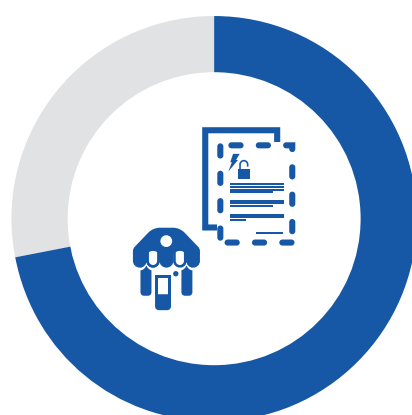


# Top 4 reasons small to midsize businesses need cyber coverage

Businesses' increasing reliance on technology carries expanded cybersecurity exposures. This can increase their vulnerability to a wide range of digital threats—including data breaches, ransomware and business email compromise schemes.

Often considered attractive targets by hackers, small and midsize businesses (SMBs) are particularly prone to cybersecurity incidents. As such, it's crucial for businesses to secure sufficient insurance coverage for protection against potential cyber losses.



**72% of small businesses** say they do not have cyber liability insurance.

Read on for the **top reasons to have cyber insurance** and a summary of key coverage offerings.



## SMBs are frequently targeted by cybercriminals

Many businesses assume they don't have information cybercriminals want, prompting them to invest fewer resources in security controls. Yet, credit card payments, online banking activity and personal information about their employees and customers—coupled with limited security measures—pose targets for hackers. With this in mind, failing to purchase adequate coverage could lead to substantial cyber losses following an attack.



## Value-added services are essential

If a breach of personally identifiable information (PII) occurs, the response and recovery measures can be significant, resulting in business disruptions, lost productivity and elevated expenses. Compounding such costs, various state laws require businesses to take specific actions following PII breaches (e.g., notifying affected individuals, offering them free credit monitoring services and establishing call centers to field questions they may have). With cyber coverage in place, businesses may have access to experts who can help navigate data breach response requirements and limit related losses.



Although nearly half of all cyberattacks are aimed at small businesses, just **53% of such businesses think they are at risk.**



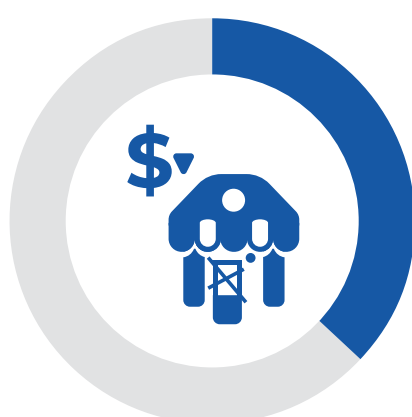
## Breach notification laws can be triggered in other ways

Data breaches can stem from various security weaknesses—not just computer systems. Criminals may acquire unencrypted data from lost or stolen laptops, sift through the garbage for financial statements or receipts, or burglarize the workplace in search of sensitive paper files. These criminals could be external parties or disgruntled employees. Regardless, these scenarios could trigger state-specific breach notification laws and lead to related costs to manage. Fortunately, cyber coverage can help respond to these expenses.



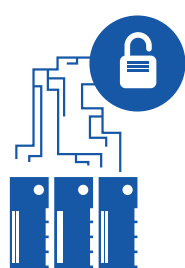
## Weak security and lack of controls can result in first- and third-party claims.

In addition to experiencing direct, first-party losses from cyber incidents, legal action from third parties affected by such incidents may also occur. Cybercriminals often leverage small businesses as a gateway to infiltrate the systems of their suppliers, customers or banks. For example, a lawsuit could stem from unintentionally forwarding malware to a supplier, ultimately shutting down their website and resulting in a loss of income. Cyber coverage can protect against third-party losses as well as any related defense and settlement costs.



**37% of business owners** say they are not confident they could recover if their small business was attacked.

Nationwide partners with Hartford Steam Boiler to offer cyber coverage that addresses digital exposures.



**Data compromise**—This coverage can help pay both first-party data breach response costs (e.g., notifying impacted individuals and setting up credit monitoring and identity restoration services) and expenses resulting from legal action brought by affected third parties.



**Identity recovery**—In the event that cyber incidents lead to identity theft issues, such coverage can offer credit history and identity record restoration services and overall expense reimbursement for key individuals, including employees and their family members.



**Computer attack**—This coverage includes protection for damages to electronic data and computer systems stemming from viruses or other computer attacks, as well as liability costs related to damages third parties may have experienced from security weaknesses.

As a whole, it's evident that cyber insurance can provide much-needed protection for various security threats. For more information on Nationwide's cyber coverage offerings, [click here](#).