



Secure Tomorrow

Minet

AON | Global Network Correspondent

MINET THOUGHT LEADERSHIP

Minet is a trusted pan-African advisor that meets the uncertainties of tomorrow by delivering risk and human capital solutions today. As the largest Aon Global Network Correspondent, Minet has access to a network of over 50,000 colleagues in 120 countries as well as to proprietary data, research and analytics which enable us to manage and secure the risks of tomorrow and provide clients with an unrivalled advantage. For more information, please visit www.minet.com

Risk. Reinsurance. People.

CYBER RISKS INSURANCE POLICY

June 13th, 2023



Many organizations nowadays rely on technology to manufacture goods and deliver services to their clients. Technology is efficient and cost effective, hence the high rate of adoption by businesses across the globe. However, it also has a downside which could - if not well managed - lead to losses and third-party liabilities.

Technological advancements such as network interconnectivity, cloud computing, bringing your own devices (BYOD) policies, and social

media among others have exacerbated cyber risks.

Organizations should be very well informed about cyber risks if they:

- I. Gather, maintain, process or store personally identifiable information for individuals and corporates.
- II. Have a high level of dependency on electronic systems.
- III. Allow employees to work from home, using and accessing the company's computer systems.
- IV. Are subject to regulatory requirements (e.g., the Data Protection Act).
- V. Outsource services to vendors, independent contractors, and other service providers.

The foregoing presents increased cyber risks to an organization, and it therefore requires businesses to have adequate IT Security measures in place to avoid illegal access to their systems. However, IT Security tools are oftentimes known to fail ... which is where Cyber Liability Insurance Policy kicks in.

The Cyber Liability Insurance policy will provide the following coverage:

- 1. **First Party Response** - Once an incident happens, it becomes a crisis that must be handled carefully before the situation gets out of hand. This requires experts from various areas (e.g., legal and IT security specialists), and the policy will cover their fees and other related expenses. Depending on the extent of breach, public relations campaigns may be required to safeguard



the brand's reputation. Such expenses will also be covered.

1. **Extortion** – This section will cover liabilities relating to extortion incidents. If the experts are unable to recover data and ransom is demanded, the policy allows for experts to negotiate and settle the same as a last resort.
2. **Loss of Revenue** – This covers loss of income resulting from a cyber attack or other incident. It will indemnify the business the income they would have made had an attack/incident not occurred.
3. **Third Party Liability** – Once a data breach has occurred, the affected individuals or companies whose data have been lost may go to court. The policy will cover such legal costs and damages that the court may award. The policy also extends to cover regulatory fines and penalties where the law allows.

This policy is locally available and should provide comfort to organizations that there is an insurance solution should an eventuality occur that exposes them to losses arising.

The Cyber Liability Insurance policy serves as a source of assurance for organizations. It stands prepared to extend coverage should any unforeseen incidents occur, that result in losses for the organization.

Latif Wekesa | Head of Business Development | Minet Kenya