



Understanding Cyber Liability Insurance

Watch Out, it is Everywhere... and it is Not Just About Credit Cards.

With unfortunate regularity you hear about companies disclosing they are the latest victims of massive credit card or Personally Identifiable Information (PII) theft. These are companies with the most expensive and elaborate controls in place. What you don't hear about are the countless other breaches that go on every day to regular companies like yours. **63% of all losses are to firms with less than 100 employees!** It is everywhere and it is not just about credit cards!

A business is liable in the event of a data breach involving lost or stolen information, whether it's paper or electronic. Companies that maintain employee or customer social security numbers, credit card details, bank account information, health information and other private information are all at risk due to failure of computer security or wrongful release or disclosure of information. In other words this applies to almost everyone.

Typical Cyber, Privacy and Data Breach Exposures

- Theft of PII, PHI or Corporate Confidential Information on an entity's or third party's computer system (vendor or cloud)
- Introduction of malware or spyware by an unauthorized outside party which then creates unauthorized outside access or sends data out of the system
- An authorized employee using information in an unauthorized way (rogue employee)
- Stolen or lost, computers, servers, laptops, iPads, smart phones resulting in loss of data, access to data or the aforementioned held for ransom
- Theft of information at service terminals

“ 63% of all
losses are to firms
with less than 100
employees! ”



Nearly every state has enacted legislation that requires a business or organization to take action as soon as it becomes aware that this information has been stolen, lost or subject to unauthorized access. Taking the appropriate action is costly. Failure to prevent or respond appropriately could result in the business being fined and sued for negligence.

What are some of your other exposures?

- Defense costs
- Notification costs such as sending a letter to clients and/or employees who have had their information compromised. This is required in almost every state
- Credit Monitoring Costs you may be required to pay a credit bureau to monitor someone's credit. These costs can be very expensive, ranging between \$30-\$60 per person per year.
- Forensic expenses to pay an expert to figure out how your network was hacked and how the data was compromised
- Crisis Management costs associated with public relations damage control when you have lost information and/or have had a breach

How much does this insurance cost?

The premium generally range from \$300 to \$30,000. Most of our clients, depending on the exposure, seem to fall between \$1,000-\$5,000.

Butwin Insurance Group recommends that almost every client consider Cyber Liability Insurance as part of their insurance program. **Contact a Butwin Insurance Professional to learn more.**

60 Cutter Mill Road, Suite 414
Great Neck NY, 11021
(516) 466-4200
www.butwin.com
info@butwin.com


Butwin Insurance Group
Founded 1925