CHECKLIST

Cyber Liability Insurance Limits

There is no formulaic process to determining the appropriate amount of cyber liability coverage a law firm should have. What matters most is understanding the kind of data you handle, how your systems operate, and the financial impact a cyber incident could realistically have on your firm and your clients. Asking yourself the following questions can help you identify a level of protection that aligns with your digital exposure and supports your ability to recover quickly should something go wrong.

- 1) How much sensitive data do you store, transmit, or access, and how valuable is it?
- 2) What is the largest realistic financial impact a cyber incident could have on your firm or your clients?
- 3) To what degree do you rely on technology, cloud systems, or third-party vendors that could fail or be compromised?
- 4) How likely are your clients to escalate concerns or pursue formal action if their data is exposed or inaccessible?
- 5) What dollar amounts are tied to the matters, accounts, or information you manage digitally?
- 6) If a breach occurred, would state or federal laws require extensive notifications, monitoring services, or regulatory follow-up that could significantly increase the cost of an incident?
- 7) In recent years, have you experienced any cyber incidents, near misses, or recurring IT/security issues?
- 8) If a cyber event wasn't fully covered, how significantly would the resulting expenses and downtime affect your ability to operate?
- 9) Could multiple cyber events realistically occur in a single year (e.g., phishing, ransomware, vendor failures)?
- 10) If a major cyber incident happened tomorrow, what policy limits would feel sufficient?

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