

CYBERSECURITY

Cybersecurity is one of the most critical issues facing the country today. In an interconnected world, issues related to the protection of personal information, data breach, data security, and insurance to cover cyber-related incidents are becoming more and more significant. Cyber issues are important to Big “I” members both as businesses that sell cyber insurance products and as businesses that could be targets of a cyberattack.

The Big “I” urges Congress to continue exploring legislative options to better protect Americans from cyberattacks, while giving cyber insurance products time to develop with market demands.

Cyber insurance is not a “silver bullet” solution for cybersecurity but is one strategy to enhance a business’ overall risk mitigation plan. Insurers small and large are currently working with thousands of independent insurance agencies across the country to better understand consumer needs and educate the public on what insurance options are available for cyber-related risks. Having cyber insurance can also help foster data security best practices. Moving forward, the cyber insurance market must be allowed to organically grow capacity to meet consumer and market demands without intrusive government intervention, while continuing rigorous underwriting standards.

The Big “I” encourages Congress to recognize the important role of state insurance regulation in any potential federal data breach or data security legislation.

Having a uniform, reasonable, and nationwide data breach standard is the most desirable outcome of any legislative process. The Big “I” realizes that federal legislation that preempts state law may be warranted in the absence of consistent and uniform state laws. However, all Big “I” members are already subject to a variety of federal data security statutory requirements (e.g. the Gramm-Leach-Bliley Act and the Health Insurance Portability and Accountability Act), and nearly every state has enacted some form of data breach legislation. It is important that any federal proposal provide a uniform data breach standard that does not result in conflicting or varying standards at the state and federal level, or on a state-by-state basis.

It is also important that any potential federal standards recognize the role that state insurance regulation plays in consumer protection. If a nationwide uniform data breach and/or data security standard is created, it should be enforced by the functional regulators for the covered entities/industries. In other words, any standards placed on the business of insurance should be overseen by the appropriate state insurance regulator.

The Big “I” asks Congress to ensure that any potential federal data breach or data security legislation is not overly burdensome on small businesses.

Many Big “I” members are small businesses and it is very important that any potential data breach legislation be scalable and reasonable for all insurance agencies no matter their size. Small and medium size businesses face different risks than large businesses and any requirements related to data security must not inadvertently disadvantage small business or stifle innovation.

