



# **"Cyber attacks only happen to retailers, not wholesalers."**

Wholesalers that fall for this myth fall victim to cyber crime.

Wholesalers are quickly adopting mobile and cloud computing and connecting electronically to resellers and vendors. But cyber security systems often lag behind the risk of more reliance on connectivity and data.

Hackers exploit security weaknesses not only to access your system and data, but to find backdoors into your business partners' systems. Better security can deter them, but attacks still happen.

Recovery can be costly. Cyber insurance protects your business by covering the cost of system and data recovery, income lost to downtime and legal obligations.

## It happened to them – it can happen to you

# 53%

of U.S. businesses were cyber  
attacked in the past year\*

## Types of attacks

Victims experienced these  
common attacks. New threats emerge  
daily. Security can't keep up.

53%	Malware / viruses
51%	Ransomware / cyber extortion
35%	Distributed denial of service attack
29%	Social engineering
25%	Cyber extortion

\*All statistics from 2019 Zogby  
Analytics study sponsored by HSB

## Causes of attacks

Hackers exploit mistakes and unsafe  
online practices by employees,  
contractors and third parties.  
Common missteps include:

- Clicking on fraudulent email links
- Providing confidential data to fake  
requests from trusted sources
- Failing to update passwords
- Using unsecured mobile devices

## What are the risks

Most property policies exclude the  
damage caused by cyber-attacks:

- Breach of confidential records
- Fraud, identity theft
- Intellectual property theft
- Damaged/destroyed data, systems
- Revenue lost during downtime
- Damaged reputation, lost trust
- Third party liability

## Recovery costs really add up

# 38%

of victims spent \$50,000 or more  
responding to cyber-attacks\*

## Cyber coverage cuts your losses

Cyber coverage pays to get your  
business back to normal, helps you  
meet legal requirements and lessens  
the blow of income lost to downtime:

- Data recovery and re-creation
- System recovery and repair
- Lost business income
- Reputation management
- Ransom, extortion payments
- Data breach response expenses
- Identity recovery expenses
- Data breach liability and  
legal expenses
- Payments to fraudulent party

## About HSB

HSB, a Munich Re company, is a  
technology-driven company  
built on a foundation of specialty  
insurance, engineering and  
technology, all working together to  
drive innovation in a modern world.

### Fast fact

### WHOLESALE

**56% of organizations** have had a breach that was  
caused by one of their suppliers or vendors according  
to a Ponemon Institute survey.