



Department of Business Regulation
Insurance Division
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Consumer Alert 2016-5

Cybersecurity Risk Management

Lock down your assets, secure your data

We increasingly rely on the Internet to work, bank, shop and socialize. Our health and financial information is stored online and devices are connected to control everything from home security systems to thermostats and TVs. While convenient, these connections open the door for possible malicious activity. The Rhode Island Insurance Division and the National Association of Insurance Commissioners (NAIC) offer these tips to help manage your cybersecurity risks.

Understanding the threat

Cybercrime is a criminal act involving a computer and a network. **Cyber risk** includes any risk associated with online activity, such as storing personal information online or completing online transactions. This includes damage to your or your business' reputation, financial loss or disruption to your life or your business operations.

Identity theft is the unauthorized use or attempted use of an existing account, use of your information to open a new account and misuse of your information to commit fraud. Identity theft insurance helps you pay the costs of restoring your identity if it is stolen.

Data thieves gain access to information from a variety of places including your mailbox, home and business trash, public dumps, public records and social media. Some criminals are after money but some also seek public attention.

How do I know my identity is at risk?

You are at risk if you store personal information on a home or work computer, bank or shop online. Your data may have been compromised if you notice any of the following scenarios:

- You see unexpected withdrawals from your bank account
- You don't receive your bills or other mail
- You're billed for health services you didn't use or your health plan rejects a legitimate medical claim.

Regularly check your credit report to ensure you don't see:

- A new account you did not open
- Unfamiliar accounts listed
- Negative items

How can I keep my information safe online?

There are basic steps you can take to secure your information and data.

- Be alert to impersonators by being careful about who you trust online
- Safely dispose of personal information by shredding documents using a cross-cut shredder
- Use strict privacy settings on your computer, devices and browsers
- Keep passwords private and complex
- Be careful when sharing personal information on social media
- Be cautious of what you download from the Internet
- If your social security number is requested by a vendor, ask why it's needed and how it will be used and protected

Keeping your information safe also means ensuring your devices, including smart phones, laptops, desktops, iPads and other devices are secure:

- Update your software regularly
- Use antivirus or anti-malware software to protect against malicious software that disrupts computer operations, gathers sensitive information, gains access to private computers or displays unwanted advertising
- Password protect your laptop to prevent unknown users from accessing it
- Avoid opening emails or attachments from unknown senders
- Back up your files to an encrypted flash drive or external hard drive

The Federal Deposit Insurance Corporation (FDIC) offers a [Cybersecurity Checklist](#) to help you protect your computer and money from online criminals.

Identity Theft Insurance

The cybersecurity insurance and identity theft insurance market is growing and may be useful to you or your business depending on the types of information you collect and store.

Some homeowners' or auto policies now offer identity theft protection, which includes access to credit monitoring and repair services in the event of a breach. Note that this coverage only refunds the costs associated with restoring your identity. It does not cover loss if you used your credit/debit card to make purchases or get cash. Restoring other losses would depend on the coverage policies of your credit card company and bank.

Your insurance agent may be able to help provide more information about assessing your risks and whether additional coverage is needed on home or auto policies.

Cybersecurity Insurance Business Coverage

Despite high profile data breaches of large companies, small companies are also targets for hackers as they possess sensitive information but typically have less security than larger companies. Cybersecurity insurance provides coverage for compromised security or privacy breaches at work. Business cybersecurity policies tend to be highly customized and therefore, costly.

There are steps you can take to help secure your business:

- Start by conducting a security and self-risk assessment. Determine what to protect, what protection exists and where the gaps exist. This also means developing a plan to protect your property and data, operational information and client data. Finally, identify the tools you need to protect this information.
- Implement sound cybersecurity procedures and training for employees. Educate employees on smart use of social media, how to spot suspicious emails and not connecting to public Wi-Fi on a company device.
- If your small business has a [disaster recovery plan](#), consider cybersecurity insurance as part of it. If you don't have such a plan, consider creating one. Developing procedures and identifying threats is important but you also must understand your vulnerabilities. You might consider testing such as an internal phishing campaign against employees to check your company's vulnerability.
- Always back up important business systems and data. Implement settings encouraging regular password changes, restrictions on the websites employees can access as well as strong security software.

More Information

- Consumers are urged to safeguard their personal data and review personal financial statements. [Insure U](#) offers more tips and information on how consumers can protect themselves from data breaches and other technological intrusions.
- The FDIC hosts a wealth of information on [cybersecurity](#). The Federal Trade Commission has an [identity theft website](#) to report incidents and develop a recovery plan.
- Take the time now, before a major purchase or life change, to fully protect yourself from the unexpected. The Rhode Island Insurance Division and the National Association of Insurance Commissioner's offer [Get Ready resources](#) to help consumers do just that.
- Don't be a victim of insurance fraud! Before you sign a contract, write a check or give out personal information, STOP. CALL the Rhode Island Insurance Division at 401-462-9520 or email dbr.insurance@dbr.ri.gov and CONFIRM that the agent, adjuster, appraiser, and/or insurance company you are working with are licensed to do business in

RI. You may also file a complaint online with the RI Insurance Division by clicking [here](#).

About the RI Insurance Division

The mission of the [Rhode Island Insurance Division](#) is to assist, educate and protect Rhode Islanders through the implementation and enforcement of state laws mandating regulation and licensing of the regulated industries while recognizing the need to foster a sound business environment in the state. We are also committed to treating everyone who comes before us fairly, efficiently and with respect. Please visit our [website](#) to obtain additional consumer information and [alerts](#) issued by the Rhode Island Insurance Division, or you may contact us at 401-462-9520 or email dbr.insurance@dbr.ri.gov for assistance.

About the NAIC

[The National Association of Insurance Commissioners \(NAIC\)](#) is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S. For consumer information, visit insureUonline.org

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