


RISKUPDATE



The New Cyber Endorsement Within Your PII Policy – Can We Help?

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At the start of Spring, we note many of you will have no doubt renewed your Professional Indemnity Insurance (PII) policies again from 1st April. We hope that our previous bulletins have helped you somewhat through the process, perhaps avoiding any issues that we know some firms face, particularly in what is still a difficult market.

Cyber Insurance remains a dominant talking point throughout the market and the Solicitor market is no different. The most recent changes to the Minimum Terms and Conditions (MTC) sees the addition of the Cyber and Data protection endorsement now included within the policy wording. This follows a recent SRA consultation in regards to cyber risks as a whole across the profession. We can say this reflects a longer-term approach in which Cyber

insurance becomes more and more entwined with other insurance products, it is certainly already much more prevalent.

We continue to recommend stand-alone Cyber Insurance policies to our clients. You will be aware of the increasing cyber risks firms are facing in an ever increasingly digital world, and it is essential that this cover now forms part of your total insurance package. The change to the SRA's MTC emphasises the need for a separate cyber policy. Previously insurance policies had been very unclear as to what may or may not have been covered. This part of the wording now looks to clarify the position; in simple terms that Professional Indemnity policies are aimed at professional negligence claims, and not first party losses as a result of a

cyber-attack and so on.

There are even some insurers that will require an insured holds a separate Cyber policy, before a Professional Indemnity quotation can be offered.

Cyber Insurance products can differ somewhat, this is to be expected as cyber insurance is in reality still in its infancy. The key is to discuss your Cyber exposures with your broker, to allow for the most suitable option to be obtained. Many different cover sections can be found within a Cyber-policy, of course with its own unique language, but do not let this put you off. Your broker should be able to guide you through and ensure adequate cover is in place.

At MFL, we can often obtain an indicative quotation for a Cyber policy with little information, to allow you to consider as a starting point. Risks that are more complex will still require a specific form, as is often the case for many other products. Please get in touch per our details below, should you wish to discuss further.

Please do not hesitate to get in touch with us before your renewal should you have any queries.



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