

# Cyber Liability. Do you Understand Your Risks?

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Cyber risk crime is on the rise. Reports of data breaches and hacking are common fare in the news. Companies such as Facebook and Twitter have been targeted. Financial institutions and even the United States government have found they are not immune. Have you identified how cyber risk crime could affect your institution or congregation?

If you think your organization is too small to be at risk, think again. Recently, an Adventist church in upstate New York discovered that their web page had been hacked. Potentially, inappropriate messages could have been posted. This particular church has an active ministry of streaming their services. This could have been interrupted or worse. If the website has been compromised, the question must be asked, "Has other critical data on computers also been attacked?"

Cyber risk comes in many different forms. Examples include electronic data breaches, cyber extortion, network security breaches, etc. If your institution falls victim, you are then faced with the possibility of business interruption, privacy breaches, the need to recover and restore data, and the liability of the use of personal information. These results can be costly and time consuming.

## What Are Our Risks?

Taking steps to identify specific cyber risks for your institution is the first step in creating a comprehensive cyber risk management plan. What are the threats that your institution faces in terms of fraud, theft, and negligence? What are the potential threats to your cyber systems? How is your system vulnerable? What steps have you taken to ensure

privacy protection and avoid the breach of electronic data? Have you assessed which data is most vulnerable and at the highest risk of being compromised? Who are the individuals that would be most impacted by a data breach of your electronic systems?

## How Do We Protect Ourselves?

The second component to a cyber risk management plan is to carry liability insurance for potential financial losses covered by a cyber liability insurance policy due to a potential data breach of your IT systems. This can be a complex topic and is often referred to by many different brand names. The bottom line is each offers financial compensation in the event of a cyber crime being committed.

When a church, school, or other institution considers cyber risk liability insurance it will need to look at several different levels of protection. First party insurance means protecting the institution's own IT infrastructure. This damage could come in the form of data loss, breach, or modification. It could also include interruption of daily business practices and loss of revenue and profits.

A second area of liability is that of third party risks. If your IT infrastructure becomes infected with a computer virus, which is then transmitted to clients computers, this is third party risk. Another example is when the private information of clients or parishioners becomes compromised, either through data or paper records. The infringement of trademarks or copyrights on your websites is a third example. These limited samples show how complex and far reaching cyber risk can be and the need to protect your institution with insurance coverage.

## Which Insurance Works Best for Us?

Identifying your institution's needs and selecting the best insurance coverage can seem daunting. Adventist Risk Management currently encourages Adventist institutions to add cyber risk liability insurance protection to their coverage plans. ARM Account Executives can help you determine your needs and best coverage options.

It's easy to see the need to carry insurance on physical buildings and the liabilities that are inherent from people coming onto an institution's property. Cyber risk is often the unseen predator that we don't think about until a computer system is hacked or data is stolen. Then it is too late to put protection into place.

Prevention is always better than crisis management. Contact your ARM account executive today for more details and application forms to begin protecting the data of your clients and parishioners and your institution. These individuals trust you to keep their information secure. Don't do too little, too late.



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