

News

Cole Discusses Cybersecurity Insurance with PLANADVISER

ATTORNEYS & PROFESSIONALS

Jim Cole

jcole@groom.com

202-861-0175

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Groom principal [Jim Cole](#) was featured by *PLANADVISER* in the article, “What Advisers Should Know About Cybersecurity Insurance,” where he explored the increased need for cybersecurity insurance following an exponential rise in data breaches since 2019.

Cole said, “The dangers clearly impact the retirement plan industry,” according to *PLANADVISER*.

He noted that, “Over the last couple of years, there have been cases involving data breaches for benefit plans and benefit plan advisers, which should highlight the importance to plan sponsors and plan service providers that this is an exceedingly important area to pay attention to.”

Regarding the cost of cybersecurity insurance, “The manic increases in pricing and the rapidly ever-evolving underwriting questions seem to have, to some extent, levelled,” said Cole. “But this is such a rapidly developing area, and the potential for claims is such that I would expect to see increased activity in both premium movement and underwriting requirements over the coming years.”

PLANADVISER further reported that Cole said that “the ERISA Advisory Council released reports regarding cybersecurity and employee and health benefits in 2022.”

“I think that more and more retirement plans will likely seek cyber insurance, as most of them would be well served to consider [it],” said Cole. “I think that the desire to have more complete coverage for the insured and their demands on the insurers will result in more discussion over coverage language and more specificity as to what exactly is covered and what is not.”

According to the outlet Cole noted that “these discussions may involve legally technical and scientifically technical issues...which will require advisers to be more vigilant” and that he “foresees plan sponsors needing more protection from litigation risk.”

“How will it come? Will it be ransomware? Will it be because participants have bad cyber hygiene? I think those are the areas of exposure that will lead to those questions,” said Cole. “I think that [advisers] should be aware of the increased demands or contractual arrangements with their clients. I think they should be aware of their cyber hygiene and their own protections from coverage through their cyber

policy, as well as other policies that might apply.”

To read the article, [click here](#).