

WALSH

Is One of Your Employees Leaking Sensitive Data?

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If it can happen to the U.S. government, à la Wikileaks, then it can happen to your company. And in fact, a surprising number of data security breaches are carried out by insiders — including partners and trusted employees — not necessarily by hackers in exotic locales around the globe.

What's more is that when it comes to data breaches, size doesn't matter. Half of all companies that suffer leaks have fewer than 1,000 employees. And cybercriminals don't discriminate; organizations that are hit range from financial institutions, to healthcare organizations, to manufacturers and professional service providers.*

While hackers and disgruntled employees are often the culprits in data breaches, so too are absent-minded or distracted employees. For instance, an employee might leave a laptop in an unlocked car or misplace his or her smart phone.

The Cost of a Data Breach

Worse yet is the cost of a data breach.

Many states require companies to notify customers even if they simply suspect a data breach and to take necessary steps to correct the situation. The cost of doing so has been estimated at around \$30 or more — per customer.*

Another impact that's harder to measure in terms of cost is the loss of customer confidence. The fact of the matter is that a data breach can impact shareholder value, corporate reputation and stability, and financial performance.

Is Your Company Prepared to Handle the Consequences?

Most companies mistakenly assume their existing insurance policies will provide coverage in the case of a data breach. However, due to dedicated limits, these policies generally aren't enough to cover the full exposure.

*Source: Chubb Group of Insurance Companies

But there is an easier answer; one that can provide the comprehensive coverage your company needs to address the full breadth of risks associated with doing business in the 21st century. It's called Cyber Liability Insurance.

Here's how it works:

- Cyber Liability Insurance combines 3rd Party Liability Insurance with 1st Party Cybercrime Expense Coverages.
- It also covers direct loss, legal liability, and consequential loss resulting from cyber security breaches.
- Many policies can also provide you with a complete online network security risk assessment, resulting in a comprehensive report of your company's exposures.

The bottom line is that when it comes to a data breach, it's no longer a matter of "if" it will happen, but "when." As a result, having a Cyber Liability Insurance policy in place is more than just a wise investment. It's business critical.