




CYBER GUIDANCE FOR LEISURE AND CULTURAL TRUSTS

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There's a cyber breach – what do you do?

As technology becomes increasingly important for successful organisations, and the General Data Protection Regulation (GDPR) promises much stricter penalties for inadequate data security, the value of understanding how you would react in the event of a breach will continue to grow.

No matter your trust's size or location, the nature of modern business exposes you to cyber threats. A cyber breach not only threatens your finances and disrupts your operations, it also tarnishes your reputation.

Issues you may face in event of a cyber breach

Business interruption: A cyber attack can cause IT disruption and even complete system failure. There will undoubtedly be a loss of income associated with this, with inaction only exacerbating the situation.

Breach cost: There will be costs associated with the breach, such as notifying customers and managing complaints. This is before considering potential privacy infringement claims and associated legal costs.

Cyber extortion: Often cyber attacks involve malicious software and ransomware that attempt to seize control of, and withhold access to, your operational or personal data until a fee is paid. How a trust is prepared for this eventuality will affect how this situation will play out.

Digital asset replacement expenses: The trust's digital assets may be lost, corrupted or altered, meaning that you may need to cover the cost of replacing any damaged assets in the event of a cyber attack.

Forensic investigation – Does your trust have the expertise to conduct the forensic investigation to the level required? You'll not only need to ensure costs and interruption can be mitigated, but also to identify how security can be improved in the future to prevent a reoccurrence.

Reputational damage: The trust's reputation will be hit, and those exposed to the breach will feel aggrieved.

Management liability: In this era of increased executive accountability and transparency, there may be fallout for the senior management team that needs to be managed.

Example of a cyber attack



WannaCry, a ransomware program that targeted a vulnerability in outdated versions of Microsoft Windows, spread across 150 countries and infected more than 230,000 computers within weeks. It disrupted many NHS hospitals in England and Scotland, infecting up to an estimated 70,000 devices, including computers, MRI scanners, blood-storage refrigerators and theatre equipment.

The danger that the ransomware program poses is based partially on how invasive it is. After infecting just one computer, WannaCry can spread to every device in a network within seconds. It works by locking users out of their computers before demanding money in order to regain control of their data. Initially, WannaCry requests about £230, but, if no payment is made within three days, it then threatens to double the amount. If no payment is made within that time, the ransomware program then threatens to delete the files after seven days.

Cyber insurance provides peace of mind

How a trust reacts to a data breach will greatly affect the financial implications to the trust, and the potential fines that may be applied.

Remember, a cyber insurance policy doesn't only cover loss of income - it also covers the cost of third party experts should they be required, whether that be a forensic investigator or a ransom negotiator. From the moment a breach occurs, you can contact your insurer and get the expert help you require to manage the process. The value of cyber insurance goes beyond financial – it offers peace of mind.

Endsleigh – a tailored solution

We are a leading broker in the leisure and cultural sector, with over 30 years' experience. We currently arrange insurance for over 30 leisure trusts, and our long term relationship with Sporta has allowed us to build up a wealth of knowledge, helping us to advise and guide a variety of trusts on a range of insurance matters.

Simon Davis and Michael Cashmore are the experts in this area and would be delighted to hear from you should you have any questions about cyber insurance, or any other insurance related questions.

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