

Cyber Insurance Basics: What Businesses Need to Know

Cyber insurance programs are necessary for small, mid-size, and large businesses to help them manage the risks from data breaches. Simply put, cyber insurance can provide a business with protection in the event of a cyber attack, writes Jonathan Reich, a Womble Carlyle attorney in the firm's Winston-Salem office.

“Business leaders and corporate boards can no longer ignore the very real possibility of unauthorized access and dissemination of confidential customer information,” he writes. “This could be financial data, it could be sensitive health information, or it could be confidential trade or industry secrets. Through no fault of a company, it can become a victim of malicious software or a coordinated attack by international hackers who seek to sell the information gained or hold the information for ransom.”

He explains that, although many cyber insurance companies in the market provide a variety of coverages, not every cyber policy provides all these types of coverages.

Read the article.