

"There are only two types of companies:
those that have been hacked,
and those that will be."

Robert Mueller
FBI Director, 2012

What about IoT Liability?

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Contents

- Cromar Insurance Brokers
- Internet of Things Definition
- The IoT Market in Figures
- Insurance for IoT Losses - Liabilities
- The Data Protection Landscape - GDPR
- Cyber Insurance covers at a glance
- A Simplified Overview of a Data Breach
- Connected Car – The Blame Game
- www.cyberinsurancequote.gr
- More Information

Cromar Insurance Brokers

- With an established presence of more than 65 years of experience in the International, British and Greek Insurance markets.
- We are International Insurance and Reinsurance Brokers. We place risks with a carefully selected group of international and domestic insurance companies and make sure all insurers we cooperate with adhere to our demanding security standards.
- Our primary capacity is as a LLOYD'S Coverholder .
- We have been granted binding authorities from leading LLOYD'S syndicates.

Internet of Things - Definition

IoT connects objects such as cars, buildings and machines to the internet, turning them into 'intelligent' assets that can communicate with people, applications and each other.



But what is all about?



eHealth and Telemedicine

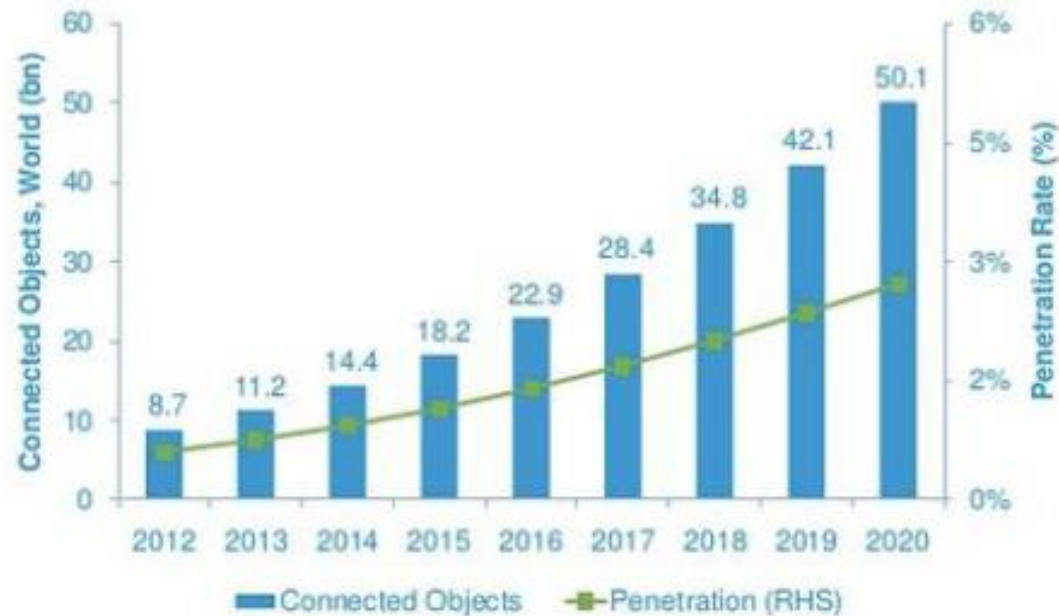




The IoT market in Figures

\$ 7.1 trillion in volume of sales

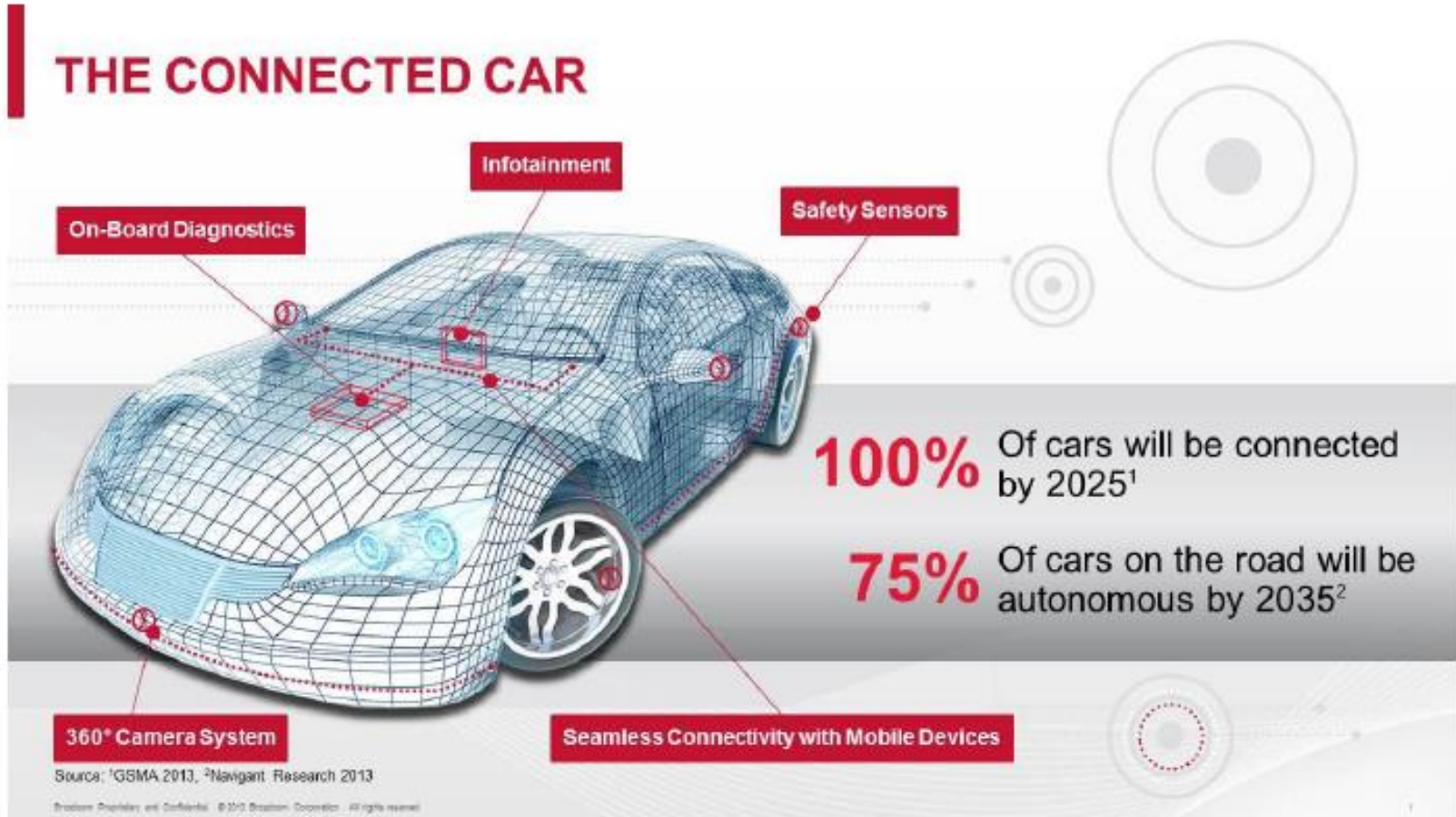
Number of Connected Objects Expected to Reach 50bn by 2020



Penetration of connected objects in total 'things' expected to reach 2.7% in 2020 from 0.6% in 2012

Source: CCS, 2013

The Connected Car



The IOT presents special cybersecurity challenges

Many devices were **designed for convenience, not security**, and as a result can often easily be hacked.



Insurance for IOT Losses - Liabilities.

IOT losses can consist of:

- the compromise of data
- malfunctions within the physical device itself
- Malfunctions of the remote computer programs or algorithms.

The results may be:

- financial losses
- bodily injury
- Physical damage to tangible property.

Insurance Products

- Cyber Privacy Liability Insurance
- Product Liability
- Tech E&O Insurance



The Data Protection Landscape - GDPR



General Data Protection Regulation

- **Fines** - of up to EUR 20m or 4% of annual global turnover for breaches of the rules
- **Breach notification:**
 - **Regulator** - “without undue delay” and where feasible within 72 hours.
 - **Affected Individuals** – only where breaches likely to pose a high risk.
- **Data Protection Officers**

Cyber Insurance Covers

CYBER INSURANCE COVERS:



LIABILITY



**EVENT
RESPONSE**



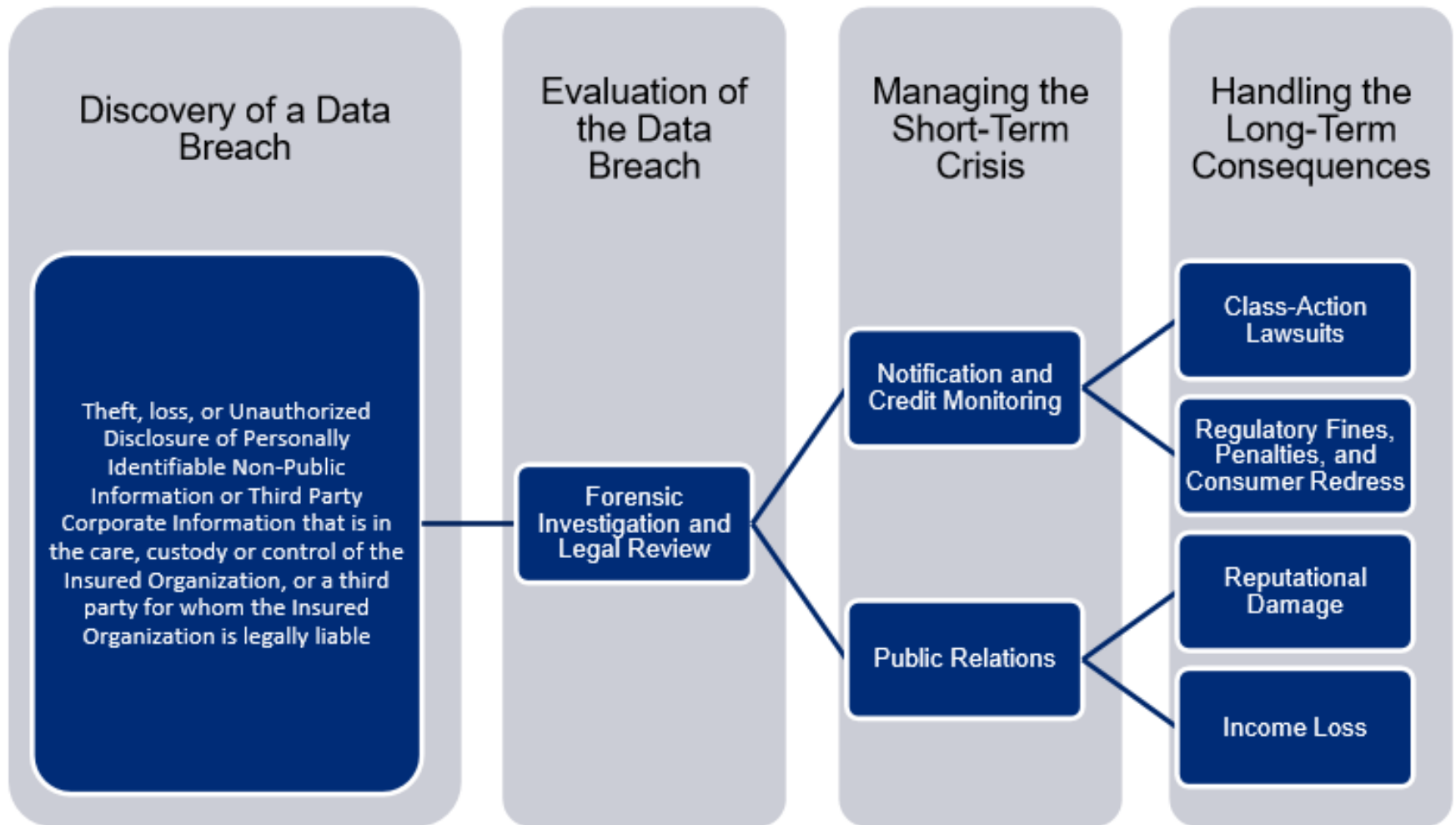
**BUSINESS
INTERRUPTION**



**CYBER
EXTORTION**



A Simplified Overview of a Data Breach





*Not if
but when*

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Cyber Secure Solution

THE WORLD'S SPECIALIST INSURANCE MARKET

A market where our syndicates join together to insure risks

Connected Cars - The Blame Game

THE BLAME GAME: WHO PAYS IF DRIVERLESS CARS CRASH?



They will save lives, but even automated cars may crash. (Photo: iStock/simonkt)

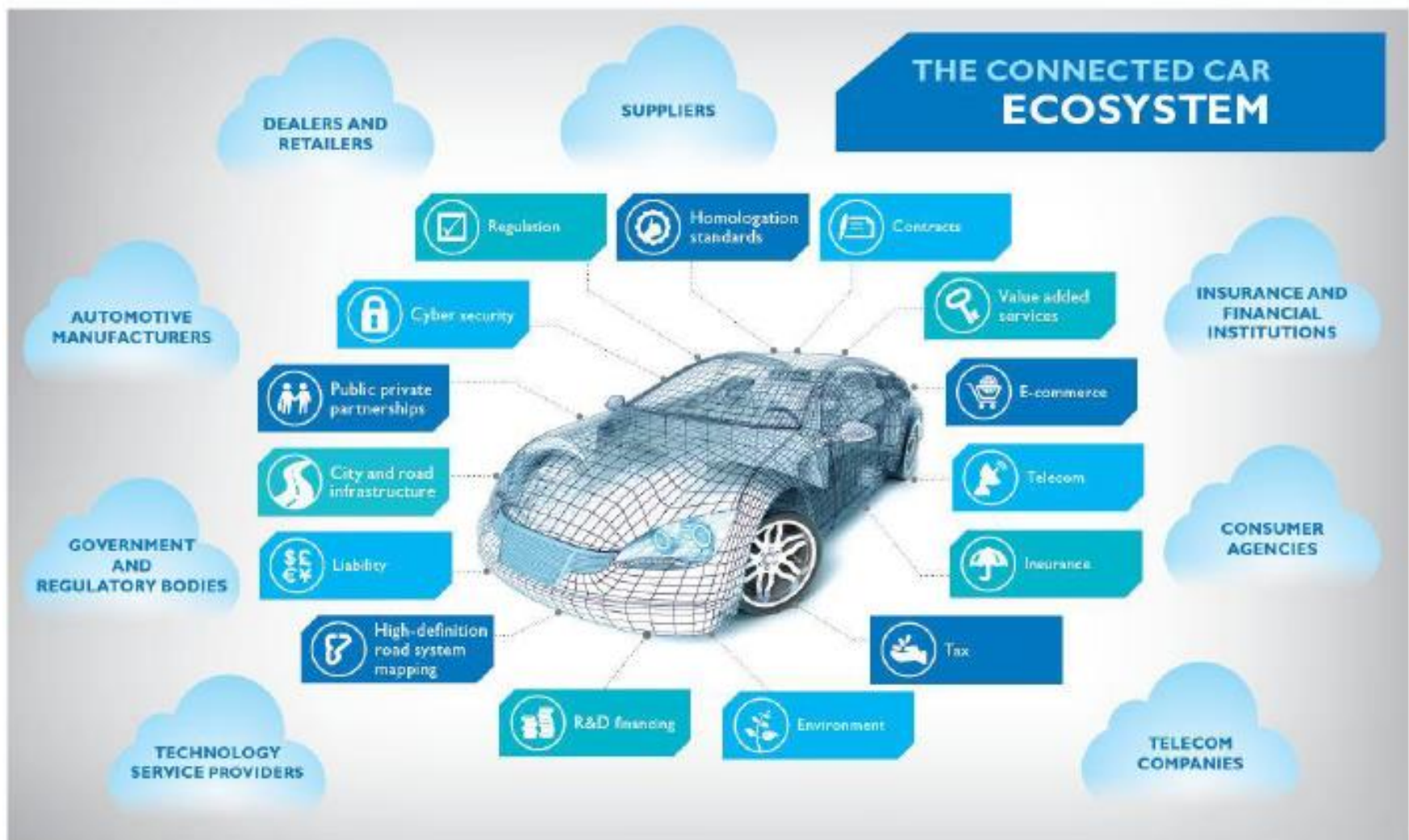
When insurances and manufacturers sit down, the real blame game begins.

- The crunch question will be: who was the perpetrator – man or machine?
- And if the human is ruled out, then what exactly caused the crash? A brake malfunction or faulty sensor information? Compromised software or flawed mapping data?
- **To unravel the complex technical entanglements of a driverless accident, data will be key.** Specifically, so-called **event data recorders** may bring everybody closer to an answer.



[Read more : https://www.2025ad.com/in-the-news/blog/driverless-cars-and-liability/](https://www.2025ad.com/in-the-news/blog/driverless-cars-and-liability/)

The Connected Car Ecosystem



Things to Remember

The contractual liability agreements between all parties involved in developing and using devices connected to the IOT must be spelled out exactly and precisely to make sure that the commitment and scope of each party's responsibility is restricted to their particular aspect of development and implementation.



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More Information



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Nikos Georgopoulos IoT Conference 2016

Coverholder at **LLOYD'S**