

Sample Breaches:

Social Security Numbers Lost:

A media conglomerate lost unencrypted computer backup tapes containing sensitive information, including Social Security numbers, from thousands of people.

Organized Crime Ring Hacks into Database:

An information broker announced that a fraud ring had gained access to thousands of records containing personal and financial information about consumers from the company's database.

Class Action Lawsuit Stems from Security Breach

An educational institution faces a class-action lawsuit filed by two alumni whose personal data were among thousands accessed when hackers broke into the school's computer system.



Did You Know That.....

Privacy legislation in Massachusetts will require companies to notify every affected individual.

The costs associated with handling these incidents (notifying customers, changing account numbers, subscribing to credit monitoring services can be significant—up to \$30 or more per customer, multiplied by potentially thousands, if not millions of customers.

Your clients do not even have to be the target of hackers. Old-fashioned events, such as loss of physical property (e.g., computer tapes), may result in identity theft.

CYBER SECURITY INSURANCE

Examples of What the Cyber Security Product Provides: (actual coverage differs by carrier and is specifically tailored to each individual insured's needs)

- **Disclosure Injury**, including suits by customers arising from system security failures that result in unauthorized access to or dissemination of private information on the internet.
- **Content Injury**, including suits arising from intellectual property infringement, trademark infringement, and copyright infringement.
- **Reputational Injury**, including suits alleging disparagement of products or services, libel, slander, defamation, and invasion of privacy.
- **Conduit Injury**, including suits arising from system security failures that result in harm to third party systems.
- **Impaired Access Injury**, including suits arising from a system security failure that results in your systems being unavailable to customers.
- **Additional data security breach reports and tailored coverage is available upon request.**

Massachusetts Identity Theft Prevention Law: Deadline Extended to 3/1/2010 Regulation Samples

- Develop a security program, designate an employee to manage it, and discipline employee violators.
- Institute security policies for employees that meet certain specified standards.
- Ensure that service providers are capable of protecting personal information, contractually bind them to do so, and have them certify that they have a compliant written information security program.
- Limit the amount of personal information collected, how long it is kept, and restrict access on a need-to-know basis.
- Restrict physical access to records containing personal Information.
- Make sure password location does not compromise the security of the data it protects, restrict access to active users only and block access after multiple unsuccessful attempts.
- **A further list of mandates is available upon request.**

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