

Protect your business from the high cost of a data breach

with The Hartford Data Privacy - Network Security Liability Insurance Policy

(formerly named CyberChoice 1.0®)

Doing business comes with a certain amount of risk – like the theft of digital assets, exposed personal information, human error, and more – and the related claims can be costly. To help our business customers survive a data breach, The Hartford offers data privacy and network security liability insurance. This important insurance policy can be tailored to protect against a broad range of third-party liability and first-party risks.

Claims scenarios and how insurance can help

To protect your business against the significant costs associated with a data breach, it's important to understand the risks and have the right coverage. As you read the scenarios below, consider whether your business has the right coverage and a top carrier standing ready to help you.

Theft of digital assets triggering third-party claim:

Problem

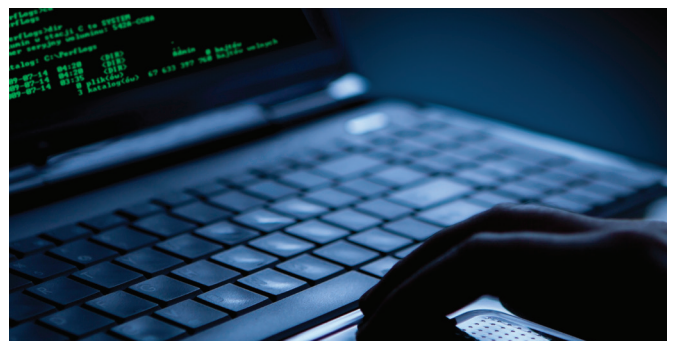
While a record management company (the insured) transported encrypted and unencrypted data tapes containing patient records in an unlocked truck, someone stole several tapes.

Action

The owner of the stolen tapes sued the insured, alleging that the unencrypted tapes related to more than 1.5 million patients. The potential cost to the insured? Three million dollars for notification and credit monitoring costs associated with the stolen records.

Result

After extensive negotiations, The Hartford successfully settled for under \$1.5 million. Before the settlement, The Hartford incurred \$400,000+ in additional defense costs. What did the insured pay? Only its self-insured retention of \$25,000.





Human error triggering expense coverage:

Problem

An employee of a company that runs nursing homes (the insured) lost a thumb drive containing personal health information for thousands of patients. Despite knowing all the specific details of the loss, the insured did not report them to its insurer. Instead, the insured elected to quietly handle notification-related issues on its own, hoping to diffuse or avert any related third-party liability.

Action

Months later, after the insured's policy had expired without being renewed, the insured was served with a lawsuit alleging violations of HIPPA and HITECH due to the lost thumb drive incident.

Result

No coverage.

Data breach triggering expense coverage:

Problem

A national tax and business advisory firm (the insured) learned in 2011 that its server was hacked from multiple locations around the world. The server belonged to the firm's employee benefits plan administrator and contained personal health information for more than 2,000 employees.

Action

Upon receiving proper, timely notice from the insured, The Hartford immediately appointed counsel and retained various vendors to handle all necessary notifications, publications, crisis management and forensic work.

Result

As a result of the insured's and The Hartford's quick responses, all federal and state laws were fully complied with and the matter was resolved within 60 days for a total cost of about \$50,000. No claims were made by the insured's employees.

Contact us today

To learn more about protecting your business from data breaches, contact your local Hartford Financial Products underwriter or visit www.hfpinsurance.com.

The scenarios summarized herein are offered only as examples; policy terms, conditions and exclusions may vary. Coverage depends on the actual facts of each case or claim and the terms, conditions, and exclusions of the policy issued to an insured. Please refer to the policy issued to determine all terms, conditions and exclusions. Coverage is provided by The Hartford companies and may not be available in all states. All information and representations herein are as of August 2013.