



## What is Cyber Liability Insurance and Why is It Important?

### What is Cyber Liability Insurance?

Cyber liability insurance is a policy that offers coverage to help protect the company in the event of data breaches and other cyber security issues. A policy generally covers financial losses arising from data breaches, viruses, hacking, denial of service, cyber extortion, and other cyber incidents. These include legal fees stemming from civil suits, regulatory fines and penalties, and mandatory forensic examinations.

### What Does and Doesn't Cyber Liability Insurance Cover?

A cyber liability policy protects businesses from claims and expenses (including loss of income, related expenses, and damage to your client's company's reputation) resulting from a data breach, hacking, or cyber-attack.

**Depending on the policy your clients choose, cyber liability insurance coverage generally includes:**

- Coverage of all devices that could be stolen or lost (mobile phones, laptops, tablets)
- Protection if your client is a victim of hacking and viruses
- Liability for slanderous blog content
- Data corruption and/or theft
- Crisis management (public relations assistance, brand-rebuilding efforts)

**Many cyber security policies do not cover:**

- Preventable security issues, such as poor configuration management or mishandling digital assets.
- Incidents that occurred before the policy went into effect.
- Acts initiated and caused by the insured.
- Infrastructure failures not caused by a purposeful cyber-attack.
- Costs incurred to improve cyber security after an attack or breach has already happened.
- Loss of or damage to property (e.g., physical assets covered by property insurance).
- Other expenses beyond the coverage limits of the policy.

### Choosing the Right Cyber Liability Insurance

As with any insurance coverage, policies differ in what may be covered. [Cyber liability insurance](#) assists with preventive and risk management policies, as well. The right carrier will help create the best possible firewall protection, tailor appropriate social media policies, offer business interruption protection, and cover legal fees incurred by judgments or settlements. Start by contacting an insurance representative to determine if they offer this type of coverage, or speak to an independent agent who's knowledgeable in this area.

**Find out more about how Paychex can help with cyber security.**

**Contact your rep today.**

