



CENTER FOR THE STUDY OF LAW AND SOCIETY BERKELEY LAW

CSLS SPEAKER SERIES

Monday, January 30, 2017

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and of Criminology, Law and Society, and Sociology, UC Irvine

“Data Breach, Privacy, and Cyber Insurance: How Insurance Companies Act as ‘Compliance Managers’ for Businesses”

While data theft and cyber risk are some of the biggest threats facing organizations, existing research suggests that the majority of organizations do not have sufficient protections in place to prevent data breach events, deal with post-breach notification responsibilities, and comply with various privacy laws. This article explores how insurance companies play a critical and as yet, unrecognized role in assisting organizations in complying with privacy laws and dealing with cyber theft. My analysis draws from and contributes to two literatures that examine organizational compliance with law in different ways: new institutional organizational sociology studies of how organizations respond to legal regulation and socio-legal insurance scholars’ research on how institutions govern through risk. Through participant observation at cyber liability insurance conferences, interviews, and content analysis of insurer loss prevention manuals and risk management services, my study bridges these two literatures and highlights how the insurance field acts as a compliance manager for organizations dealing with cyber security threats. Well beyond pooling and transferring risk, insurance companies offer cyber insurance and a series of unique risk-management services that influence the form of compliance of organizations dealing with privacy laws. My data reveal that insurance institutions—and the risk management services that accompany cyber liability insurance—play an important role in shaping the way organizations deal with cyber threats and comply with privacy laws.

Professor Talesh’s paper is available in hard copy at the Center.

PLACE Selznick Seminar Room, 2240 Piedmont Ave.
TIME **12:45 – 2:00pm.** Coffee and water provided. Bag lunches welcome.
INFO <https://www.law.berkeley.edu/centers/center-for-the-study-of-law-society/>
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