

# Cyber Insurance

## Do you meet the requirements for payout?

To take advantage of breach or Cyber Insurance, you must meet all of the conditions necessary for the payout by the insurer. No two insurance companies will have identical requirements, but there will be some common elements.

### WHAT ARE BREACH AND CYBER INSURANCE?

- Cyber Insurance covers damage to equipment due to a hack event (such as destroyed hard drives) and some loss of service
- Breach insurance covers a breach event where the district had to disclose it and then pay for lawyers, engage in forensic discovery, communicate the breach and possibly incur liability. Breach insurance may be an addendum to Cyber Insurance and is more valuable coverage.

### THINGS TO LOOK FOR

- Technology and Professional Services
- Media Communication Liability
- Privacy and Cyber Security
- Data Breach Response and Crisis Management Coverage
- Regulatory Defense, Awards, and Fines



### THINGS TO EXPECT

- Tools and protocols in place for identification, authentication, authorization, and accountability
- A reasonable amount of network security, including at least:
  - Intrusion
  - Firewall
  - Dmz
  - Traffic Inspection

## GOOD PRACTICES

Appoint a security officer for the organization who is not part of the IT and budgeting offices

Understand your state/county/city obligations and meet them

Develop the physical, technical, and administrative controls required for HIPAA - these will be in line with most of the legislation making its way through the states

Check your systems and obtain 3rd party assessment and attestation to your security stance on a regular basis

Consider the cost of the insurance versus the amount and likelihood of a payout



## QUESTIONS TO ASK

What circumstances do not qualify for a pay out?

What is the definition of real liability?

What is the deductible per claim? (Note that sometimes the deductibles plus premiums are more than the payout)

What is the total aggregate payout? (This will often be less than the aggregate of other line items)

Do any specific logging requirements exist, e.g. active directory, financial system, successful and unsuccessful attempts, etc?



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