



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-16-2018
April 10, 2018

FFIEC Issues Joint Statement: Cyber Insurance and Its Potential Role in Risk Management Programs

Summary: The FDIC, as a member of the Federal Financial Institutions Examination Council (FFIEC), is issuing the attached statement addressing factors to consider regarding cyber insurance.

Statement of Applicability to Institutions with Total Assets under \$1 billion: This Financial Institution Letter applies to all FDIC-supervised institutions.

Suggested Distribution:
FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:
Chief Executive Officer
Chief Information Officer
Chief Information Security Officer

Attachment:
[Cyber Insurance and Its Potential Role in Risk Management Programs](#)

Related Topics:
[FFIEC IT Examination Handbook](#)

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Note:
FDIC Financial Institution Letters (FILs) may be accessed from the FDIC's website at <https://www.fdic.gov/news/news/financial/2018/>.

To receive FILs electronically, please visit <https://www.fdic.gov/about/subscriptions/fil.html>.

Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 3501 Fairfax Drive, E-1002, Arlington, VA 22226 (1-877-275-3342 or 703-562-2200).

Highlights:

- FDIC-supervised institutions are not required to maintain cyber insurance. Cyber insurance could offset financial losses from a variety of exposures—including data breaches resulting in the loss of confidential information—that may not be covered by more traditional insurance policies.
- Traditional general liability insurance policies may not provide effective coverage for all potential exposures caused by cyber events.
- Cyber insurance does not replace a sound and effective risk management program.
- This statement does not contain any new regulatory expectations. It is intended to provide awareness of the potential role of cyber insurance in financial institutions' risk management programs.
- An electronic version of the joint statement, as well as an FFIEC press release, is available at <http://www.ffiec.gov/press.htm>.