

Cyber Liability for Law Firms



You're not in the technology industry, so you don't need cyber liability coverage, right? Consider the amount of sensitive or confidential information about your law firm and clients that you store electronically. How would you answer that question now?

You may not think you need this kind of protection, but in an age where a stolen laptop or hacked network can instantly compromise the personal data of all of your clients, protecting yourself from cyber liability is just as important as protecting yourself from some of the more traditional exposures. And cyber risks and data breaches are most likely not covered under your legal professional liability policies.

Benefits of Cyber Liability Coverage

Cyber liability insurance is specifically designed to address the risks that come with using modern technology. The level of coverage your law firm needs is based on your individual operations and can vary depending on your range of exposure. It is important to work with a broker who can identify your areas of risk and tailor your policy to your firm.

If your law firm experiences a data breach, you have a responsibility, and are sometimes legally obligated, to report the breach to your clients. This can damage both your finances and your relationships with your clients. Cyber liability coverage may cover the costs of notifying the people or institutions affected as well as any lost income resulting from the data breach.

What Your Policy Should Cover

When working with your broker on your cyber liability coverage, make sure your policy includes these coverage options, if applicable to your firm:

- **First party coverage:** Covers your own data or lost income after a data breach.
- **Third party coverage:** Covers your liability to clients or government/regulatory entities.
- **Confidential information:** Covers data when it is under the care, protection or control of third parties (the copy center you use, IT support services).
- **Unencrypted devices:** Protects laptops and other devices from easy access if they are stolen.
- **Data restoration:** Covers the work hours and money needed to regain your lost data.
- **Coverage for corporate clients:** Covers liabilities for your clients that are companies, corporations or partnerships, as well as the people who work for these entities.

Making Your Policy Affordable

Cost is always a concern when adding a new insurance policy. Here are strategies you can use to help lower your premium:

- Install, use and regularly update anti-virus and anti-

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spyware software on every computer used in your business.

- Use a firewall for your Internet connection.
- Conduct regular risk assessments.
- Use strong, encrypted passwords and change them regularly.
- Train employees in cyber-security principles and develop a written IT policy.

Remember that even the best computer security can be breached. But conducting risk assessments will help you identify anticipated threats and be prepared to respond and recover. Taking steps to establish a cyber security program, including purchasing cyber liability insurance, is a smart way to protect your firm.