

Whether a laptop is stolen or your network is hacked, cyber threats are increasing at a phenomenal rate – and so are the costs associated with dealing with a breach of your clinic and practice. Physicians Insurance offers new and expanded coverage to protect you and your patients against this increased risk.

## What is at Risk?

It's possible you've already been hacked. Many of the breaches we learn about in the news today are from networks that were hacked months, if not years, earlier. It takes time to discover these breaches, and even more time to estimate the damage. According to the Office of Civil Rights at HHS – where all breaches involving protected health information need to be reported – by the end of Q2 2014, there were more than 99 breaches reported to the OCR involving more than 6 million patient records – and these are just the breaches that exceeded the 500 records threshold.

## The Cost of a Breach

According to a study of cyber claim payouts by NetDiligence®, in 2013 the health care sector accounted for the highest percentage of claims with typical causes being lost/stolen computers, hacking, and rogue employees. Given the type of information you're collecting on patients, it's no wonder that health care practices are in the top cost category for data breaches.

According to the Ponemon Institute in their annual benchmark study on patient privacy and data security, in 2013:

- The average cost of a lost or stolen record was \$188 (some estimates have it as high as \$233 per health care record)
- The average number of lost or stolen records was 2,150.

Added to these first-party costs are regulatory fines and penalties ranging from \$25,000 to \$1.5 million for cases of “willful neglect” and damage to the reputation of your practice. In essence, a breach can be devastating.

## Reducing Risk. Raising Standards.

Physicians Insurance offers an industry –leading cyber liability program that provides comprehensive coverage with no deductible. Coverage includes:

- Multimedia Insurance
- Privacy Liability
- Security Liability
- Regulatory Defense and Penalties Coverage
- Breach Response Cost, Patient Notification, and Patient Support
- Network Asset Protection
- Cyber Extortion Coverage
- Cyber Terrorism Coverage
- Third-Party Breach Coverage
- PR Services Coverage

## Additional Resources and Services

To ensure members protect themselves against a breach, we also provide access to a host of online tools and resources, including:

- 60+ HIPAA tools, resources, and guides
- Risk management phone consulting
- Staff training and practice assessments

*The Ponemon Institute's study noted that 76% of companies that experienced a breach of customer data believed it had a moderate or significant impact on their reputation. Protect against a breach with Physicians Insurance resources and support. And protect your practice when a breach occurs with this comprehensive program.*

# CYBER COVERAGE & RESTORATION

First Party Insured Events	Description of Coverage
Security Breach and/or Privacy Breach	Mitigation costs, including legal expenses, forensic investigation fees, public relations and advertising expenses, notification costs, and the costs to provide a maximum of twelve (12) months of credit monitoring and identity restoration services to affected individuals.
Network Security Incident	Income loss, business interruption expenses and costs to restore, replace or recreate electronic data that is damaged, corrupted or destroyed as a direct result of a network security incident.
Cyber Extortion Threat	Funds paid by the insured to persons reasonably believed to be responsible for a cyber extortion threat made against the insured.
Cyber Terrorism	Income loss, business interruption expenses and costs to restore, replace or recreate electronic data that is damaged, corrupted or destroyed as a direct result of an act of cyber terrorism.

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Third Party Claims	Description of Coverage
Regulatory Fines and Penalties	Coverage for administrative fines/penalties resulting from federal, state or local governmental investigations of violations of privacy regulations, including, but not limited to, HIPAA and the new HITECH Act.
Multimedia Liability	Coverage for copyright/trademark infringement, libel/slander, plagiarism, invasion/right of privacy claims resulting from the written or electronic dissemination of media material.
Security and Privacy Liability	Coverage for claims resulting from the insured's failure to prevent or hinder a security breach or privacy breach and/or unauthorized disclosure or use of personal or confidential information which violates the insured's privacy policy or any federal, state, or local law.

**Contact Physicians Insurance for rate information about standard and higher limits coverage at (800) 962-1399. Visit [www.phyins.com/cyber](http://www.phyins.com/cyber) for more information.**

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