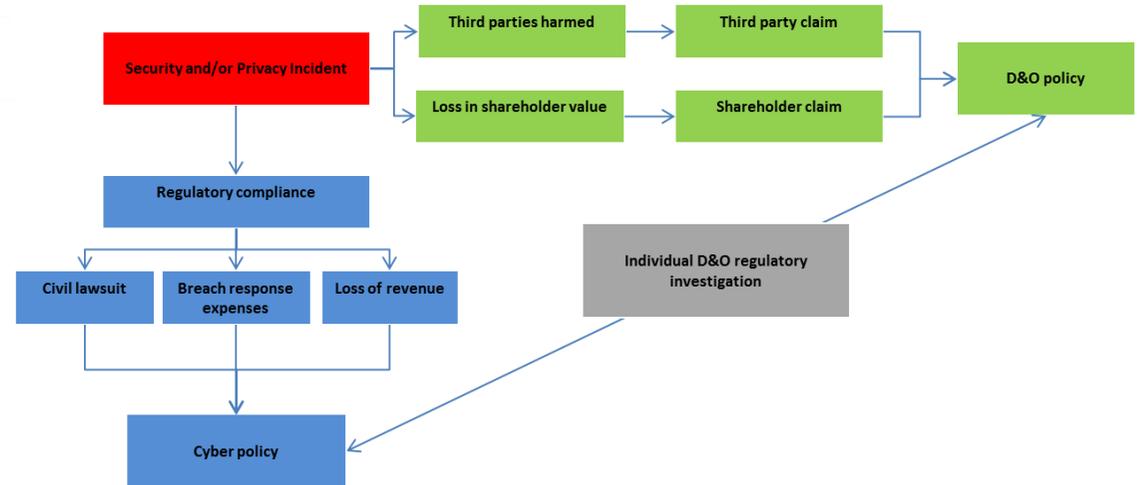
### 1. Director responsibilities

Satisfying directors and officers fiduciary obligations requires management oversight. Failure to meet obligations can create D&O claims.

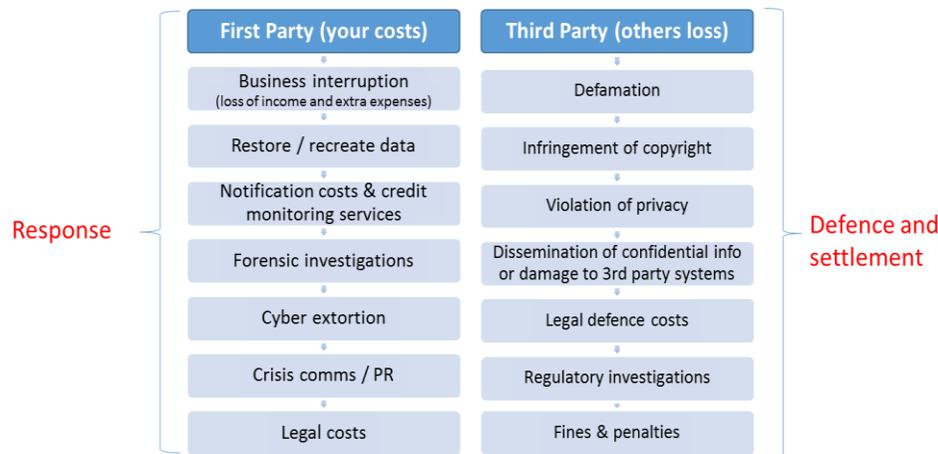
### 2. Transfer unknown costs and close gaps in current insurance programme

### 3. Privacy laws

Laws around the world are evolving. The most onerous are mirroring the US where most states carry a mandatory requirement to notify customers and regulators. Regulators are gaining more power to investigate and hand out fines and penalties.



## Cyber insurance at a glance



## Next steps

Cyber risk varies considerably from one business to another. Speak to your Aon broker to better understand the exposures to your business. Or use the Aon Diagnostic tool to begin to understand your own level of risk [www.aoncyberdiagnostic.com](http://www.aoncyberdiagnostic.com).

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