**Cyber Insurance**

Version 1.0

**Contents**

[**1.** **What is Cyber Insurance?** 3](#_Toc76571050)

[**2.** **Why Cyber Insurance?** 3](#_Toc76571051)

[**3.** **What does cyber insurance cover?** 3](#_Toc76571052)

[**4.** **How much cover do I need?** 4](#_Toc76571053)

[**5.** **Cyber Essentials Insurance** 5](#_Toc76571054)

[**6.** **Insurance isn’t everything** 5](#_Toc76571055)

Cyber Insurance – Linked to: [Cyber insurance guidance - NCSC.GOV.UK](https://www.ncsc.gov.uk/guidance/cyber-insurance-guidance)

# **What is Cyber Insurance?**

Cyber insurance (sometimes called cyber liability insurance) is designed to cover your school if you suffer losses from a cyber-attack or security breach.

The Data Protection Act 2018 and UK GDPR have led to a sharp increase in court action and fines from the loss, destruction, or corruption of personal data, and general liability insurance does not typically cover such losses for cyber-related incidents.

Cyber insurance, just like every other type of insurance, relies on you having suitable safeguards and security in place. Your home insurer wouldn’t pay out, for instance, if you left your doors and windows unlocked. It is also important to note, that reputational damage cannot be remedied by an insurance pay-out.

# **Why Cyber Insurance?**

Cyber insurance is designed to cover risks that come with storing and handling data, such as:

* Cybercrime
* Hacking, extortion, and ransomware
* Social engineering, such as phishing, click baiting, scareware, or waterholing
* Malware
* Lost income and the costs of restoring data
* Distributed Denial of Service (DDoS)

All of these can lead to privacy breaches and a loss of personal data. Schools rely on computer systems and should consider cyber insurance.

# **What does cyber insurance cover?**

First-party typically covers the cost of:

* Investigating a cybercrime
* Recovering data lost in a security breach
* Restoration of computer systems
* Financial implications of a school closure
* Costs of notifying third parties, if necessary

Third-party insurance covers the costs of claims against your school:

* Damages and settlements
* Legal defence costs
* Fines

Many policies specifically exclude confidential or personal information that has not been encrypted and will not reimburse ransomware payments to criminals. This should be checked on an individual policy basis.

# **How much cover do I need?**

Unfortunately, the education sector has become far more vulnerable to cybercrime and insurers are increasing premiums.

The cost of cyber insurance depends upon several factors, including your school’s revenue, the type of systems used to hold data, the level of network security, and the level of cover required.

When looking at the level of cover you are purchasing, consider the following:

* Has there been an independent audit of your IT systems?
* How robust is your network security?
* How many devices do you have?
* Are you wanting insurance for lost or stolen devices?
* How many different software systems do you use?
* Are you wanting to cover losses in third party systems\*?
* How efficient is your incident response?
* Do you want cover for business interruption, such as school closure?
* Are you wanting cover for extortion like ransomware demands?
* Do you want cover for forensic investigations?
* Are you wanting cover for legal advice & litigation brought by affected stakeholders, such as employees and parents?
* Do you need cover for your website?

**Remember** that cyber-crime is a police matter and there is support available from

[Action Fraud](http://actionfraud.police.uk/): Live cyber-attack line [0300 123 2040](tel:03001232040) (Available 24/7)

\*Some insurers will not cover vicarious liability, where one party is held partly responsible for the actions of another.

Organisations relying on third party software and support providers are still liable for breaches of the personal data they control.

# **Cyber Essentials Insurance**

Successful Cyber Essentials Certification for schools or MATs, with an income of less than £20m, will receive £25,000 cyber liability insurance.

Cyber Essentials insurance covers:

* **Liability:** claims made against you arising out of media activities, and privacy & security wrongful acts.
* **Event Management:** costs - including emergency costs following a data breach, including the costs of notifying data subjects. These might typically include payment for Legal, IT, Forensic & PR specialists.
* **Extortion Demands:** ransoms and other cyber extortion.
* **Regulatory Investigations:** defence costs & regulatory fines (where insurable by law).
* **Business Interruption:** Loss of profit and / or operational expenses caused by a network compromise.
* **Loss of Electronic Data:** costs of remedying the issue that allowed the loss or damage to your data and costs to replace, restore, or update your data.

# **Insurance isn’t everything**

Cyber insurance is **not** a security measure and it does not replace the pro-active controls that schools need to implement; it is a ‘catch net’ for when your measures fail.

It is necessary for schools to take the right steps, so they don’t fall victim to a cyber-attack in the first place. Assessing current security provisions, documenting and mitigating the risks, and following basic cyber hygiene will help to ensure that, when you submit a claim, it is not rejected. Undertaking Cyber Essentials can support schools in evidencing their security controls.