



Cyber Insurance for Lawyers

Learn What Most People Don't Know About a Cyber Insurance Policy



Cyber Crime Trends

- NAS Cybercrime 2017 Claims Analysis Report

- 1 in 4 Claims Exceeding \$200,000
- Average Cybercrime Loss was \$116,697
- 52% of All Claims Were Under \$50,000



Traditional Business Insurance

- ▶ **Policy Types**
 - ▶ Commercial General Liability
 - ▶ Commercial Property
 - ▶ Business Interruption
 - ▶ Crime Coverage



2

Emerging Cyber Coverage Fills the Gaps

- ▶ **Non-Admitted Carriers Are the Current Providers**
 - ▶ Not Subject to Policy Form and Rate Filing Laws
 - ▶ Reinsurance Providers Are Not Interested
 - ▶ Coverages Are Not Standardized



3

Claims Made and Reported Policy

- **Key Policy Features Similar to Professional Liability**
 - **Claims Made and Reported Policy:** your coverage and limits of liability are only available during the policy term or any extended reporting period.



4

Claims Made and Reported Policy

- **Limits of Liability**
 - Aggregate Amount of Policy Includes Defense Cost and Claim Expenses
 - Sub-Limits Will Likely Exist Per Category of Coverage
 - Responsible For “Legally Obligated to Pay” Indemnity



5

Claims Made and Reported Policy

▸ **Deductibles**

- Varies Widely
- May Have Sub-Deductibles Per Named Coverage
- May Also Include Waiting Periods – Period of Indemnity



6

Claims Made and Reported Policy

▸ **Definitions**

- What is an “Insured Computer System”
- What is Considered “Money”
- What is Considered “Personally Identifiable Information”



7

Cyber Coverage Categories

▸ First Party Coverage Features

- Data Recovery and Replacement
- Accidental Damage or Destruction of Electronic Media
- Business Income Loss and Interruption Expenses
- Cyber Extortion Expenses



8

Cyber Coverage Categories

▸ Third Party Coverage Features

- Copyright/Trademark Infringement
- Libel and Slander
- Personal Injury
- Security and Privacy Breach
- Failure to Safeguard Online and Offline Information



9

Cyber Coverage Terminology

- ▶ **Privacy Breach**
 - ▶ Mitigation costs for privacy breach
 - ▶ Security breach or adverse media reports
 - ▶ IT Forensics Expenses
 - ▶ Credit monitoring and identity theft assistance to victims



10

Cyber Coverage Terminology

- ▶ **Network Asset Protection**
 - ▶ Income Loss
 - ▶ Business Interruption Expenses
 - ▶ Data Recovery costs
 - ▶ Includes Accidental Damage of Electronic Media to Cyber Attacks



11

Cyber Coverage Terminology

- **Cyber Extortion**

- Coverage for Extortion Expenses Incurred and Extortion Monies Paid as a Result of a Credible Cyber Extortion Threat, including Ransomware

Cyber Terrorism

- Coverage For Loss of Business Income and Interruption Expenses Incurred as a Direct Result Cyber Terrorism



12

Cyber Coverage Terminology

- **Multimedia Liability**

- Copyright/Trademark Infringement
- Libel/Slander
- Plagiarism
- Personal Injury



13

Cyber Coverage Terminology

- **Security and Privacy Liability**

- Coverage for Claims Alleging Liability Resulting From a Security Breach Including Claims Alleging Failure to Safeguard Personal Information

- **Privacy Regulatory Defense and Penalties**

- Coverage For Regulatory Fines and Penalties and Regulatory Compensatory Awards



14

Enterprise Risk Management

- **Cyber Hygiene - Links**

- Do Not Trust Links – Always Hover Over Link
- Test Link at <http://longurl.org>
- Type the Link Into the Address Bar
- Always Check For the https:



15

Enterprise Risk Management

- ▶ **Cyber Hygiene - Wifi**
 - ▶ Free Wifi is not Your Friend
 - ▶ Fake Networks are Easy to Set Up
 - ▶ Turn Off Devices So They Do Not Automatically Connect
 - ▶ Cell Data is Secure – Use Your Phone as a Hotspot
 - ▶ Create a VPN (Virtual Private Network) for Remote Work



16

Enterprise Risk Management

- ▶ **Cyber Hygiene – Password Management**
 - ▶ Length is the Most Important Feature
 - ▶ Check Breach History <https://haveibeenpwned.com/>
 - ▶ Look Into Password Management Programs
 - ▶ Use Two Factor Authentication Whenever Possible



17

Enterprise Risk Management

- ▶ **Cyber Hygiene**
 - ▶ Use the 3-2-1 Method of Data Back Up
 - ▶ Get Educated By Reading On the Topic
 - ▶ Take appropriate courses or CLE
 - ▶ Use Available Resources Through Your Carrier



18

Thank You

