

# EUROPEAN GENERAL DATA PROTECTION REGULATION (GDPR) UPDATE



## Introduction

After four years of discussions and deliberations, an agreement has been reached between the EU Parliament, European Commission and EU Council for the formation of a new EU data protection framework, heralding a new harmonised future for data protection law in Europe. This framework comes in the form of a Regulation called the General Data Protection Regulation ('GDPR'). The formal adoption of the GDPR has also now been agreed, and will take full effect on 25<sup>th</sup> May 2018. Whilst this still seems to be on the distant horizon for many, prudent organisations are already beginning to implement changes to ensure compliance, as many of the new obligations will take time to integrate fully and the consequences for failing to comply are severe.

## Summary of Key Changes

NOTE: this summary is by no means an exhaustive representation of all the changes and measures brought in by the GDPR. For more information, please contact us.



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## Safeonline's thoughts

Until now, many have assumed that data breaches and cyber-attacks have been a relatively infrequent event in Europe, especially when compared to our counterparts in the US. However, current regulations do not require companies to notify either their Data Protection Authority or the affected data subjects – so how would we know how prevalent these incidents are? The GDPR will now highlight these incidents and we think the results will be startling. Companies will no longer be able to hide breaches; the 72-hour regulatory notification requirement, coupled with fines and penalties and long term reputational damage, will be a serious worry for many executives. With the widening of the territorial scope of the GDPR, this concern will not just be felt by EU domiciled companies, but also by any entity wishing to conduct business in the EU. The impact of the GDPR will impact companies worldwide and the need for adequate risk management, security systems and insurance has never been more pertinent.

Technology errors & omissions and cyber insurance policies from the London market are an excellent tool to assist EU companies in transferring the risks associated with a breach or cyber incident. Many policies provide direct access to breach response teams including: IT forensics; lawyers; PR consultants; crisis management teams; and specialised claims advisory services. In a legal environment which is going through unprecedented change with regards to data security, it is vital that companies have access to these specialists to help mitigate the losses and financial impact of a cyber incident, and to help lessen the chance of a repeat occurrence. Policies also cater for the privacy, security and intellectual property liabilities which may emerge. We fully expect the liability exposure to proliferate as cyber incidents are more widely reported.

## Closing Remarks

Safeonline remains committed to being at the forefront of the international cyber and technology risk management industries. We are dedicated to ensuring that our insurance partners around the world remain informed and enabled to provide their clients with unparalleled access to the insurance industry's leading products and risk transfer mechanisms. To find out more about the European GDPR, or cyber and technology errors & omissions insurances, please do not hesitate to contact us.

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