

Appendix A – Cyber Insurance

According to the 2018 Verizon Data Breach Investigations report, there were 53,308 cyber security incidents reported worldwide in 2017, including 2,216 confirmed data breaches. In a Canadian example, the Law Society of British Columbia reported in 2017 that a law firm was the victim of a six-figure theft after its computer system was hacked and used to trick the firm into transferring trust funds to fraudsters.

Alberta lawyers are not immune to cyberattacks and should take steps to protect themselves and their clients. Given the financial, reputational and legal impact a successful cyberattack can have on a lawyer or law firm, ALIA strongly recommends that Alberta lawyers consider purchasing cyber or data breach insurance.

The indemnity program, provided through the Group Policy, does not offer first-party or third-party coverage for cybercrimes. It covers errors, omissions or negligent actions that are committed while providing professional services and is not intended to respond to cybercrime, data breaches or malware transmission.

A number of insured lawyers have asked for assistance in obtaining cyber insurance. There are a variety of cyber products available through both CLIA and insurance brokers, and ALIA encourages lawyers to consider their options.

ALIA has arranged with its Broker, Aon Reed Stenhouse, to make available a robust cyber policy for any lawyer in Alberta who wants to purchase it called the BBR Policy. The BBR Policy provides both first-party and third-party coverage and is designed to cover the costs of dealing with a cyber or privacy breach, as well as certain costs associated with any legal or regulatory proceedings that arise out of a breach.

A benefit of the BBR Policy is the “Breach Response” which provides law firms with a 1-800 number that can be called in the event of a cyber incident for access to a cyber breach coach and to quickly and easily engage experts ready to assist in mitigating cyber breach damages.

A high-level summary of first and third-party cyber coverage offered by the BBR Policy is set out below and is provided for information purposes only. *Lawyers should always review their policy to confirm the coverage they have under any insurance policy.*

First-party breach response coverage includes:

- Computer expert services
- Legal services
- Notification services and credit and identity theft monitoring for affected individuals
- Call centre services
- Public relations and crisis management expenses
- Cyber extortion event costs (including any ransom that is paid)
- Cost to replace or restore data
- Income loss resulting from a disruption to the firm's computer network

Third-party liability coverage includes legal defence costs, damages or settlement amounts for your liability to third parties arising out of:

- Network security breaches to the lawyer's computer system
- Network security breaches to the network of a third-party service provider
- Privacy breaches – the lawyer's failure to protect confidential information
- The transmission of malicious code to third parties

More information on purchasing this insurance coverage can be obtained by emailing ablawyers@aon.ca upon which a representative from AON will respond within one business day, with a few simple questions regarding the inquiring lawyer's firm. Aon will then provide a full price quotation, including pricing for a range of coverage options.

Again, cyber insurance can also be purchased through other providers, including the Lawyers Financial and CLIA. CLIA offers an endorsement to their excess liability coverage. Lawyers Financial and CLIA should be contacted for specific details.