What to Expect When Applying for Cyber Insurance

The more detailed and specific an organization can be during an initial underwriter review, the more likely it is that the organization will receive the proper amount of coverage and good terms.

Tips for Applying

For cyber coverage to be effective, it requires a high level of due diligence on the part of prospective policyholders. To get the most out of your policy, you will want to consider the following best practices when applying for cyber insurance:

1. **Gather accurate data.** Before the application process, it's critical to speak with your information technology (IT) management team and any vendors you utilize in order to collect accurate data. It's important to quantify the data on your network. Above all, get a solid estimate on how much personally identifiable information you have, including employee data.

2. **Be honest.** To complete the application process properly and get the best possible policy, honesty is important. When working with your insurer, be clear about your organizational setup, security protocols and breach history. Not only will this help in securing adequate coverage, but it will also reduce the risk of your policy being voided if carriers find out you were dishonest during the underwriting process.

3. **Don't wait.** Even if your organization hasn't taken the appropriate steps to reduce its cyber risk, going through the cyber insurance application process can help identify exposures. Your insurer can work with you to get the best coverage possible today, leaving room to negotiate down the line when your data security methods are stronger.

4. **Involve the right people.** The application process for cyber insurance can be complicated, and it's important to have key personnel help you. In order to complete a cyber liability insurance application, an organization may need to work with their risk managers, IT professionals, HR department, financial officers, board of directors, executives, privacy officers, marketing team and legal professionals.

5. **Work with experienced brokers.** Because cyber insurance is relatively new, some brokers are more experienced in the underwriting process than others. To get the most out of your policy, work with a carrier who can accurately assess your exposures and offer your organization the best protection. More experienced brokers can even provide details on how similar companies in your industry handle cyber security.

Taking all the above into account will not only prepare you for the cyber insurance underwriting process, but it can also improve data security up front.

Don't Go in Unprepared

The application process for cyber insurance is both detailed and exhaustive. However, taking the proper steps before the application process for cyber insurance should reduce your data breach risk, making your organization more attractive to insurers and reducing your insurance costs overall.

When applying for cyber insurance, be sure to scrutinize policy terms, premiums and underwriting programs. Doing so can put you in a better position to secure the right coverage. For assistance applying for cyber liability insurance, contact us today.