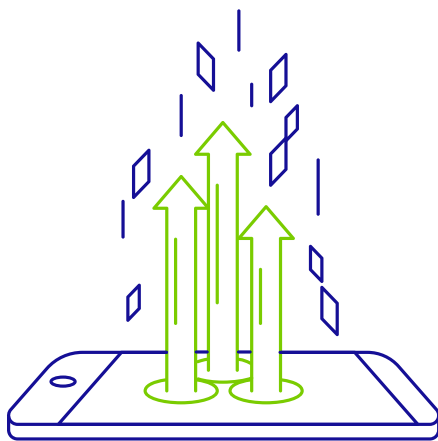


# Harnessing the power of data

Artificial intelligence (AI) and cloud technology increases the efficiency and profitability of industry and trade, and has widespread uses in every aspect of the business, especially in data analytics and storage. AI, for instance, enables companies to make data-driven business and product decisions based on user insights to optimise business operations, pivot and grow, while cloud technology to store data allows companies to be more efficient and agile.



- 83% of SMEs in Singapore have digital transformation strategies in place, but only 2 in 5 SMEs perceived their efforts to be successful.<sup>3</sup>
- 54% blamed the pandemic for slowing their digital transformation plans, and 56% said it was too expensive to digitalise.<sup>3</sup>

1 <https://www.businesstimes.com.sg/sme/singapore-smes-digitalised-leveraged-data-at-higher-rates-than-global-peers-amid-pandemic>

2 <https://www.imda.gov.sg/programme-listing/smes-go-digital>

3 <https://www.straitstimes.com/singapore/over-half-of-smes-blame-digitalisation-delay-on-virus>

Realising the benefits, cloud adoption among Singapore SMEs has been on the rise since the start of the pandemic, with about 62% of companies having used online business solutions last year as they sought to manage operations more efficiently and engage with customers.

This yielded a 30% increase in overall cloud adoption from 2019<sup>1</sup>. This could, in part, be attributed to Singapore government's effort in supporting SMEs digitise their businesses<sup>2</sup> as it continues to drive Singapore's Smart Nation agenda by helping businesses leverage growth opportunities in the digital economy.

Despite all that, the global pandemic has caused delays among SMEs in the implementation of their digitalisation plans<sup>3</sup>, even though many of them have strategies in place to go digital.

## RISKS AND PRODUCTS

As companies reprioritise their digital transformation efforts in the next normal, the use of cloud platforms and storage technologies also present new risk exposures.

Cyber incidents are on the rise and customer information is at risk from skilled hackers and state-of-the-art malware. Directors, officers or professionals are also exposed to an increasingly wide range of third-party claims. Companies need to understand the additional liability challenges they face in order to ensure adequate protection is in place.

Potential business risk	Chubb products and services available
Collection of large data sets creates legal risks.	Cyber
Liability from misuse or misinterpretation of client data for any consultation.	Cyber / Professional Indemnity (Technology)
A cyber breach can lead to reputational risk and a need for incident response services, such as public relations, crisis communications and more.	Cyber
Liability exposures can arise from failure of a product to perform.	Professional Indemnity
Incorporating the use of new digital technologies without proper due diligence may lead to an actual or alleged impact on services offered to customers, leading to costly lawsuits.	Cyber / Professional Indemnity / Directors & Officers
Machine errors arising from technology failures can result in property damage or bodily harm.	Technology Insurance (PremierTech)

CASE STUDY

# Meet Sophia from Smart Management Consultancy

## HER BUSINESS

Sophia runs a consultancy firm and employs a team of 20 management consultants who work with various client companies to evaluate issues faced by clients and help implement solutions.

Sophia's firm uses the cloud to store current and historical client data, including confidential and sensitive business information such as trade analysis, personal data of individuals and third-parties, pricing information and client information.

## WHAT HAPPENED

### Coverage Section

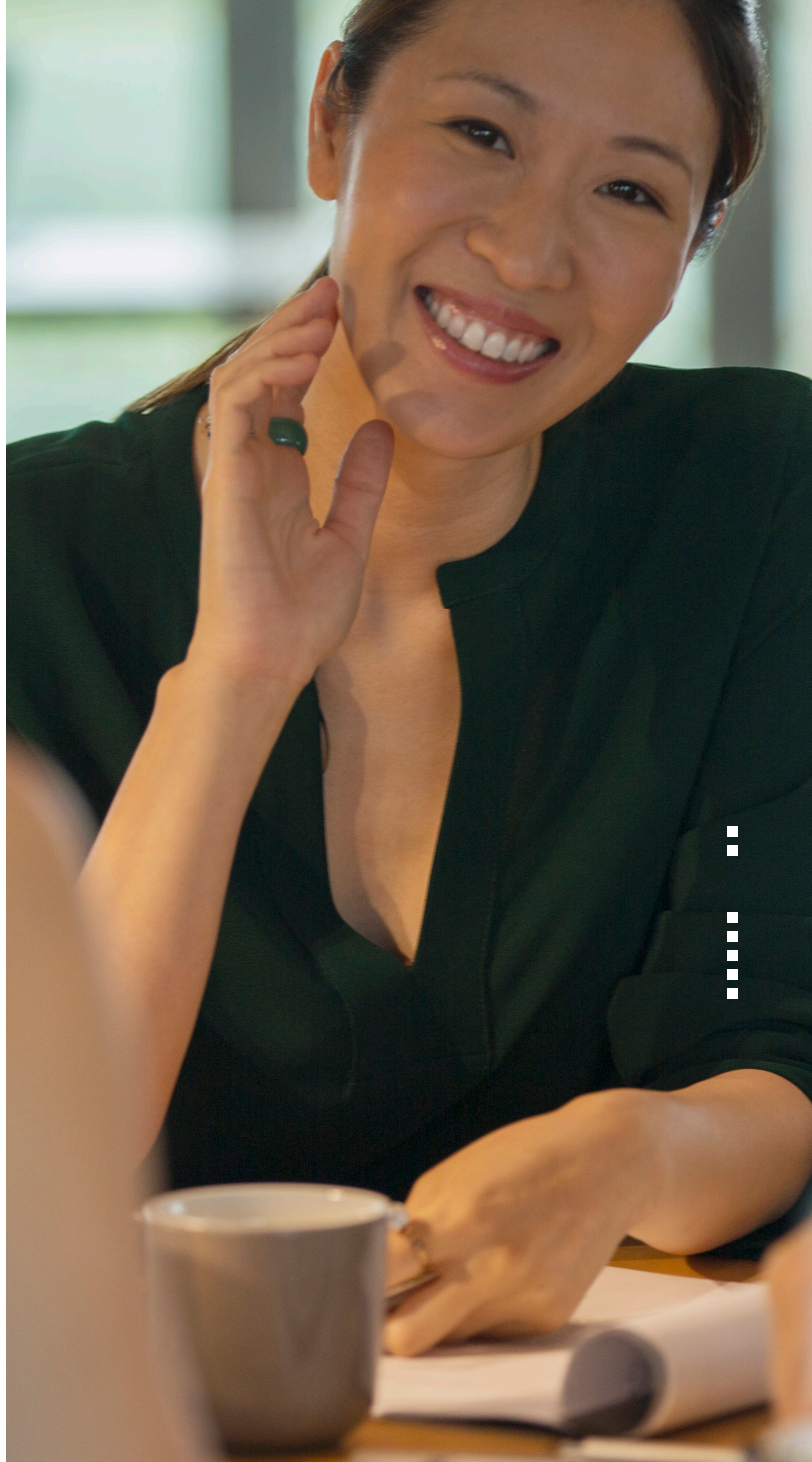
Cyber 

### Claim

Cyber-attack  
Financial Harm

A cyber-attack resulted in theft of current and past clients records and confidential business information was compromised.

Chubb helped Sophia by developing an incident response plan of action to contain the threat. Legal advisors assisted the Insured with the filing of a formal criminal complaint as well as other regulatory documentation. The response team also engaged a crisis management firm to assist with client communications.



## FROM THE CHUBB CYBER INDEX<sup>SM</sup>

28.8%

of claims costs went towards hiring a forensics team to stop the incident and attempt to recover lost data

Average paid incident response costs for forensics services

\$161,880

# Digital Business Accelerated

## KEY THEME 2:

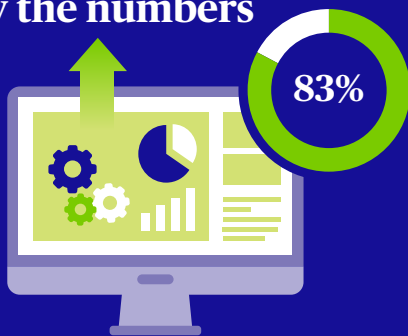
### Harnessing the power of data

Data enables cloud technology and artificial intelligence (AI) to increase the efficiency and profitability of industry and trade.

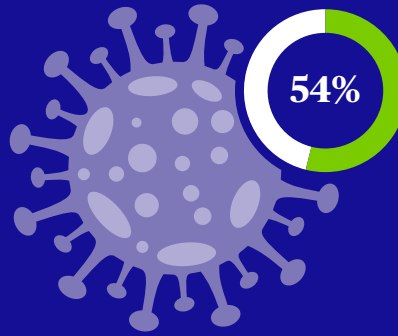
Adopting cloud and other advanced technologies, such as AI, enables companies to refine customer products and services, and optimise business operations.



## By the numbers



83% of SMEs in Singapore have digital transformation strategies in place, but only 2 in 5 SMEs perceived their efforts to be successful<sup>1</sup>



54% blamed the pandemic for slowing their digital transformation plans



56% said it was too expensive to digitalise<sup>1</sup>

## Leveraging Artificial Intelligence (AI) & Cloud Technology



### Opportunities

- Increase overall efficiency with online solutions
- Access insights to identify gaps and improve product offerings
- Data-driven insights also enable effective customer engagement to support customer retention and new customer acquisition



### Challenges & Risks

- Reliance on the use of IoT increases risk of cyber breaches, technology failures, and disruption to business processes
- Customer information is more at risk from cyber criminals and malware
- Businesses need to understand the additional liability challenges they face and protect themselves

<sup>1</sup> - <https://news.microsoft.com/en-sg/2020/10/22/over-80-of-singapore-smes-embrace-digital-transformation-more-than-half-report-slowdowns-due-to-covid-19-asme-microsoft-study-2020/>

Refer to Risk and Product Factsheet for solutions  
Visit [chubb.com/digitalbusiness/sg](http://chubb.com/digitalbusiness/sg)

