



# Food, Agriculture & Beverage

## Cyber risk exposures and solutions

Food, agriculture and beverage organisations are a target for cyber criminals with motives of financial gain via theft of confidential information or money. Cyber is a broad risk that organisations face by virtue of their reliance on information technology, connectivity and automated processes. In an increasingly punitive legal and regulatory environment, and with more frequent contractual requirements for cyber liability insurance, forward thinking companies are taking proactive steps to explore and transfer cyber risk.

Numerous factors contribute to an organisation's cyber risk profile, including: action by employees, system and programme errors, security measures, industry, nature and quantity of data collected, political or strategic significance and reliance on technology.

### Cyber risk considerations for food, agriculture and beverage organisations:

- ▶ Business process disruptions
- ▶ Dependence on vendors, independent contractors or additional service providers
- ▶ Personally identifiable or corporate confidential information in their care
- ▶ Privacy regulation
- ▶ Evolving regulatory environment
- ▶ Resources allocated to physical assets rather than information and systems security
- ▶ High dependency on electronic processes or computer networks

### Potential cyber incidents for food, agriculture and beverage organisations:

- ▶ Business interruption or lost income due to a cyber incident
- ▶ Direct or contingent bodily injury and property damage resulting from cyber incidents
- ▶ Insider access
- ▶ Social engineering
- ▶ Hackers targeting sophisticated control systems
- ▶ Intentional acts committed by rogue employees
- ▶ Ransomware attacks

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### We're here to empower results

**Karl Curran**  
Cyber Food, Agriculture & Beverage Industry Expert  
+35 (0)3 1266 6424  
karl.curran@aon.ie

**David Molony**  
Cyber Risk Leader  
Cyber Solutions EMEA  
+44 (0)777 5227008  
david.molony@aon.co.uk

**Spencer Lynch**  
Cyber Security Leader  
Cyber Solutions EMEA  
+44 (0)20 7061 2304  
spencer.lynch@aon.co.uk

**Vanessa Leemans**  
Chief Broking Officer  
Cyber Solutions EMEA  
+44 (0)20 7086 4465  
vanessa.leemans@aon.co.uk

**Richard Hanlon**  
Chief Commercial Officer  
Cyber Solutions EMEA  
+353 (0)1 266 6443  
richard.hanlon@aon.ie

[aon.com/cyber-solutions](https://aon.com/cyber-solutions)

# Scope of traditional cyber coverage available in the insurance marketplace:

## Third party coverage elements

- **Security and privacy:** defence costs and damages suffered by others resulting from a failure of computer security, including liability caused by theft or wrongful disclosure of confidential information, unauthorised access, denial of service attack or transmission of a computer virus
- **Regulatory defence and fines:** defence costs for proceedings brought by a governmental agency in connection with a failure to protect private information and / or a failure of network security
- **Media liability:** defence costs and damages suffered by others for content-based injuries such as libel, slander, defamation, copyright infringement, trademark infringement, or invasion of privacy
- **PCI fines and assessments:** defence costs for investigations brought by the Payment Card Industry (PCI) in connection with a failure to protect private information and / or network security

## First party coverage elements

- **Breach response costs associated with:** breach notification, including the hiring of outside law firms and public relations consultants, forensic costs, credit monitoring / protection, notification hot-line / call centre, identity theft resources
- **Network business interruption:** loss of income and extra expense due to network security failure
- **Dependent business interruption:** reimburses the insured for actual lost net income and extra expense incurred when the insured's service provider's computer system is interrupted / suspended due to a failure of network security
- **System failure business interruption:** coverage for business interruption due to an unintentional or unplanned system failure not caused by a failure of network security
- **Data restoration:** costs to restore / recreate data / software resulting from network security failure
- **Cyber extortion:** reimburses the insured for expenses incurred in the investigation of a threat and any extortion payments made to prevent or resolve the threat

## Aon has successfully negotiated the following key coverage enhancements with insurers (subject to market agreement per individual risk):

- |   |  |
|---|--|
| • Full limits for incident response and costs associated with breach notification | • No failure to patch exclusion  |
| • Broad definition of computer system   | • Cost of spoilage and replacement of materials that are transferred – part of business interruption extra expense |
| • Coverage for cyber terrorism  | • Supply chain business interruption, including logistics companies utilised                                       |
| • Deletion of the unencrypted device exclusion                                    |  |

# Our approach

## Adopting a risk based cyber insurance strategy

Aon's cyber capabilities can support organisations in embracing a risk based approach through:

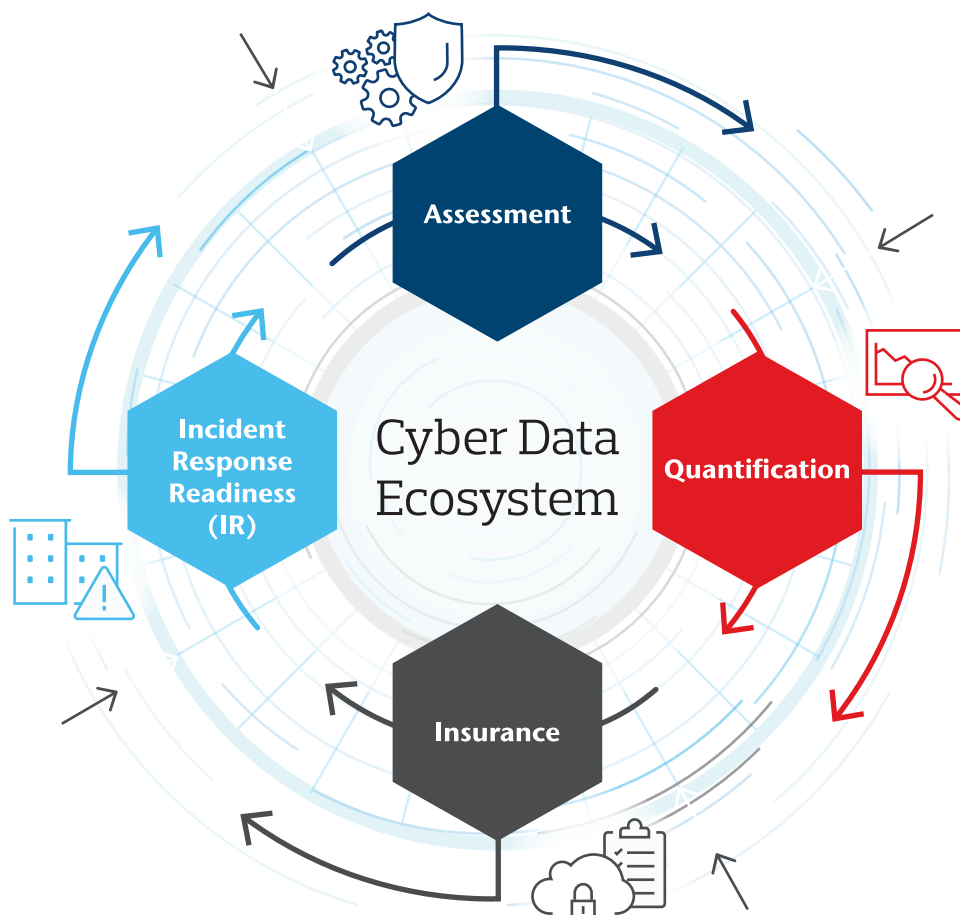
- *Cyber Assessment* - an enterprise wide approach to cyber security risk that provides a detailed view into an organisation's unique technology profile and threat landscape, with a focus on facilitating risk quantification and insurability.
- *Cyber Impact Analysis* - a data driven analytical framework supporting organisations to optimise their resilience strategy through mitigation and transfer. Existing risk financing strategies can also be enhanced through modelling cyber loss scenarios and stress testing current limits.

## Cyber innovation

- *Aon Cyber Enterprise Solution™* - a policy which broadens the scope of cyber coverage to include: property damage arising from a network security breach, business interruption and extra expense coverage as a result of a systems failure, contingent network business interruption for IT vendors and the supply chain, and cyber terrorism coverage.
- *Aon's GDPR Protect Solution* - a modular risk management solution that helps organisations manage financial, regulatory and legal risks associated with processing personal data under the EU General Data Protection Regulation (GDPR).

## The Cyber Loop: a continuous response to an evolving threat

Aon's Cyber Solutions offers a full range of services to help you understand and manage cyber as an enterprise risk.



# Client story



A multinational food and drink producer with manufacturing locations across the world was concerned about the IT dependency of their operations in the event of a cyber incident.

Aon was engaged to review existing IT operations and ensure that the procedures for disaster recovery and crisis management were relevant and fit for purpose.



In order to understand the widespread consequences a cyber incident could have on the organisation, the team mapped all critical manufacturing and logistic processes by looking at relevant disruption scenarios that could occur.

The evaluation results were then compared with the existing disaster recovery procedures, highlighting various business critical controls that needed strengthening to minimise economic loss.



A detailed evaluation approach enabled us to deliver a clear business response and communications strategy for the client that limits disruption in the event of a cyber attack.

Our team also identified gaps in the current insurance coverage of the client that could be improved to mitigate further economic loss.

## About Aon's Cyber Solutions:

Aon's Cyber Solutions offers holistic cyber security, risk and insurance management, investigative skills and proprietary technologies to help clients uncover and quantify cyber risks, protect critical assets and recover from cyber incidents.

All descriptions, summaries or highlights of coverage are for general informational purposes only and do not amend, alter or modify the actual terms or conditions of any insurance policy. Coverage is governed only by the terms and conditions of the relevant policy.

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