

CENTERSTAGE

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Your Cyber Liability Policy & Handling Data Breaches Like A Pro

In the digital age we live in, it has never been more critical to have a focused, working cyber liability policy. A data breach for a company is a bad dream but having to tell their customers they've undergone a data breach is a nightmare. For this month's CenterStage, Hierl's wonderful VP of Property & Casualty, Cathleen (Cathy) Christensen, has brought you some helpful, informative advice on securing a reliable cyber liability policy, enabling you to handle data breaches like a pro.



About Cathleen

Cathleen Christensen is the current Vice President, Property & Casualty of Hierl Insurance, Inc. Cathy's expertise lends itself well to helping local businesses with their commercial insurance and risk management needs. She attended Alverno College in Milwaukee, WI before her career in insurance.

In her 25 years of experience in the industry, she has worked on the insurance company side as an underwriting manager, as well as on the agency side as an account executive. Cathy has also been an entrepreneur herself, which enables her to understand the demands businesses face today.

So, let's get into it: how do you choose a successful cyber liability policy and avoid business fatal data breaches?

The 3 Big Issues of a Data Breach & How a Cyber Liability Policy Comes In Handy

When it comes to cyber liability, three issues plague business. First, there are 47 states in the United States that have separate data breach laws that regulate what business owners must do when a data breach has occurred. Companies that stretch across more than one state have the complication of knowing and going by these laws. Second, there is the public relation issue – attempting to share you've had a data breach with customers in a way that won't completely destroy your company. The leak of private, customer information can lead to lawsuits, too, which leads us to what's next. Finally, there is the price tag:

"In 2016, the average cost for each lost or stolen record containing sensitive and confidential information is a hundred and forty-one dollars. This is down ten percent from the previous year, but still incredibly significant." -Ponemon Data Breach Study

When all three of these issues become a certain reality for your business, you are past the point of being able to protect yourself. You need third-party cyber liability experts to step in and help you handle the laws, the PR, and the price tag. Cyber liability insurance policies are tailored to meet your

company's specific needs and as part of their data breach coverage can include forensic, legal and public relations support.

It is important to remember that in today's environment, no company is immune to the possibility of being a victim of cyber crime. However, there are some things you can do to lower your risk of a data breach.

- 1. Employee Corporate Security Policy Education.** Did you know it's more common for an employee to unintentionally leak information than it is to be hacked? This is why it's crucial to educate your employees on cyber risks, but also to have a clear, focused Corporate Security Policy in place.
- 2. Encrypt ALL Confidential Data.** Even the simplest of things should be encrypted. Plus, don't use the same password on EVERYTHING. Have different passwords or codes for as many things as possible. That way, if someone were to hack you, then they can't unlock everything. If you're someone who forgets your passwords easily, have a notebook or binder where your company information resides and keep it under lock and key without expressed permission to use.
- 3. Backup, Backup, Backup.** Let's say your company's entire computer system is shut down by a virus and you lose everything. That's a frightening scenario, right? So, avoid it by having backups and many of them. A general rule of thumb is having three solid backup methods. Perhaps you have a couple online storages where you keep files and an external hard drive. It doesn't matter – just make sure you have it backed up!

There are also a couple of relevant, key issues Cathy wanted to update employers on:

- **Ransomware & Social Engineering Fraud.** The biggest scams of today are these two cyber crimes. Both work to steal company information by acting as perfectly normal requests, surveys or even Facebook personas. Employees fall into their traps, giving out company information freely, not realizing it was under false pretenses. Never, ever give out company information – even on something that seems like an official document – without consulting your manager or boss, first.
- **Federal Communications Commission (FCC).** The FCC provides a tool for small businesses that can create and save a custom cyber security plan for your company, choosing from a menu of expert advice to address your specific business needs and concerns. It can be found at www.fcc.gov/cyberplanner.

Don't sit back and wait for cyber doomsday. Take your policy into your own hands, set company standards, and consider cyber liability insurance to help protect your business from the cost of a cyber attack.

At Hierl, Property & Casualty coverage is a partnership; not a product. We look at your entire organization, listen to you, assess your risk, develop a complete strategy and deliver a full-service solution. Our team of experts start by looking at your risk and helping you to gain Insight™ into what is in store for tomorrow. If you have any questions or are interested in knowing if Hierl's cyber liability solutions is a good fit for you, **please contact Cathy at 920.921.5921.**