



## Cyber Security Checklist: Cover Your Bases Across Regulatory Compliance, Insurance and Privacy Training

If you've watched the news in the last few months, you already know cyber events are no joke. Recent ransomware attacks, including at Colonial Pipeline, have significantly impacted critical infrastructure and supply chains, resulting in millions of dollars in losses.

These cyber events have reached such a scale and severity that even the White House has urged businesses to step up their security measures. On May 12, the White House also issued [an executive order](#) on improving the nation's cyber security.

This article outlines common exposures companies face as well as a checklist of privacy and compliance requirements and training, insurance coverages, and risk mitigation resources businesses can implement to protect themselves before a cyber event happens.

### CONTACT

To learn more about how Amwins can help you place coverage for your clients, reach out to your local Amwins broker.

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*Courtesy of Amwins Group, Inc.*



## Common Cyber Security and Privacy Compliance Exposures

For businesses large and small, compliance with federal, state and foreign privacy laws and regulations has become an essential obligation. These laws govern a company's collection, storage, use, sharing and disposal of personally identifiable information (PII), protected health information (PHI) and payment card information (PCI). A company's inadvertent failure to abide by these laws, or its failure to timely and fully disclose how it performs such tasks, can make it a target for regulatory proceedings and civil class actions. These lapses can also be a source of reputational damage.

Employment and consumer-related risks and exposures also have become more prevalent, particularly under the Americans with Disabilities Act (ADA). An organization's web presence needs to be accessible to all, including those with disabilities.

Failure to protect private information can also lead to consumer class actions. And, organizations could be presented with shareholder suits if the value of an organization is harmed due to a cybersecurity event.

These stats put into perspective just how devastating a breach can be on a business.



**\$8.2M**

Average cost of a breach  
in 2019

Source: Forbes



**\$242**

Cost per breached  
PII record

Source: IBM Ponemon  
Institute report



**\$429**

Cost per breached  
PHI record

Source: IBM Ponemon  
Institute report



**80%**

Percent of consumers  
more likely to do business  
with companies that have  
not experienced a cyber  
security event

Source: Deloitte University  
Press study

In short, the risks are real, particularly for small and medium-sized firms which typically do not have the robust cybersecurity protections of larger companies.



# What Can You Do to Help Protect Your Client's Business?

Use this checklist to ensure adequate risk mitigation and protection for businesses of all sizes.



## 1. Don't ignore data security and privacy compliance.

While the requirements for each business will be different, there are some general practices to follow:

- Create and memorialize regulatory compliance policies and procedures
- Obtain social engineering training from a qualified vendor
- Provide compliance training to key personnel
- Use multifactor authentication for everyone with remote access to your systems as well as when sending funds to third parties
- Inventory and assess the PII, PHI and PCI collected so that you have a record of what is in your possession
- Conduct an audit of (or obtain an assessment certification from) your vendors and others with access to your electronic infrastructure to ensure these third parties are compliant with governing law and have cybersecurity protections at least as robust as yours
- Update your website home page to comply with applicable laws
- Address non-discrimination issues to provide consumers with the right to equitable service and pricing
- Implement and regularly update appropriate incident response and business continuity plans



## 2. Purchase a broad cyber liability insurance policy.

Work closely with your wholesale insurance broker to evaluate the coverage your client currently has, what they need based on their business's unique risk factors, and the insurance coverages that they're contemplating buying or not buying. Key coverages include:

- Security & privacy liability addressing PII, PHI and PCI
- Ransomware coverage
- Regulatory coverage including fines and penalty coverage
- Cyber business interruption coverage
- First-party breach costs and response coverage
- Data restoration coverage
- Social engineering coverage
- Reputational harm coverage

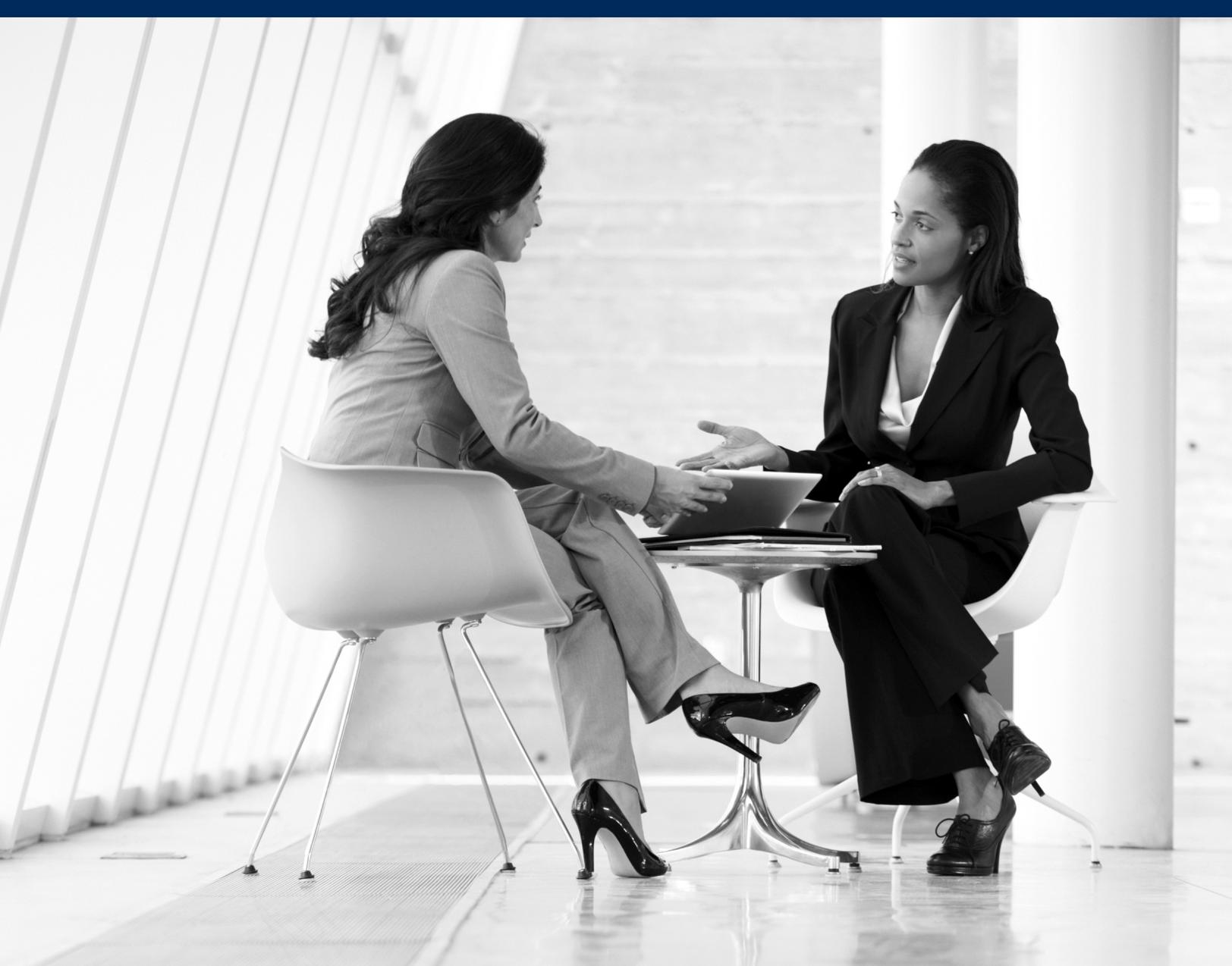


## 3. Take advantage of additional loss mitigation services provided alongside the cyber liability insurance policy.

These services can include:

- Network vulnerability scans
- Breach coaches
- Ongoing updates on vulnerabilities and patches specific to your own security posture
- Information security hotlines
- Social engineering training for employees
- Training videos
- Tabletop exercises to prepare for a breach event





## Summary

In today's world, risk transfer alone isn't enough to protect a business from the implications of a cyberattack. The right combination of a well-placed cyber liability insurance policy, compliance knowledge and review, employee training, and loss mitigation services are an effective approach to reduce a company's cyber risks and potential exposures.

### About the Authors

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