Meeting Notes – Aug. 27, 2024

The LaFayette Rotary Club held its weekly meeting on Tuesday, August 27, 2024. Rotarian Dori Harmon, an independent insurance agent and owner of Harmon Insurance LLC in LaFayette, spoke to the club on the importance of cyber liability insurance.

Dori started her career in insurance in 1997 and spoke of the changes that have occurred in the business since that time. When she first began in the insurance business, everything was done on paper. Personal information, such as full name, date of birth, social security number, and driver's license number) were written. collected and stored in physical files. Agents were required to have the client's signature allowing them to collect and store this personal information. The insurance industry gradually transitioned from a paper platform to the DOSS platform and ultimately the internet. Risk management has become a top priority,

Dori repeatedly stressed that as a business owner, if you collect personal data on your customers/clients, such as full name, date of birth, and/or social security and driver's license numbers, you need cyber insurance. Many of the tools used by business, such as e-mail, websites, and company phones are all at risk of having this data breached. From the year 2021 to the year 2022, the insurance industry experienced a 49% increase in the cost of cyber breaches, resulting in a total cost of $10.3 billion. An average claim was worth $100,00.00. A small or mid-size claim was worth $71,000.00.

The most common cyber events experienced by policyholders include ransomware attacks, business email compromise, and funds transfer fraud. Cyber insurance becomes a critical part of risk management for businesses. General liability insurance does not protect against cyber threats and crimes. When purchasing cyber insurance, business owners need to consider the interruption to their business and the damage to their reputation if they were to fall victim to a cyber-attack. Cyber spending has increased by 70% in the last four years.

Diane Sherriff