

5 Tips For Evaluating Cyberinsurance Policies

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[Policyholdercybersecurityimage](#) Scott Godes, partner and member of the firm's Policyholder Insurance Recovery Group, recently authored an article for Association for Financial Professionals titled, "." Scott noted that as more and more companies are under cyberattack, many are reconsidering changing their insurance budget to include cyberinsurance. The article, aimed at finance professionals, discusses recent developments in cybersecurity and data privacy. He also gave tips for evaluating cyberinsurance policies. Some of the tips included:

1. Reevaluate whether your organization is carrying sufficient limits.

Keep in mind that defense costs usually erode the limits of a cyberinsurance policy. When lawyers are called upon to defend against claims in developing areas of law, legal bills add up quickly. After the company pays defense costs, will there be money left for settlements with plaintiffs, regulators, or anyone else?

2. Think about business interruption coverage. If your company suffered a computer shutdown from a denial-of-service attack or from a hacker destroying servers, how much revenue would be lost? Would your insurance cover the losses?

3. Think about data replacement costs. If your business suffered an attack that wiped out about three-quarters of its servers—which allegedly happened to a multinational gaming company—how much would that cost your company?

To read the rest of the article and the tips, click [here](#).

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