Is your residents' private information safe?

In a world where corporations are trying to knock down internal silos and get interdisciplinary staffs working with each other, it might seem strange for someone to advocate creating barriers. However, strong cyber security is needed to protect your residents' privacy from cyber hackers and other privacy violations. Sometimes that means establishing firewalls to prevent data breaches. Do you have the right protection in place?

Since property management software is designed to exploit the efficiencies of the internet, it can provide a gateway for those who want to invade privacy, steal information or otherwise interfere with your operations. A typical property management computer program will provide bundled financial management, reporting and communication along with a tool kit that includes secure online payments processing, online maintenance requests and marketing of vacant units via Craigslist and other popular rental advertising websites. Without the proper security protocols, all your information – including financially sensitive data from your residents – could be exposed to cyber criminals. Some property management software dovetails with mobile applications, thereby increasing cyber criminals' intercept capabilities.

Part of an excellent data security plan is storing backed-up information securely and offsite. If you were to have an onsite system failure that caused the deletion or corruption of your data, you could have a financial and managerial catastrophe on your hands. That's why having remote backup is essential. Even if your offices are destroyed by storm or fire, your data that is backed up offsite or in the cloud remains ready to be reloaded onto new equipment.

It's true that the best property management software systems embed features that enable you to restrict user access and control user privileges to minimize the number of people who can see or touch your data, but does it allow you to track who is accessing data stores? And do you have someone assigned to monitor that kind of activity? Does your management software have adequate protections against offsite invasions from rogue employees of the software company itself and unauthorized hackers trawling the web for vulnerable data?

A violation of your computer-held data security can have expensive repercussions. If financial information of residents, prospective residents or your company is breached, you could be on the hook for losses. At the very least, you could face expensive legal bills to grapple with a liability claim against your business. But it's more than just financial data that hackers are after. They want personal information to sell to marketers worldwide. That includes birth dates, gender, family size, income level, employment information, auto make and model – indicators of how your residents shop and live. All of this data is held with an expectation of privacy by your residents and prospective residents, and you could be held accountable for breaches of that privacy if you haven't taken appropriate steps to protect it.

If a breach does occur, and even if you aren't held liable for negligence, you could still face expensive notification responsibilities. If a hacking incident destroys your data systems, you will also have costs to rebuild. Without the right kind of cyber insurance, you could have to pay for all the costs on your own, and those costs can run into the tens of thousands of dollars.

Cyber insurance is a growing field, so getting a specialist in the niche is important. Cyber risk and cyber crime are two different sides of the coin, and not every policy that says "cyber" covers both. Additionally, the protections in different policies vary. Some cover notifications, legal expenses, settlements, judgments and investigations, while others are more restrictive. Some cover your internal systems and the cost to rebuild if you suffer a system failure, some don't. You also need to make sure that your insurance covers inside jobs – that is, crime by your own employees.

The whole cyber security and cyber risk insurance field is broad and complex. One thing that is simple to understand, however, is that your property management software company has limits on its ability to protect your systems and limits on its financial protection for your corporation, association, board, and property management company. Know what protection it offers under your software contract and

what cyber liability insurance and cyber risk insurance you need to acquire on your end. Talk with your insurance advisor to make sure you are properly protected.

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