

Beat: Business

# CYBERSECURITY And CYBER LIABILITY INSURANCE - CHALLENGES And PROSPECTS

## MAJOR CHALLENGE FOR FRENCH COMPANIES

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**USPA NEWS** - Cybersecurity is a major Issue for French Companies facing increasing Cyberattacks at large scale. Malicious and Intentional External Attacks represent more than the Majority of Cases in which a Personal Data Breach Notification is carried out with the Commission nationale de l'informatique et des libertés (CNIL).

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In 2021, France was the n°1 European Country most impacted by Ransomware and the Personal Data of at least 680 000 People were leaked on the Darkweb as a Result of Cyberattacks by Organizations by Ransomware.

Facing the Explosion of cyberattacks, Cyber Insurance can play a Preventive Role but also makes it possible to support the Organizations that are Victims of it. It can also help to limit the Damage both Tangible and Intangible suffered by these Organisations. Nevertheless, for this it is necessary to clarify the Applicable Regulations relating to Cyberattacks with regard in particular to the Possibility of taking in charge, by Insurance Companies, of Ransomware and Administrative Fines issued by CNIL.

Valérie Faure-Muntian, Deputy of La Loire and President of the Group in charge of Insurance Studies at the French National Assembly, was invited by August Debouzy (on April 20, 2022 at its Headquarters in Paris) to provide an Update on the Role of Cyber Insurance and exchanged with Florence Chafiol, Associate Lawyer in charge of the Technologies, Intellectual Property, Media Department at August Debouzy ; as well as with all the Participants of Payment Questions related to Payment of Ransomwares by Insurance Companies.

Cybersecurity Insurance, also called Cyber Liability Insurance or Cyber Insurance, is a Contract that an Entity can purchase to help reduce the Financial Risks associated with doing Business Online. In exchange for a monthly or quarterly fee, the Insurance Policy transfers some of the Risk to the Insurer.

Cybersecurity Insurance is a New and Emerging Industry. Companies that purchase Cybersecurity Insurance today are considered Early Adopters. Cybersecurity Policies can change from one month to the next, given the Dynamic and Fluctuating Nature of the Associated Cyber-Risks. Unlike well-established Insurance Plans, Underwriters of Cybersecurity Insurance Policies have limited Data to formulate Risk Models to determine Insurance Policy Coverages, Rates and Premiums.

The loss, Compromise or Theft of Electronic Data can have a Negative Impact on a Business, including the Loss of Customers and Revenue. Businesses may be liable for Damages Stemming from the Theft of Third-Party Data. Cyber Liability Coverage is important to protect Businesses against the Risk of Cyber Events, including those associated with Terrorism. Cyber-Risk Coverage can assist in the Timely Remediation of Cyber Attacks and Incidents.

Source: August Debouzy Talk on April 20, 2022 at its Headquarters in Paris.

With :

- Florence Chafiol, Associate Lawyer in charge of the Technologies at August Debouzy
- Valéria Faure-Muntian, Deputy of La Loire and President of the Group in charge of Insurance Studies at the French National Assembly

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