

4 reasons why your clients need cyber liability insurance

What's the common denominator between a three hour shut down of the New York Stock Exchange, a network failure that grounded all United Airlines flights, and the recall of over 1.4 million jeep vehicles? Cyber threats. And if cyber-crime can affect some of the largest organizations in the United States, it can definitely hurt your clients. Listed below are some key reasons why your clients need cyber liability insurance:

1. **Cyber-attacks are costly.** Between financial loss and damage to your client's reputation, cyber-attacks and data breaches have negative long term effects on any organization. According to McKinsey & Company, the price tag of cyber-crime could increase to as much as \$3 trillion within the next five years.

2. **Most businesses aren't prepared for a cyber-attack.** According to the 2014 PWC US report on cyber-crime, only 23% of businesses have conducted a cyber-threat analysis. This means that Over 75% of businesses don't know how vulnerable they are to cyber threats. In fact, almost 80% of defenders surveyed by McKinsey & Company indicate that their organizations can't keep up with how sophisticated cyber attackers are.

3. **The companies who are prepared have weak defense against cyber threats.** Most organizations cyber-security programs can't compete with the skills of today's cyber adversaries. Today, attackers are getting better faster than defenders. In today's cyber-crime environment, criminals are updating their tactics to gain advantage over your client's security safeguards.

4. **Traditional insurance coverage may not cover the loss.** A hack, virus or bug can threaten a business. Between data breaches, loss, and server downtime, a general liability policy may not cover the loss and costs associated.

Any business that uses computers, smartphones, email, social media, or cloud based data is threatened by cyber-crime. And if your company has access to sensitive information that is stolen, your clients are vulnerable to lawsuits, fines and penalties. With adequate prevention and insurance policies, your clients will proactively address their potential threats and reduce cyber threats.