THE MANUFACTURING INDUSTRY
Planning for Cyber Risk

With more and more manufacturers moving their operations online through the use of technology within their production operations and supply chain management, cyber criminals are increasingly targeting the industry with financially-motivated attacks such as Funds Transfer Fraud and Ransomware attacks in order to disrupt operations, causing financial loss. ATC Insurance Solutions is here to help you better understand your risk.

POTENTIAL EXPOSURES / RISKS

- **Funds Transfer Fraud:** Any manufacturer which makes wire transfer payments to suppliers are at risk of their funds being stolen. There are a number of ways that hackers can do this and that are becoming increasingly difficult to spot, such as through manipulated invoices, phishing, CEO impersonation and other social engineering campaigns.
- **Human Error:** The human factor is a large cause of cyber incidents. According to the OAIC, 34% of Notifiable Data Breaches in the first half of the year were as a result of Human Error. This ranges from clicking on a malicious link or opening an infected email attachment which could lead to the deployment of malware/ransomware on to your systems and taking down your manufacturing processing systems. Cyber security awareness training is key in preventing this.
- **Business Interruption:** Without proper measures in place, an attack on the network such as ransomware could soon add up to large costs and damage to systems. It is essential to have a Business Continuity Plan along with (daily) backups which are tested regularly and held offline to prevent against a Business Interruption Event and potential reputational harm to your firm.
- **Data Breach:** Although manufacturing firms arenít always holding a lot of sensitive data in the form of Personally Identifiable Information (PII), they do hold and use their clientís confidential information, including but not limited to trade secrets and other sensitive commercial information which can prove costly to restore.
- **Third Party Liability:** As part of a supply chain, manufacturers may often be the gateway to larger corporations as they have access to their systems or share or maintain data critical to operations. Manufacturers should ensure their systems are secure so that they can prevent hackers taking advantage of these 'back-door' vulnerabilities and in turn ensuring that they aren't liable for any transmission of malware to other third parties.
- **Underinvestment**: Due to misconceptions with cyber exposures, manufacturing firms may lack cyber security awareness and in turn underinvest in their IT infrastructure and IT security. Running legacy or unsupported systems and not having basic cyber security controls in place will leave manufacturers open to cyber attacks, therefore it is vital that the correct security measures are implemented to protect a company from financial loss.
- **Digital Transformation:** The increasing use of technology within the manufacturing industry through innovation in production optimisation, automating processes, warehousing, resource planning and supply chain management means that firms more than ever need to ensure that their systems are secure in order to avoid ransomware attacks and disruption to their businesses.

HOW ATC CAN HELP

- 24 Hour incident Response Hotline ñ access to cyber security experts in a time of crisis
- Claims managed in Australia by Australians
- Free commercial grade antivirus for up to 10 devices
- Operator error covered
- Funds Transfer Fraud cover available
- Nil excess in respect of Remediation Costs
- No sub-limits in standard wording
- Public Relations Costs covered
- Cyber Extortion Covered

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