



As Cyber Security Threats Surge Hedge Funds Turn to Cyber Liability Insurance to Help Mitigate Risk

White Plains, NY – June 24, 2014 – [Assured SKCG, Inc.](#), the risk management and insurance advisor to some of the world's largest alternative investment firms, has seen an increased interest in cyber liability insurance by hedge funds. These firms are responding to investor concerns, a recent SEC Risk Alert on cybersecurity preparedness, and an escalation in cyber-attacks aimed at hedge funds and financial firms.

Consider the following statistics:

- Within the past 12 months 4 of the top 10 largest breaches took place
- 66% of the breaches took months or more to discover
- Approximately 70% of the breaches were discovered by external parties
- 37% of breaches occurring between 2012 and 2013 affected financial organizations
- 92% of organizational breaches were perpetrated by outsiders

“Just last week it was reported that a large hedge fund was targeted by cybercriminals who crippled the fund's trading strategy and sent proprietary information to off-site computers. This is just one example of the cyber threats faced in the 21st century by all hedge funds,” said Wayne Siebner, Sr. Vice President of Assured SKCG, Inc. “Our clients are adding cyber liability insurance as a cost-effective way to transfer the risk of these types of attacks, and simultaneously demonstrate to investors and regulators that they're taking these threats seriously.”

The above figures, coupled with the emergence of over 47 State privacy laws, have resulted in a greater focus on these issues by regulators and lawmakers. In addition to actions and proposals by the Federal Energy Regulatory Commission, the Government Services Administration, and the Department of Defense, the SEC's Office of Compliance Inspections and Examinations recently issued a [risk alert](#) providing information concerning its ongoing initiative to assess Cyber Security preparedness for Investment Advisers and Broker-Dealers.

The SEC is specifically asking Asset Managers if they have Cyber Liability Insurance and to what extent. There are some very cost effective ways to obtain Cyber insurance that helps protect the manager and comply with the SEC. SKCG has rolled out a comprehensive Cyber insurance policy with broad coverage terms, a simplified application process and a discounted premium structure with two of the country's leading Cyber insurance companies. For many years, SKCG has been providing Cyber Liability/Network Security insurance with unique coverage enhancements specifically designed for hedge funds. First Party coverage includes reimbursement for forensic investigations, cyber extortion, notification costs, business interruption, credit monitoring costs, identity theft education, and public relations. The Third-Party coverage includes defense reimbursement for reputational and content injury, internet media liability, regulator's investigation/enforcement expense, privacy liability, and impaired access-network security liability.

For additional information contact [Wayne Siebner](#), Sr. Vice President of Assured SKCG's Professional Liability Practice, at wsiebner@SKCG.com, [Richard Canter](#) or [David Parker](#), at (914) 761-9000.

About Assured SKCG

Assured SKCG, Inc. is an insurance advisory firm serving commercial and private clients who require sophisticated advice addressing multiple risk factors. Our technical expertise in identifying and dissecting risk, coupled with our ingrained culture of senior-level attention and client service, results in high levels of customer trust and loyalty. From insurance and private client services to group benefits and retirement planning services, our success in the marketplace is due to our industry knowledge, technical analyses, experience and unique carrier relationships. In November of 2011 the firm became a founding platform for AssuredPartners, Inc. Assured SKCG, Inc. and AssuredPartners, Inc. embodies a wide variety of industry expertise and market presence that benefits our clients, our insurance company partners and our employees.

Media Contact: Mitch Ackles, Hedge Fund PR, 646-657-9230, Mitch@HedgeFundPR.net