

Insurance Times: Bush adviser prods insurers to cover cyber risks

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RESTON, Va. (AP) —The federal government may prod the insurance industry to offer cybersecurity coverage to companies that make an effort to safeguard their networks, the president's cybersecurity adviser said.

Richard Clarke, who serves President Bush as special adviser for cyberspace security, said government advocacy for such coverage was just one of several ways the federal government could encourage private industry into taking the necessary steps to secure the nation's computer networks from terrorist attacks, corporate espionage and the like.

“The government needs to be a noodge, constantly talking about the issue and raising awareness,” Clarke said at an Internet conference sponsored by George Mason University. “The government needs to noodge the private sector.”

Clarke suggested that the coverage would only be made available to companies that take necessary steps to secure their pieces of cyberspace. H

John Spagnuolo, a spokesman with the Insurance Information Institute, a trade association, said many insurers have offered “hacker's coverage” in the last three years, but many businesses are unaware that they need it.

“Unfortunately many businesses aren't going to know they need it until it's too late,” he said.