

Cyber Matters Newsletter

January 2023

Happy New Year to all, we hope you have come back to the office reinvigorated. What will 2023 bring in terms of Cybersecurity and insurance premiums?

Focus on SME's



We have noticed a concerted focus by the cybersecurity sector on SME's. There is a real recognition that these have been somewhat underserved compared to the larger, more high-profile companies and there are plenty of people doing good work to benefit SME's when it comes to their cybersecurity. These range from tutorials,

training resources to IT support packages targeted to this sector.

SME pilot programme

We are involved in one particular project with Cyber Ireland, which will enable such companies to improve their cyber-security posture by following four straightforward steps. Those who do so should then be able to avail of discounted Cyber Insurance premiums. Our pilot programme is due to launch later this month, and all going well we should have more detail in our next newsletter.

What will happen to Cyber insurance premiums in 2023?

Ransomware incidents, while still a key area of loss to both clients and insurers, seemed to settle down somewhat in 2022. This resulted in insurance premiums finally stabilising after a turbulent two years.



No major Cyber Insurance insurers exited this space in Ireland during 2022; in fact we have finally now started to see the arrival of some new providers. Currently most of these are taking a cautious approach, looking at a selective number of clients, but as they get more comfortable we would hope they would widen their appetite. This in turn should hopefully lead to better deals for clients.

Our Cyber team is 10-strong nationwide – if you would like to speak with us feel free to contact us – our details are on the last page.

Food for thought

Client details of letting agent leaked—Cork



As reported in the [Irish Examiner](#) (external link) in late December,

clients of a letting agent suffered a data breach. Their details were shared in error by a Cork firm to an unconnected Galway one.

The Data Protection Commissioner acknowledged awareness of the breach, as has the Residential Tenancies Board. The latter advised that they have implemented changes to prevent this happening again.

This is a cautionary reminder for both data processors and data controllers relating to their obligations under the GDPR.

Are SME's the US economies 'Achilles Heel'

A reminder that not only are smaller firms not exempt from cyber attacks, they are probably more vulnerable than larger firms. A feature by BBC News suggests that SME's are a much better target than larger firms. Large companies often rely on what smaller companies sell to them, hence the reference to SME's being the Achilles Heel of the economy.

The main reason mentioned for this was that Covid 19 brought plenty of challenges. For example, larger firms had more resources to protect their IT infrastructure. In addition, many of the cybersecurity tools being developed have larger firms in mind. See our case study on page 4 for such an example.

The external link to the full piece is [here](#). While it is USA oriented, we would suggest the situation is likely to be similar here in Ireland.

UK bank TSB fined

It was interesting to see that British bank TSB were fined over £48m by the Financial Conduct Authority and Prudential Regulation Authority due to an IT platform migration that went wrong.

An IT crash at the bank in 2019 found that 2 million customers experienced disrupted services. An investigation into the incident found that the new platform had not been properly tested.



Cybersecurity considerations for company directors

Recent cases against executives at both Uber and Drizly serve as a reminder that cybersecurity is a key issue at board level.



In late 2016, Uber's then Chief of Security, Joseph Sullivan, was made aware of a data breach involving 57 million Uber users. He paid the hacker \$100,000 to destroy the evidence and opted not to advise those affected or regulators. The breach subsequently came to light, Mr Sullivan was fired from his role and in October of last year he was found guilty of obstruction of justice. He is currently awaiting sentencing – he could be jailed for up to 8 years.

Also in October, the US Federal Trade Commission (FTC) announced it is to take action against both Drizly (a drinks delivery company) and its CEO, Cory Rellas. This relates to an allegation that the company failed to put in place reasonable safeguards of their consumers data; the end result was that much of it was accidentally placed online. The CEO was specifically named by the FTC as *“this ensures the CEO faces consequences for the company’s carelessness.”*

What does this mean for Irish directors?

It would be easy to dismiss these case studies given that they took place in the USA, or to try to dismiss these as atypical scenarios. However, the bottom line is that board members could be found personally liable for their actions, and as such cybersecurity and personal data must be handled carefully, with adequate measures in place.



Cybersecurity is now indisputably an established risk to most businesses. It simply must be dealt with as a top level issue within the boardroom. If the worst case scenario occurs, affected companies need to be able to prove that they took reasonable steps to avoid such incidents and to protect any customer, employee or third party data which is under their control.

Feel free to reach out to us if you wish to discuss Cyber Insurance or Directors & Officers Liability insurances.

O'Leary Insurances Ltd. is regulated by the Central Bank of Ireland.

Risk Management Newsletter

Thank you for reading our newsletter. Below are links to our own social media pages. Follow these to keep abreast of important updates.

LinkedIn: <https://goo.gl/u06ncG>

Twitter: @OLearyInsurance

Facebook: <https://goo.gl/DILziV>

€1m+ Phishing loss to SME

A company (<5 employees) was the victim of a phishing attack. The end result was that the company's emails were compromised, and a very small number of their clients were duped into sending monies to Cybercriminals. The total loss to these clients was well over €1m, even after a substantial amount of funds had been recovered. A comprehensive forensic investigation was carried out, and below are some excerpts from the report:

"The attack was sophisticated and well executed. The attackers were clearly experienced in carrying out this kind of attack. We suspect that small (companies like this) are the principal target of this particular cyber-criminal group."

"The attackers were extremely confident in the way they carried out the attacks. They formatted the false email addresses they used in such a way that a casual observer would not have noticed the difference with the genuine one."

"In summary, the cyber-criminals that attacked (the) company were highly skilled and specialised in...carrying out impersonation frauds. Such attackers are experienced and effective at gaining access to targets' information systems and have several potential methods at their disposal for obtaining the credentials of victims. The attackers also appear to have been familiar with the measures recommended to...prevent such frauds, and had devised a modus operandi which evaded the protections likely to be in place."

If you have further questions on anything in this newsletter please let us know—details below.

Office	Contact	Phone	Email
Cork	Brian O'Mara	021 453 6860	bomara@oli.ie
Dublin	Carman Devlin	01 663 0604	cdevlin@olid.ie
Galway	Brendan Devlin	091 454 042	bdevlin@olg.ie
Waterford	Fiona Fitzgerald	051 309 130	ffitzgerald@oliw.ie

About O'Leary Insurances – Insurance Brokers & Consultants

From an initial complement of three staff in 1961, originally founded by Archie O'Leary, O'Leary Insurances has successfully grown & developed into an Insurance Brokerage which specialises in providing a high level of customer service throughout Ireland. The O'Leary Insurances group of companies are all wholly owned subsidiaries of Brown & Brown, Inc. one of the largest and most respected independent insurance intermediaries in the United States of America (NYSE BRO). You can find out more about us at www.olearyinsurances.ie.

With over two hundred and fifty insurance professionals operating from seven locations nationwide, O'Leary Insurances provides a comprehensive insurance broking service to all sectors of the Irish Economy. As part of this insurance broker service, we have consistently maintained our strong emphasis on professionalism and personal attention through all of our products, building on our hard-earned reputation for dependability and commitment.

Our highly trained and experienced personnel would be delighted to be of service to you and would welcome the opportunity to discuss both your Personal Insurance and Business Insurance requirements with you. We are confident that our knowledge and expertise can assist you in the management of your insurance needs and can assure you of our very best attention in meeting the challenges of the future.

Disclaimer – as insurance brokers we cannot provide legal advice. Thank you for reading.

O'Leary Insurances Ltd. is regulated by the Central Bank of Ireland.

