

WHAT IS A DATA BREACH?

A **Data Breach** is an incident in which information is stolen or taken from the owner without his/her knowledge or permission. If the stolen information includes the names, and medical or financial records of individual persons, the owner of such information—in most states—has obligations under the law to address the breach and notify the impacted individuals.

Why Data Breaches Matter

It's **THE LAW!**



All **50 states** and D.C. now have data breach notification laws which may include costly penalties for non-adherence

It's **EXPENSIVE!**



Cyber attacks have cost small businesses between
\$84,000 - \$148,000

YOU are at RISK!



61% of breaches hit small businesses
Root causes: hackers, human error; system glitches
60% of small businesses go out of business within 6 months of an attack

Sources: (1) 2017 Cost of Data Breach Study, Ponemon Institute; (2) usatoday.com/story/money/columnist/strauss/2017/10/20/cyber-threat-huge-small-businesses/782716001



CASE STUDY: DUMPSTER DIVING

While moving offices, an employee throws away a box with 3 years worth of employment records. The next day, the company discovers that the box was pulled out of the dumpster by an unknown person after hours.



CASE STUDY: COMPUTER HACK

A criminal organization hacks into the computerized cash registers of a grocery store, stealing credit card information of 700 customers. The card data is then used worldwide to purchase electronics and small luxury goods online.

PROTECT YOUR BUSINESS

Check if the cyber insurance policy covers:

- ✦ Electronic and non-electronic non-public personal info (NPPPI)
- ✦ Breaches of your data at third-party vendors/cloud providers
- ✦ Employees

Be aware of common exclusions:

- ✦ Intentional acts
- ✦ Utility or infrastructure failure
- ✦ Unencrypted information
- ✦ Wrongful collection
- ✦ War and terrorism

INSURANCE TIPS

Cyber insurance should cover:

- ✦ Breach response and expertise
- ✦ Contractual and statutory obligations
- ✦ Data restoration
- ✦ Litigation

Policies vary in addressing limits. Two common structures are:

- ✦ Shared: Everything under one limit
- ✦ Separate: Each coverage falls under its own limit

Cyber Insurance Education

- Fraudulent Funds Transfers
- Extortion / Ransomware
- Social Engineering
- Business Interruption
- Data Breach/Privacy**
- Network Security
- Website Media Liability

**ABA
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The loss prevention information presented is intended to provide guidance and is not intended as a legal interpretation of any federal, state or local laws, rules or regulations applicable to your business; it is intended only to assist policyholders in the management of potential loss producing conditions involving their operations based on generally accepted safe practices. Coverage not available in all states. The liability of Great American Insurance Company and its affiliated insurers is limited to the terms, limits and conditions of the insurance policies underwritten by any of them. The claims examples are provided for informational purposes only. No representation is made as to the truthfulness or accuracy of any fact, circumstance, allegation, or legal conclusion contained in or inferred from the examples presented above, nor is any representation made as to whether any claims example would constitute a "claim" or satisfy any other requirements for coverage under the applicable policy. Coverage for any claim is determined upon the specific facts presented, the terms and conditions of the policy and applicable law. ABA Insurance Services Inc. is an OH domiciled agency with its principal place of business at 3401 Tuttle Rd., Suite 300, Shaker Heights, OH 44122. © 2021 ABA Insurance Services Inc., dba Cabins Insurance Services in CA (License No. OG63200), ABA Insurance Services of Kentucky Inc. in KY, and ABA Insurance Agency Inc. in MI. 082021.SBM33