



Home Helpers®



Kenneth G Reinheimer III, MBA  
Chamberlin & Reinheimer Insurers Inc  
ChamberlinReinheimer.com

vpchamber@insuranceagency.com  
570-558-5846 :Office  
570-575-3057 :Cell

## Cyber Liability Insurance



### Q: What is Cyber Liability?

**A:** Cyber liability is an insurance policy to provide the protection that businesses need in the event of a data breach. This includes breach management expertise to ensure the breach is managed properly and in accordance with regulatory requirements.

### Q: Why is Cyber Liability Important?

- A:**
- The average data breach cost is \$141 per lost or stolen record
  - 60% of small businesses victimized by cyber crime shut down within 6 months
  - Over 4 Billion records were breached or stolen in 2016
  - The healthcare industry experiences the highest overall cost per data breach

### Q: Does my general liability policy cover cyber liability risks and exposures?

**A:** Most do not provide coverage for these exposures. While some business policies include limited cyber coverage, it is usually insufficient to provide adequate coverage

### Q: How can a data breach occur?

- A:** Hacking incidents are the most recognizable and expensive cause of data loss, and over the last few years have also become the most common.
- 49% of the data breach causes are malicious and criminal attacks
  - 32% are system glitches, such as software updates, which inadvertently expose private files or information
  - 9% are from people making mistakes, such as losing laptops and flash drives

### Q: What types of businesses need cyber liability?

**A:** Any business, large or small, collecting personally identifiable information is at risk for a cyber attack or data breach

### Q: Why is cyber liability important for Medical providers?

**A:** Medical providers are responsible for highly sensitive medical information that is governed by federal HIPAA provisions. HIPAA fines and penalties can be very costly (See chart below)

