

Cyber Liability, Network Security, Privacy/Data Breach

Cyber and privacy liability policies help cover liability for a data breach for both first parties (i.e. your business) and third parties (i.e. customers and others potentially damaged by the harm done to or by your business). In today's increasingly networked world, no risk management plan is complete without understanding the specific areas in which your particular business requires cyber liability coverage. If you are any company with secure data or information, like:

- A small business
- A public entity
- A medical provider
- An online retailer

... then you are in an industry in which customer, client, or even employee credit card or Social Security numbers, medical history, or other sensitive personal data of any kind could be exposed or stolen. Unauthorized access to your organization's electronic network can happen in many ways.

Everyday Examples

An employee brings his company laptop—containing private customer and employee information—home for the weekend and forgets it on the commuter train.

A hacker gets into the electronic records of the hospital you administrate

Your office is doing an annual file clean out and there is a box of old W-9s that for some reason goes in the garbage instead of through the shredder, where it is found by scammers and used for ID theft.

The service encrypting your retail operation's online customer records is hacked and you are suddenly inundated with complaints about fake charges

Legal Compliance

Consumer Protection Laws and standards addressing the handling of private and confidential data are a growing body of law that your business may need to understand and adhere to. Examples include:

- Individual state data breach laws
- European Union Data Protection Directive
- Children's Online Privacy Protection Act (COPPA)
- Health Insurance Portability & Accountability Act (HIPAA)
- Health Information Technology for Economic & Clinical Health Act (HITECH Act)
- Gramm-Leach-Bliley
- Sarbanes-Oxley
- Federal Information Security Management Act (FISMA)
- Payment Card Industry Data Security Standard (PCI-DSS)

What is covered?

Areas covered by cyber liability and breach of privacy include, although are not limited to:

- Legal fees and computer forensic costs in the event of a security or privacy breach

- Regulatory fines and penalties

- Costs to notify customers in the event of a data breach, including things like legal expenses, credit monitoring, postage and advertising

- Business interruption expenses coverage, including income loss

- Damages to third parties caused by a breach of network security

Your organization's data is one of its major assets. As such, it is your business's responsibility to protect. Cyber risk insurance is a growing field and not yet standardized. This means you need to talk to an expert to understand where you may be exposed, and what liability protection is available to you.

Smart Risk Management

Mitigating the associated expenses of a cyber attack or data breach, which can reach into the millions of dollars, is smart business. We are here to help you figure out the best plan for your particular situation. Contact us today at xxxxxx.