



The New Age of Cyber Attacks

**Protect Your Business
with Network Security
and Cyber Liability**

Cragin & Pike
SINCE 1909
INSURANCE | RISK MANAGEMENT | SECURITY

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The Risk Is There

- Dupont, Johnson & Johnson and General Electric are among many companies whose networks were broken into in the past two years by hackers intent on stealing some of their most valuable assets. (*Bloomberg News*)
- TJ Maxx had a cost of \$171.5 Million related to their computer security breach. (*Annual Report, 2009*)



Does Your Business Need Network Security & Cyber Liability?

- How does your business protect its website?
- Do you store private customer or employee data on your computers?
- Do you have e-commerce features on your website?
- Do you utilize a “Networked” copier?
- Do any employees remove laptops, USB flash drives or PDAs from the office?



I've Had A Breach...

Now what?



It's Mandated To Notify

- Federal Act **H.R. 2221**

– *“The Data Accountability and Trust Act (DATA) requires businesses to notify customers and the Federal Trade Commission (FTC) if sensitive information has been exposed to a security breach.”*



Nevada Law



- **NRS 603.A220**
 - Disclosure of breach of security to stakeholders
- **NRS 603A.900**
 - *“The costs of notification include, without limitation, labor, materials, postage and any other costs reasonable related to providing the notification.”*



Cost To A Business

- According to the 2011 Ponemon Institute *Annual Cost of a Data Breach* study
 - \$214 per customer record



Cyber Liability Insurance

- Coverage for a loss arising from a failure of computer security that leads to the exposure/release of private information.

Fundamentals of coverage include:

- ✓ System repair costs
 - ✓ Data recovery
- ✓ Crisis Management: notification & credit monitoring
 - ✓ Public relations expense
- ✓ Fines, penalties, extortion costs



Recent Examples

- Theft of a client's credit card numbers
- Introduction of a virus into a client's system
- Inadvertent release of a client's confidential information
- Theft of laptops resulting in client data being stolen
- Inadvertent release of private high school student and faculty information
- Sony Corporation – over 100 million consumers



Inclusion Of Cyber Liability With Your Risk Management Program

- According to a recent CSI Computer Crime and Security Survey, 34% of the respondents now have a cyber liability policy, up from 29% the previous year.



Moving Forward



- How safe is the sensitive data on your computers?
- Get your Risk Management folks comfortable working with IT
- Calculate your potential cost of a data breach
 - www.databreachcalculator.com





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