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What Directors & Officers Need to Look for in Insurance Coverage for Cyber Liability

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This month, we published an article entitled “[A Directors and Officers ‘Cheat Sheet’ on D&O Cyber Insurance](#)” on BoardMember.com. You can read the entire article [HERE](#).

We were spurred to write it by a recent study reported in the WSJ that found that “insufficient preparation to manage cyber threats” was among top five concerns “significantly impact[ing]... organizations this year.” This is not surprising, considering that data breaches saw an all-time high in 2014, affecting nearly half of U.S. adults.

Increasing cyberrisks have resulted in litigation, including derivative suits against directors and officers for alleged shortcomings in conduct relating data breach prevention, investigation, disclosure, and remediation. Everyone knows that directors and officers need to ensure that a company is “cyber resilient,” including whether the company needs and has insurance for a cyber breach. But they should also be vigilant about their own liability coverage for cyber risks.

With dozens of carriers offering insurance for virtually every type of cyber threat, the options are dizzying and a company may wind up paying for coverage that doesn’t completely cover its (or its executives’) exposure. If coverage for a data breach claim isn’t covered on a D&O policy, executives should ensure that the claim is covered, in as broad terms as possible, under another policy provided for data breaches.

[Our article on BoardMember.com](#) gives directors and officers a practical guide for the sort of coverage issues that should concern them.

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