SO WHY AREN’T MORE LAW FIRMS CARRYING CYBER INSURANCE?

Cyberthreats continue to escalate and law firm leaders face a lot of pressure to protect their clients’ data as well as their own. Many law firms have ramped up their security measures, but many are resisting carrying cyber-crime coverage — even though the cost has been cut in half over the past few years.

DOESN’T MALPRACTICE INSURANCE COVER THIS?

Definitely not all of it. Like a leaky pipe in your home, the insurance you have now might cover some of the damage, but likely won’t cover all the necessary services you’ll have to pay for to remedy the problem.

CYBERATTACKS ON LAW FIRMS AND THE COST OF INSURANCE

100+
law firms have suffered data breaches since 2014

25% of all law firms have suffered some kind of cyber-breach

11.5 MILLION
average cost of a cyberattack

99% of claims paid according to the Association of British Insurers

$250,000 or more
2015 cost of $10 million cyber policy

$120,000 or less
2020 cost of $10 million cyber policy

1% - 4% of revenue
Cost of insurance to a law firm

The massive, costly Panama Papers breach

A data breach at the Panamanian law firm of Mossack Fonseca appears to be the largest ever, at least in terms of volume of information leaked: details concerning how dozens of high-ranking politicians, their relatives or close associates in more than 40 countries used offshore companies to hide income and avoid paying taxes.

11.5 million confidential documents (1970s through late 2015)

- 2.6 terabytes of leaked data
- 4.8 million emails
- 3 million database format files
- 2.2 million PDFs
- 1.1 million images
- 320,000 text documents

A representative of Mossack Fonseca states that the leak stems from an email hack, but it’s unclear how the attack occurred.

Sources: American Bar Association; Aon; Law.com; IDG news service; Law Firm Technology