

Small Businesses Face Major Risk without Cyber Theft Insurance

With a single event costing over \$250,000 and cybercrime rising, small businesses without cyber theft insurance face liquidity issues, downtime, and closure.

HOUSTON, TX, UNITED STATES, March 24, 2026 /EINPresswire.com/ -- Leading [invoice funding company Charter Capital](#) reports that small businesses across the nation are facing major risks and potentially business closure by failing to obtain cyber theft insurance. Additional insights are shared in "[Why Your Business Can't Afford to Ignore Cyber Theft Insurance](#)," now available at CharCap.com.



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*Joel Rosenthal, Co-founder
and Executive Manager at
Charter Capital*

SMALL BUSINESS CYBERSECURITY RISKS ARE RISING AND GROWING MORE COSTLY

Four in five small businesses were victims of a data or security breach last year, an issue that is growing increasingly common and comes with considerable fallout.

- > **Small Businesses Are Targeted:** Small businesses experience 350 percent more social engineering attacks than their larger counterparts.
- > **Risk is Increasing:** Artificial intelligence (AI) makes it easier to create realistic-looking emails and deep fakes and is now behind two in five breaches.
- > **Financial Losses Are Significant:** More than three-

quarters of small businesses say their breach cost them at least \$250,000, with 37 percent saying they lost more than \$500,000.

> **Downtime and Closure are Common:** Most small businesses report it takes at least 24 hours to recover from an incident. Three out of five small-to-midsized businesses (SMBs) permanently close within six months of a data breach or hack.

“Small business owners often think their size reduces the likelihood of being targeted, but the opposite is true,” explains Joel Rosenthal, Co-founder and Executive Manager at Charter Capital. “Criminals expect smaller businesses to have fewer security measures in place, which increases the risk.”



Small Businesses Can't Afford to Ignore Cyber Theft Insurance

CYBER THEFT INSURANCE OFFERS PROTECTION BUT IS OFTEN OVERLOOKED

Despite these risks, just 17 percent have cyber insurance policies, and most don't obtain it until they've experienced an incident, Rosenthal adds. He notes that cyber theft insurance is typically an add-on to these policies, which can make it easy to overlook. However, it offers unique protection that other types of policies and add-ons don't usually cover.

- > Fraudulent Transfers: Cybercriminals often trick employees into sending payments to fraudulent accounts. Coverage can reimburse the business for the stolen funds.
- > Impersonation: Criminals may pose as executives, vendors, or clients using spoofed emails or fake credentials to initiate unauthorized transactions.
- > Deception-Based Theft: Policies may cover losses stemming from social engineering schemes where employees are misled into compromising internal systems or financial controls.

“Most don't think about cyber theft insurance until after an incident,” Rosenthal says. “This is why roughly three-quarters dip into their cash reserves after an event, and so many don't recover.”

Rosenthal adds that cash flow challenges small businesses often face compound the issue, making it harder to cover premiums and recover from incidents. He says that invoice factoring can be a valuable tool because it allows businesses to leverage their B2B invoices for funds, providing the necessary liquidity to address gaps in risk management and move forward after an event. However, he also notes that it's essential for business owners to work with an insurance professional or risk management specialist who can ensure their company has the right level of coverage.

Those interested in learning more about invoice factoring or who would like to request a complimentary factoring quote may do so by calling 1-877-960-1818 or visiting CharCap.com.

ABOUT CHARTER CAPITAL

Headquartered in Houston, Texas, Charter Capital has been a leading provider of flexible funding solutions for the B2B sector for more than 20 years. Competitive rates, a fast approval process, and same-day funding help businesses across various industries secure the working capital necessary to manage daily needs and grow. To learn more, visit CharCap.com or call 1-877-960-1818.

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