Cyber Insurance Checklist

Cyber Insurance is a quickly changing market. Because this a dynamic market, not all agents stay current in the product offerings. It is important to work with an agent who has training in cyber insurance! Below is a checklist of some key factors to consider when purchasing a Cyber Insurance Policy.

Examples

To help understand possible coverage issues, consider these examples:

Wire Fraud: Will you have coverage if an email is intercepted and you wire funds to a criminal, vs. your vendor? This does not represent theft, the fact that you authorized the wire to a criminal is an authorized act. In the last blog I mentioned definitions, it is important to understand terms such as theft, phishing, etc.

Work from Home: Many companies have rushed into work from home modes. A few concerns are, do you have coverage for employees using personal devices to connect to the company network? The conditions section of a policy typically requires all systems to run currently supported operating systems, be properly patched, and current malware solutions installed. If your employees are working from home, and have been for a few months now, are you sure the systems still meet the required conditions of the insurance policy you signed?

Your Company

- ☐ Does your policy cover damage done by employee owned equipment connected to your network or systems used in your work from home program?
- ☐ What are the requirements to be eligible for coverage? What organizational measures must you have in place to qualify for the policy? Examples: Security Awareness Training, Incident Response Plan, or an Information Security Policy.
- ☐ What requirements must be followed for a claim to be covered? Examples: Time frame to report an incident, customers must be notified of an incident, or insurer must be involved in ransomware negotiations.
- ☐ What parts of the business does the cyber insurance policy cover? Do subsidiaries or branches need to be named specifically in the policy?
- ☐ What are the parameters around workstations? Does the policy refuse to cover workstations that are not patched and updated?

Cyber Insurance Policy

- ☐ Is the cyber insurance policy separate from other insurance you already have? Cyber insurance dependent on a current policy could limit coverage.

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- [ ] Is there a waiting period for policy to take effect after contract is signed?
- [ ] What types of data breaches are covered under the policy? Are there parameters around how the data was stolen for the policy to cover loss?
- [ ] If a ransom is paid, will the policy reimburse the payment? Are there limits or parameters on ransom payment?
- [ ] What is covered in a Phishing attack? Some policies have specific language around social engineering attacks, what is covered, and financial limits to these types of attacks.

Your Company

- [ ] Security breaches within your organization?
- [ ] Other companies you work with who process your data? Could be suppliers or vendors.
- [ ] Data loss due to employee misconduct?
- [ ] Acts of terrorisms, acts of nation states, or purely international incidents?
- [ ] Data loss due to malware?
- [ ] Defacement of public facing website?
- [ ] Damages to a third party if your systems are taken over and used to hack other companies or individuals?
- [ ] Loss of earnings due to data, systems, or website being inaccessible?
- [ ] Any incident that exposes information, be that confidential or protected?
- [ ] Only data that is encrypted, or all data?
- [ ] Fines, sanctions, and penalties incurred by a regulatory agency?
- [ ] Expenses associated with legal or forensic work done after an incident?
- [ ] Cost of litigation, legal defense, and/ or cost associated with regulatory inquiries?
- [ ] Costs associated with affected customers? These could be customer notification, payment to affected individuals, and/ or coverage for settlements, damages, and judgements.

Insurance Company

- [ ] Is the insurance provider accessible via phone 24/7/365?
- [ ] Are there parameters in place that would increase insurance premium?