

The Truth About Protecting Data With Cyber-Liability Insurance



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Protecting Data With
Cyber-Liability Insurance



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Agenda

- Current state of cyber threats
- What is and is not cyber-insurance?
- Current state of cyber-insurance
- What insurance needs to see
- What policy do you need?
- Wrap-up

150+ ZB
data created
In 2024.
Doubling
every year

27% of
ransomware
decrypt keys
didn't work to
restore data

76% of
companies
suffered 1+
ransomware
attacks in
2024

Current State of Cyber Threats



Multi-factor Authentication



Backup testing and scan



Least Privileged Access



Immutable on and off-site



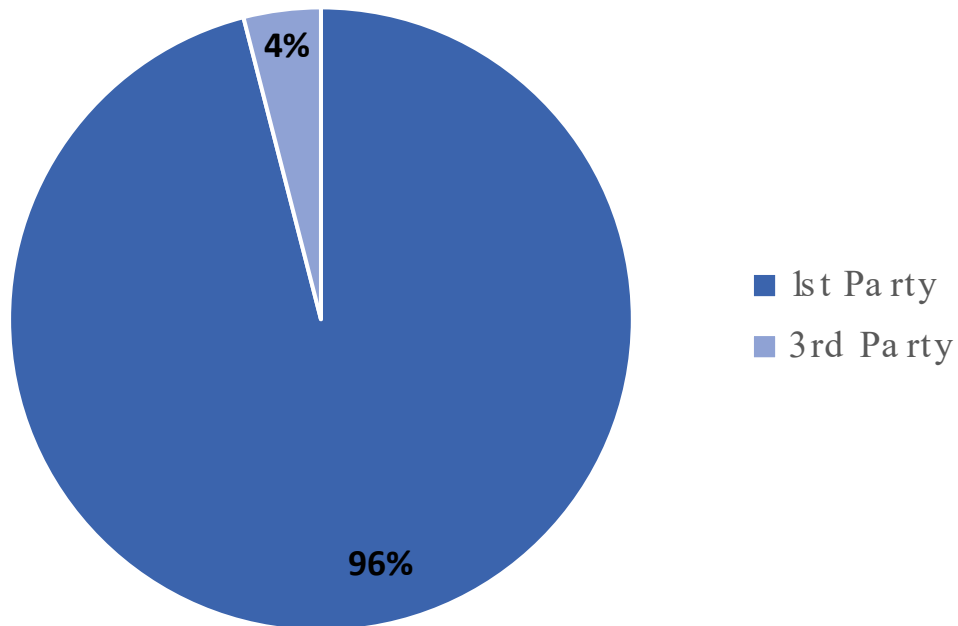
Backup server off domain

What Cyber-Insurance Needs To See

So ...What is Cyber Insurance?

Protects your intangible assets (data & bank accounts).

Evolve Claims Payout



2024 Evolve Stats:

- Process 150+ cyber claims a month
- 60% of claims are Ransomware
- 21% of claims are Social Engineering / theft of funds
- Average cost of Ransomware incident: \$260,000



Cyber Insurance - Three Major Components

Complimentary
Cybersecurity
Consultations, Scans, &
Recommendations

Broad Cyber
Coverage

Expert Claims
Handling



Current State of the Cyber Insurance Marketplace

- 2020 – 2023: Hard Market:

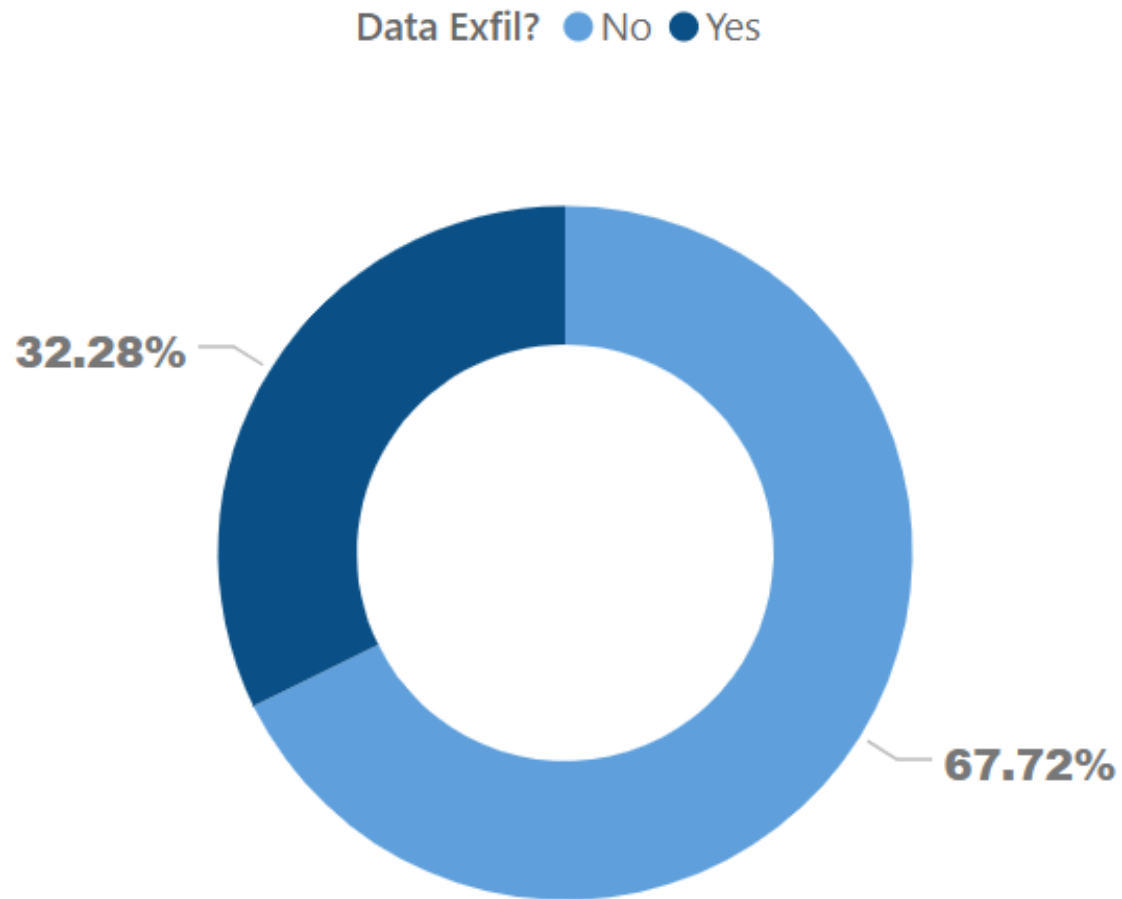
- High Loss Ratios
- Carriers Left Marketplace
- Rates increased 30% - 300%+
- Appetite Restrictions
- Minimum Security Controls Required to bind

- 2023 – 2025: Soft Market:

- Oversaturation of New Carriers
- Competition drives rates down
 - Certain carriers implementing 30% flat rate increases
- Applications / Minimum security controls reduces
- Broadened Coverage
- Rise in Artificial Intelligence = More Claims



Ransomware: Data Exfiltration



Source: 5000+ Arete Cases



Ransomware Extortion Demands



AVERAGE RANSOM DEMAND

1.51M

AVERAGE RANSOM PAID

411.13K

AVERAGE RANSOM DISCOUNT %

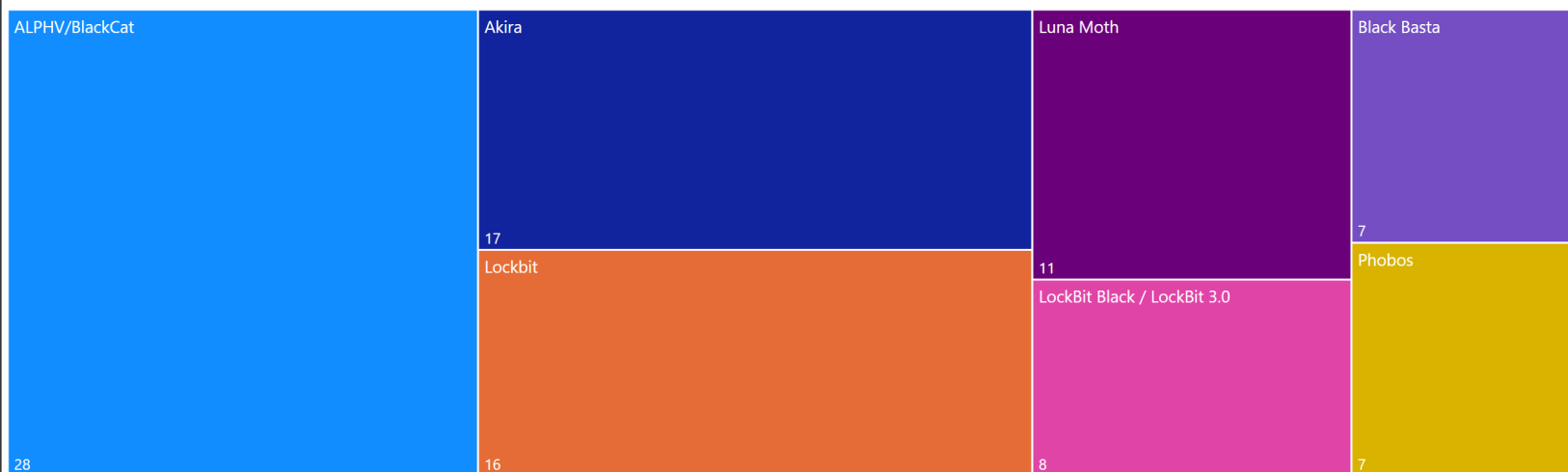
55.43%

- Minimum ransom payment in 2021 - 2023 was \$100,000.

- 35% of ransomware attacks involved the threat to leak exfiltrated data

- BlackCat Ransomware variant made up highest % of market share

TYPE OF MALWARE BY PROJECT COUNT

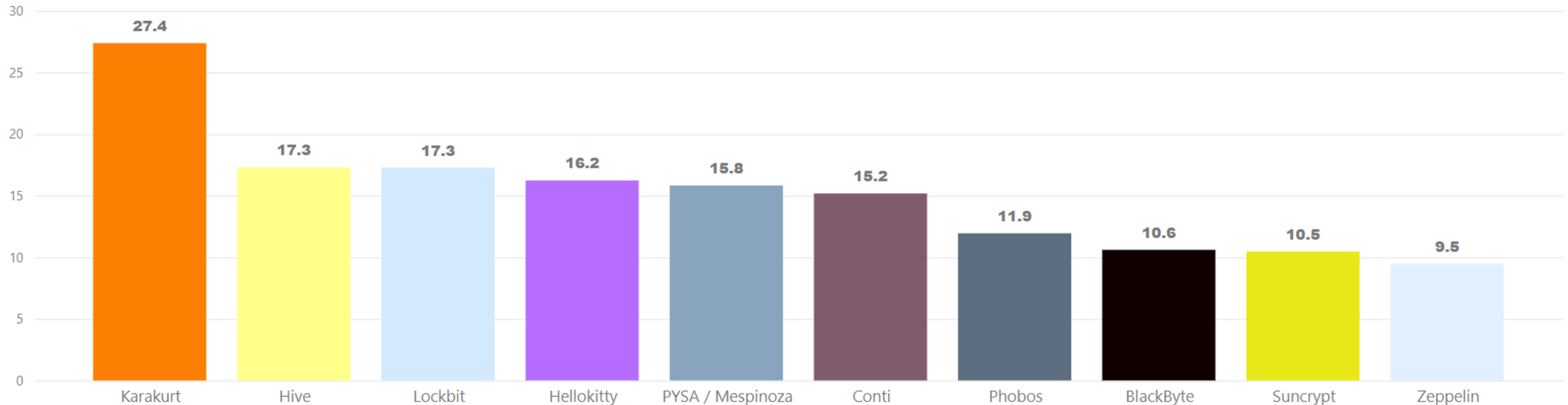


Ransomware: Operational Downtime

Minimum Downtime: 9.5 Days

It can take up to 27 days to get decryption keys!

Number of days it takes on Average to receive a Decryption Key (Start is Ransom Demand, End is Key Provided)

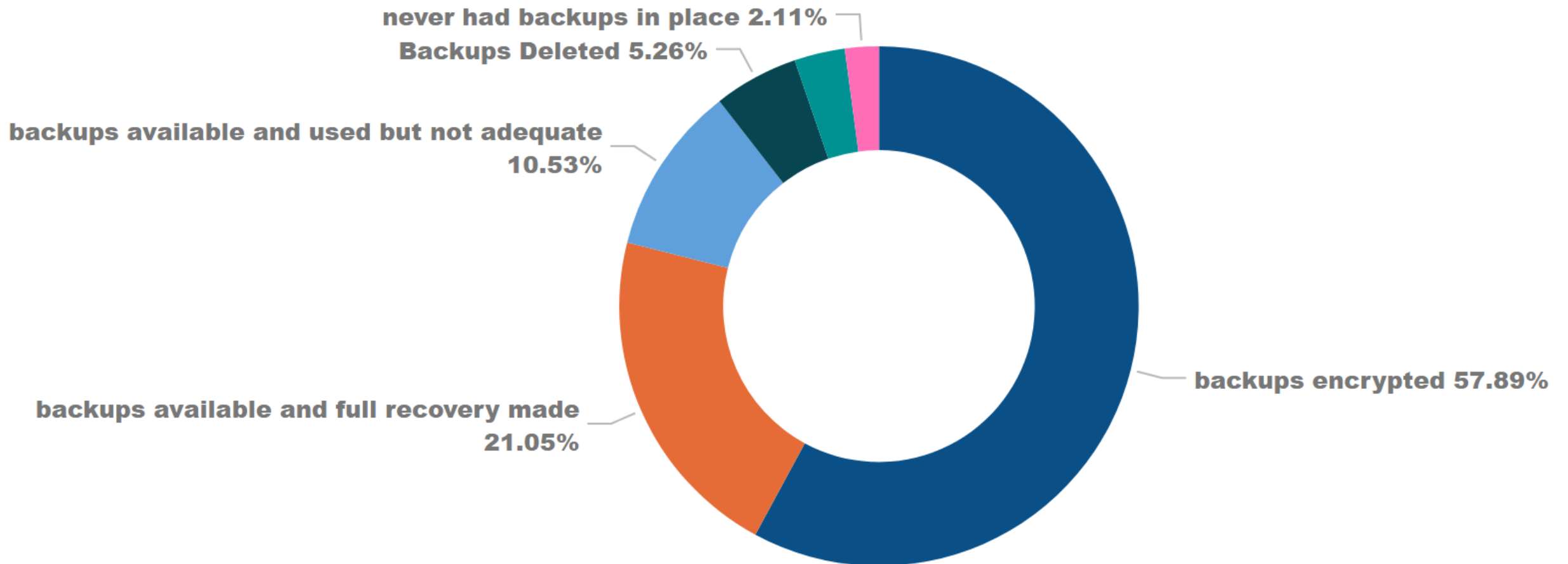


Source: 5000+ Arete Cases



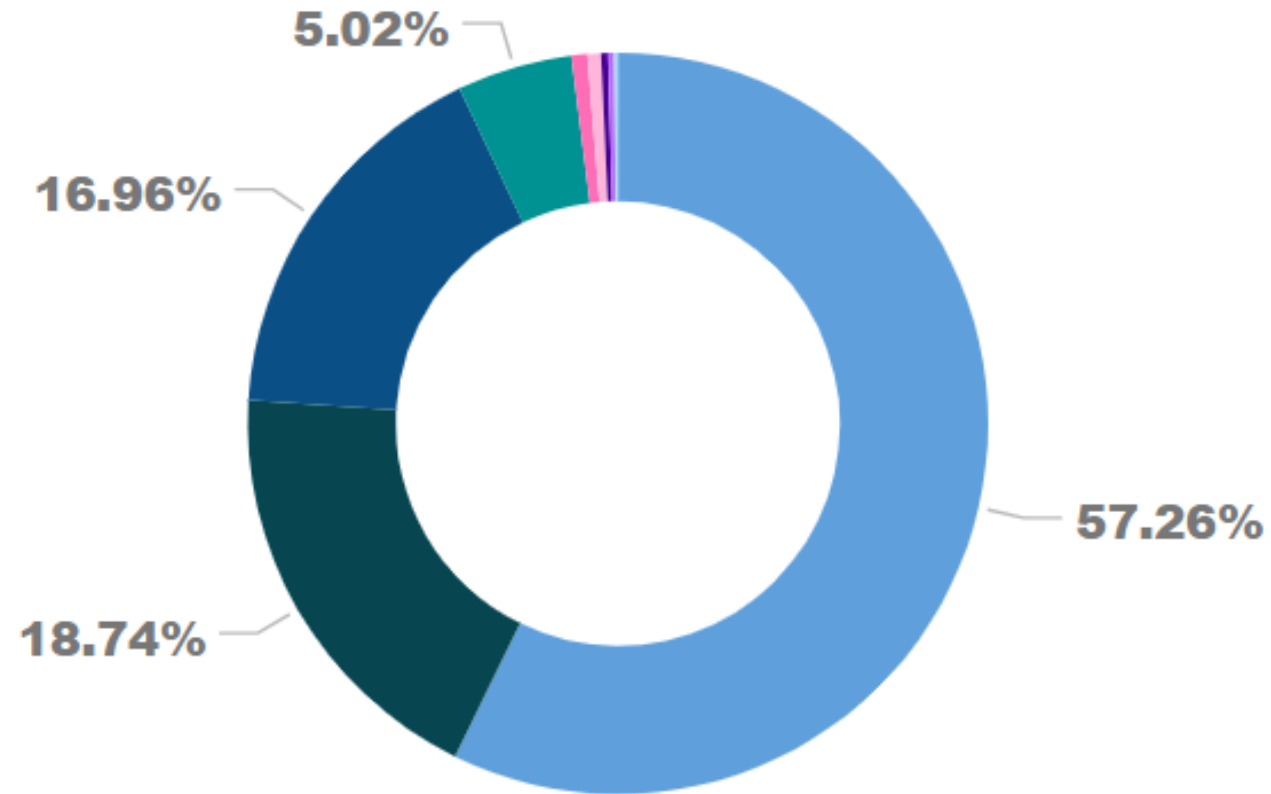
Ransom ware : Backup Status

Backup Status Where Ransom Was Paid



Ransomware: The Power of MFA

MFA being used? ● No ● Yes, Email ● Yes ● Yes, VPN ● Yes, RDP



Average Claim Costs & Coverages:

Ransomware:

- **Ransomware Forensic Specialists:**
 - \$48,000 – (\$500/hr)
- **Extortion Demands:**
 - \$411,000 – The average extortion payment
- **Data Breach Attorneys:**
 - \$10,000 – (\$500/hr)
- **Business Interruption:**
 - \$100k+ in Lost Profit - covers the lost profit associated with system outage & lost clients.
- **System Restoration:**
 - \$50k - \$250k+ - decrypting, replacing or recreating data + rebuilding IT infrastructure.

Social Engineering:

- **Covered Bank Accounts:**
 - The business' bank accounts
 - Senior Executive Officers' personal bank accounts
 - Funds held in escrow
 - Reimbursement to 3rd party bank accounts (if client or vendor is intending on transferring money to the policyholder)
- **Cause of Loss:**
 - Stolen Email Credentials
 - Fraudulent Transfers (Vendor/Client Compromised)
- **2024 Loss Stats**
 - \$178,000
 - 2 Transfers before catching scam.



What Policy do you need: Standalone Cyber vs Tech E&O

- **Standalone Cyber:**

- **Target Audience:** Non-Technology Companies (Healthcare, Retail/ Wholesale, Hospitality, Manufacturers/ Logistics, Professional Service Firms: CPA, Real Estate, Law Firms, Financial Services)
- **Cyber Losses:** Ransomware, Data Breaches, Wire Transfer Fraud

- **Tech E&O/Cyber Blend:**

- **Target Audience:** Providing Technology service for a fee (IT Service Provider, Software Developer, Tech Consultant, Tech Product MFG).
- **Tech E&O Lawsuits:** Breach of Contract, Negligence, Copyright Infringement etc.
 - Failure to Provide Tech Service or
 - Tech failure to perform as intended
- **Overlapping Exposures:** Many incidents can trigger both E&O and cyber claims



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Thank you for taking
your time to join us!

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DATA PROTECTION