

SEC Cybersecurity Rules, Impact on Business Insurance Detailed by Hecht in *Global Data Review*

In the News

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Stinson LLP Partner [Scott Hecht](#) is featured in a *Global Data Review* article, "Companies may face cybersecurity lawsuits without D&O insurance protection."

The article examines the Securities and Exchange Commission's (SEC) new cybersecurity rules and the potential impact they'll have on publicly traded company director and officer (D&O) insurance policies. Hecht provided insight on how the new required disclosures might affect D&O policy underwriting and coverage for lawsuits against directors and officers for cyber-related losses.

Hecht noted that public company D&O insurance policies typically incorporate SEC filings as part of the insurance application. "Insurers already scrutinize their insureds' SEC filings in the insurance underwriting process, and these new requirements provide more fodder for scrutiny in underwriting," Hecht said.

"After the fact, it's also possible that insurers will argue that alleged misrepresentations or omissions in the SEC filings provide a basis for them to deny coverage." Hecht also pointed out that "while such defenses rarely lead to successful denial of insurance coverage, it will be a challenge that more companies will face."

Hecht has more than 25 years' experience helping business clients solve problems and manage significant exposures with commercial insurance. His experience spans the full range of business insurance policies, including Cyber; D&O; Errors & Omissions; Employment Practices; Fiduciary; Pollution; Property/Business Interruption; Product Recall and Contamination; Commercial General Liability; and Crime Policies.

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