



News

Judy Selby Discusses in Law360 the Newly Issued NYS DFS Cyber Insurance Risk Framework

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Hinshaw attorney Judy Selby was quoted extensively in *Law360* on the recent issue by the New York State Department of Financial Services (DFS) of a guidance imposing rigorous cyber risk measurement and management practices on NY-regulated property/casualty insurers that write cyber insurance.

Selby said she was encouraged by the DFS' emphasis on cyber insurers identifying and planning for systemic risk, and noted that insurers can seek to reduce their exposure to such risk by not issuing policies to too many companies that are reliant on the same vendor.

"I think that is something most big carriers have been aware of and other carriers will have to address as well — trying to diversify the risk that they are undertaking," Selby said. "You could be in a situation where a carrier says, 'Well, we don't want to have too much of a certain industry as insureds, whether it is health care or retail or hospitality.' But if all the companies in those different industries still use the same cloud provider, a carrier may not have diversified its risks as much as it thought."

Selby also discussed proactive risk management offerings by certain carriers that she described as "one of the greatest benefits of cyber coverage."

"The result may be that you never even have a claim, and if you do, it may not be nearly as bad as it otherwise might have been," she said. "Hopefully the DFS guidance will support insurers' efforts to incentivize policyholders to take advantage of these offerings as a best practice."

[Read the full article](#) (*subscription required*)

"NY Guidelines May Boost Cyber Insurance Market's Resilience" was published by *Law360*, February 9, 2021.

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