

WHAT IS CYBER LIABILITY INSURANCE

Today's technology has definitely helped ease many processes and tasks that were once very time consuming. What used to be paper medical files, bank records, or really any personal information is now at our fingertips with the click of a button. Unfortunately with the good comes the bad, which in this case are the hackers!

Hackers are becoming more clever every day with ways to scam and feed their greed. In response, the insurance industry created what's known as **Cyber Insurance**. Cyber Insurance has quickly become one of the most important insurance policies a business can purchase. This coverage assists in mitigating the harm from hackers by covering the costs to your business in the case of a data breach or cyber attack and any legal claims brought against your business.

Cyber coverage can be broken down into two major areas:

1). First Party Damages which offers liability coverage as protection against a claim of damages as the direct result of a data breach. This coverage may include cover for the cost of things like the loss of electronic data, cyber extortion, Security Fixes, Cyber Forensics, Fraud Monitoring, Credit Monitoring, Business Reputation are some of the main coverages.

2). Third Party Damages, which covers damage incurred by a third party for Accidental Virus Transmission, Negligence to Protect Your Customers Information, Media Liability Claims, Regulatory Proceedings, Fines, Legal Costs and Settlements.

For you, protecting your clients is your highest priority, and we want to protect you and your business, and Cyber coverage is one of the ways we can help do that.

We're here when you need us.

WHY DO ASSISTED LIVING COMMUNITIES NEED CYBER INSURANCE?

PRIVACY LIABILITY

Assisted Living Facilities (ALF) collect vital information on their residents and employees including health and payment information and store it on their systems. Over time, this information aggregates and if a security breach exposes such information, the cost of a third party lawsuit can be staggering.

NOTIFICATION, FORENSIC, & LEGAL COSTS

Should there be an actual or suspected breach, the ALF legally needs to notify every individual whose personal information has been exposed. For this to happen, a Forensic Analyst (\$250-\$500/hr) will need to determine the scope of the breach and then a Law Firm will get involved to notify each individual according to the laws of the state in which he/she resides. Once individuals are notified, there is a higher chance of a suit.

REGULATORY FINES & PENALTIES

ALF's are subject to HIPAA compliance and a data breach means the Office for Civil Rights will also be notified. Should the OCR deem the organization negligent in their compliance, they can levy fines of up to \$50,000 per health record lost against the ALF.

EXTORTION

An organization's security is only as strong as the judgement of its employees. All it takes is one employee clicking on what appears to be an innocent link, but is actually "CryptoLocker" malware, for all of the company's data to be encrypted within seconds. A hacker will then contact the organization asking for a "ransom" ranging from a few thousand dollars to millions to decrypt the files. This is the most prevalent attack today as it is used against every industry. The scariest part; certain types of CryptoLocker are free to download on the Internet by hackers.

REPUTATIONAL HARM

An ALF is entrusted with the sensitive information of its residents. The failure to protect this information can have long lasting effects on an organization as it may lead not only to the loss of current residents but future ones as well.

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