



Need a quote or just need more information?

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WHAT IS CYBER LIABILITY INSURANCE?

Cyber liability and data breach insurance protects your business in case of breaches relating to information technology infrastructure activities, including exposure of your customers' personal information (in both paper and electronic files). While certain professional and general liability policies offer cyber liability coverage, it is important to make sure you have the proper level of coverage appropriate for your particular situation.

WHAT ARE THE RISKS TO CONSIDER?

- Ransomware/Cyber Extortion
- Unintended disclosure (includes misdirected faxes/emails)
- Hackers
- Malicious code including viruses, worms, and trojan horses.
- Lost laptops and mobile devices

WHY ARE MEDICAL AND DENTAL PRACTICES A TARGET FOR CYBER CRIME?

Health care entities have access to (and are expected to protect) valuable, confidential and personal information, including medical records (electronic and paper), billing information (credit cards, bank information, etc.), insurance information, and Social Security numbers.

HOW ARE HEALTH CARE AND DENTAL PROVIDERS EXPOSED?

Most breaches are caused by a hacking/IT incident or by unauthorized access or disclosure. Together they account for 88% of health care breaches¹. Access to email systems through phishing attacks is the main way cyber criminals steal information. Other exposures include loss/theft of electronic devices containing unencrypted PHI or physical records and improper disposal of patient records.

WHAT DO CYBER LIABILITY POLICIES TYPICALLY COVER?

- Multimedia
- Security and privacy
- Privacy regulatory defense and penalties
- Privacy breach response costs, customer notification expenses, and customer support and credit monitoring expenses
- Network asset protection
- Cyber extortion
- Cyber terrorism coverage



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IS CYBER LIABILITY INSURANCE EXPENSIVE?

Not when compared to the potential cost of a breach or other compromised information. Cyber liability insurance is based on your current number of health care providers, and not rated on total number of people with access to the personal information or number of patient health records.

DO YOU HAVE ANY EXAMPLES OF DATA BREACHES?

Compromised identities are sold for an average of \$429 per identity, not including fines and penalties that the Office for Civil Rights may impose according to a 2019 Ponemon Institute report². The U.S. Department of Health and Human Services maintains a list of data breaches (that affect 500 or more individuals) to keep the public informed. Visit https://ocrportal.hhs.gov/ocr/breach/breach_report.jsf.

IS THERE A WAY TO REDUCE MY CYBER EXPOSURES?

As a health care provider, you are required to develop an IT Risk Management Plan that includes:

1. Train employees in cyber security principles.
2. Install, use, and regularly update antivirus and antispyware software on every computer used in your business.
3. Use a firewall for your Internet connection.
4. Secure your Wi-Fi networks. If you have a Wi-Fi network for your workplace make sure it is secure and hidden. Use a separate Wi-Fi network for visiting patients.
5. Limit employee access to data and information, and limit authority to install software.
6. Regularly change passwords.

In addition to the listed tips, the Federal Communications Commission (FCC) provides a tool for small businesses to create a custom cyber security plan for your company. It can be found at www.fcc.gov/cyberplanner.

ARE THERE OTHER TYPES OF COVERAGE THAT I SHOULD CONSIDER ALONGSIDE A CYBER LIABILITY POLICY?

“Fraud and abuse” is another important type of coverage that provides reimbursement of legal expenses associated with the following types of proceedings:

- Disciplinary or disability rights (i.e., EMTALA, HIPAA, Stark, professional review, utilization review, and DEA violations)
- Billing fraud and abuse

Some “fraud and abuse” policies also cover regulatory fines and penalties associated with covered proceedings.

¹ (<https://www.hipaajournal.com/2019-healthcare-data-breach-report/>)

² (<https://healthitsecurity.com/news/data-breaches-cost-healthcare-6.5m-or-429-per-patient-record>)