

# CYBER LIABILITY PROFILE

## LONG-TERM CARE FACILITIES

### Why would my facility need cyber/privacy insurance?

A large majority of Long-Term Care Facilities are not aware that their standard insurance coverage's (Commercial, Malpractice, GL, Property, D&O) typically do not provide adequate coverage for cyber and privacy liability. Some outside of the IT department may not understand that they have a corporate exposure to cyber-like events. Given the significant presence of personal health information that most facilities house internally or externally, the various information security laws that exist to protect this information can be very impactful to the livelihood of a facility.

### Any Long-Term Care Facility that...

- Obtains social security numbers, personal health information, drivers license numbers or bank account numbers of patients
- Is in the process of going paperless or continues to store paper documents
- Provides online access for payment
- Has a website or an online presence
- Relies on their computer network on a daily basis
- Allows offsite use of company laptops and other mobile storage devices  
...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, HIPAA
- 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
- Denial of service attack on your network, causing your computer system to go down and business interruption expenses
- Intellectual property/privacy lawsuits. These include libel/slander arising out of content that is on your internet or intranet sites and also suits alleging damages based on a privacy or security breach
- Destruction to your 'brand' as a result of a privacy breach (lost patients)

### Given our expertise in underwriting high volume small business...

We recently developed a cyber product that:

- Is modular. Pick and choose appropriate coverage lines
- Is on PHLI's admitted A.M. Best rated 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 for current or prospective PHLI Agents:

- Philadelphia Cyber Application (online adobe fill-able) OR Philadelphia Indication Application.



### Claim Scenarios for Long Term Care Facilities

- A nurse who is an Independent Contractor of a Long-Term Care Facility 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 Long Term Care Facility.
- A hacker gained unauthorized access to a Long-Term Care Facility's computer system. The facility failed to timely notify its patients whose personal health information was contained on the computer system. The facility suffered fines and penalties for not adhering to HIPAA laws and regulations.
- A Long-Term Care Facility's computer network is down for 4 days as a result of a Trojan horse attack and is 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 Long-Term Care Facility has a website and posts testimonials from patients. As a result of the Long-Term Care Facility not getting permission to use one of the patient's comments, they are sued for invasion of privacy.

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