



CYBER LIABILITY PROFILE

PHYSICIAN/DENTAL PRACTICES

Why would my practice need cyber/privacy insurance?

A large majority of doctors and dentists are not aware that their standard insurance coverages (Malpractice, GL, Property) typically don't provide proper coverage for cyber and privacy liability. Most also don't know that they (along with their practice) have an exposure to cyber and privacy risk, especially given the presence of personal health information that they and their vendors have access to and the laws that exist to protect this.

Any medical practice that...

- Obtains social security numbers, personal health information, drivers license numbers, bank account numbers of patients
- Is in the process of going paperless or stores paper files
- Provides online access for payment
- Has a website
- Relies on their computer network on a daily basis
...carries a significant exposure to cyber risk.

Financial Threats to Your Practice:

- Costs to comply with federal and/or state required notification. Data breaches in 2010 cost their companies an average of \$214/record. *Ponemon Institute Study
- Various regulatory proceedings (including fines and penalties) as a result of a privacy breach, including alleged HIPAA violations.
- Patients/affected individuals suing your organizations for damages as a result of a privacy breach or network intrusion
- Liability for the transmission of malicious code to an outside party
- Business interruption expenses as a result of your network or server going down due to a denial of service attack or similar action
- Intellectual property/privacy lawsuits. These include libel/slander arising out of content that is on your internet or intranet sites
- Destruction to your 'brand' as a result of a privacy breach (lost patients)

Given our expertise in underwriting small to medium-sized companies' insurance...

We recently developed a cyber product that:

- Is modular. You are able to pick and choose appropriate coverage lines
- Is on PHLY's admitted A++ paper
- Provides industry leading coverage for both 1st party and 3rd party exposures
- We can help you understand. At any point, a cyber underwriter can help explain the coverage to you, and/or your agent

Information needed for a Non-Binding Indication:

- PHLY Cyber Application (online adobe fillable) or PHLY Indication Application



Claim Scenarios for physicians/dentists:

- A physicians assistant brings a laptop home to update patient records. While on her way home, she stops at the grocery store and her car is broken into and the laptop is stolen. Files on the laptop contained patient names, social security numbers, dates of birth, addresses, phone numbers, and medical condition information
- In an effort to go paperless, employees organized medical information (to be shredded) and non-medical information (to be thrown out.) The person responsible for discarding the information inadvertently switched the two types of information and the medical information was thrown into an unsecured dumpster without being shredded. Personal information and personal health information of patients is compromised and those affected join a class action suit against the practice
- A hacker gained unauthorized access to a surgery center's computer system. The practice's failed to timely notify its patients whose personal health information was contained on the computer system. The practice suffered fines and penalties for not adhering to HIPAA laws and regulations
- A practices' computer network is down for 4 days as a result of a Trojan horse attack and are unable to access billing software, appointment scheduler or patient files, resulting in a need to hire experts to come in and correct the system and get it back to where it was functioning
- A practice has a website and posts testimonials from patients. As a result of the practice not obtaining proper authorization to use one of the patient's comments, they are sued for invasion of privacy

800.873.4552

Philadelphia Insurance Companies is the marketing name for the insurance company subsidiaries of the Philadelphia Consolidated Holding Corp., a Member of the Tokio Marine Group. Your insurance policy, and not the information contained in this document, forms the contract between you and your insurance company. If there is a discrepancy or conflict between the information contained herein and your policy, your policy takes precedence. All coverages are not available in all states due to state insurance regulations. Certain coverage(s) may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds. | © 2007-2012 Philadelphia Insurance Companies, All Rights Reserved.



PHLY.com

