



Small businesses are underestimating their cyber risk despite increased threats

Survey finds majority of business owners believe their business is too small to be targeted and are not investing in cyber defence

September 27, 2023 (TORONTO) –Most small businesses don't believe they will experience a cyber attack, yet many employees are concerned they are putting their organizations at risk, according to a recent poll by Insurance Bureau of Canada (IBC).

IBC's *2023 Cyber Security Survey* found that more than 60% of small businesses believe their business is too small to be targeted by cyber criminals. This number rises to 73% for sole proprietors. The majority of business owners surveyed were not concerned about their staff posing a cyber risk, however, three out of four employees surveyed admit to having taken at least one action that poses a cyber security risk.

The poll also showed growing employee concerns with cyber safety. For example:

- 25% of employees don't feel they have the tools and training needed to identify potential cyber threats at work
- 22% of employees are concerned their actions could contribute to a cyber attack or data breach
- 10% of employees have shared confidential information with a publicly available chatbot or artificial intelligence (AI) platform.

"While large companies are often common targets for cyber criminals, small and medium-sized businesses are also at a heightened risk," said Liam McGuinty, Vice President of Strategy at IBC. "Both employers and staff play an important role in cyber security, and regular staff training is a critical component in reducing risk."

Despite nearly 40% of small business employees indicating that they had seen an increase in scam attempts over the last 12 months, employer responses showed that they may not be making enough investments in cyber protection:

- 69% do not consider cyber security a financial priority
- Only 20% have any intention of purchasing cyber insurance within the next year
- 17% don't think they would qualify for cyber insurance.

"All businesses, but especially those that rely heavily on an online presence and use e-commerce, should consider contacting their insurance representative to help find ways to manage their cyber risk," added McGuinty. "However, cyber insurance is just one component of an overall cyber risk mitigation strategy – it is not a replacement for cyber resilience."

IBC's new Cyber Savvy Assessment provides information for small business owners

As part of Cyber Security Awareness Month, IBC is launching a self-assessment tool to help business owners understand the steps most cyber insurers want businesses to take to reduce their cyber risk.



While this free tool cannot provide an assessment of a business's actual risk profile, its questions can help business owners gauge their level of readiness for cyber insurance and help determine which areas they may need to focus on to bolster their cyber resilience.

The Cyber Savvy Assessment is available until October 31 at cybersavvycanada.ca, along with resources and information about the proactive measures businesses can take to help reduce their cyber risk.

About IBC's Cyber Savvy Research Businesses

Findings are from a survey conducted by Insurance Bureau of Canada from August 3 to 9, 2023 among n=305 Canadian business owners and decision makers who work at companies with up to 500 employees. All respondents were members of the online Angus Reid Forum. Interviews were conducted in English and French. For comparison purposes only, a sample of this size would yield a margin of error of +/- 5.6 percentage points, 19 times out of 20.

Employees

Findings are from a survey conducted by Insurance Bureau of Canada from August 3 to 9, 2023 among n=1,506 employed Canadians aged 18+ who work at organizations with 2 to 499 employees and work primarily on a computer or other digital device. The sample was balanced on age, gender and region to the profile of the working Canadian population. All respondents were members of the online Angus Reid Forum. Interviews were conducted in English and French. For comparison purposes only, a sample of this size would yield a margin of error of +/-2.5 percentage points, 19 times out of 20.

About Insurance Bureau of Canada

Insurance Bureau of Canada (IBC) is the national industry association representing Canada's private home, auto and business insurers. Its member companies make up the vast majority of the property and casualty (P&C) insurance market in Canada. For more than 50 years, IBC has worked with governments across the country to help make affordable home, auto and business insurance available for all Canadians. IBC supports the vision of consumers and governments trusting, valuing and supporting the private P&C insurance industry. It champions key issues and helps educate consumers on how best to protect their homes, cars, businesses and properties.

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