DRISCOLL
and Associates Insurance Services Inc.

Kerry Discoll
562-595-5355
kerry@driscollinsured.com

Cyber Liability Program

Why Have Cyber Liability?

The cost of a data breach and the reputational damage to your business after a breach occurs can be devastating. Businesses need a well-designed insurance policy to provide the protection you need, and breach management expertise to ensure the breach is managed properly and in accordance with regulatory requirements.

- Over 120,000 individuals are notified that their data has been breached every week
- Costs include sending out notices, call center services, and credit monitoring: $30 - $50 per record
- Forensics to determine the size and scope of the breach: $25,000 to more than $500,000
- Privacy Counsel: $25,000 to more than $100,000

Sample Claim

Restaurant Data Breach

A local restaurant chain discovers that their payment systems have been breached over the course of three months. Tens of thousands of customers had their credit card information stolen, resulting in fraudulent charges on the victims' accounts. Victims band together and sue the restaurant chain for costs incurred, including paying for credit monitoring, recovering lost funds and expenses incurred in clearing their identities.

Coverage Details

Minimum Premium: $1,000
Minimum Deductible: $2,500
Carrier: Admitted, "A" Rated Carriers

Quote Information

SUBMIT

Business name: _____
Location address: _____
City: _____ State: _____ Zip: _____
Year Established: _____ Web address: _____
Primary contact: _____ Title: _____ Email: _____
Description of Operations:

Gross revenue for the last fully completed fiscal year: _____
Number of records stored containing Personally Identifiable Information:

☐ 50,000 or fewer ☐ 250,000 or fewer ☐ 500,000 or fewer ☐ Over 500,000

Is the insured collecting/processing credit cards and are they PCI compliant? ☐ Yes ☐ No
Does the insured store any Personally Identifiable Information on mobile devices? ☐ Yes ☐ No
If yes, are those devices encrypted? ☐ Yes ☐ No

Driscoll & Associates Insurance Services, Inc.
3150 East Willow Street
Signal Hill, CA 90755
562-595-5355 | 562-252-8711
kerry@driscollinsured.com |
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Cyber Liability & Data Security+

Claim Examples

Coverage Part A

- **Data Breach Liability:** Alice owns a restaurant whose point of sale machines had been illegally skimmed with a small, hidden electronic device for eight months, affecting nearly 1,000 cards. Over those eight months, some cardholders became identity theft victims and paid for their own credit monitoring; others had debit cards skimmed and were not able to recover stolen funds from their bank accounts because too much time had passed without their noticing the fraudulent activity. The victims united and sued the store for costs incurred, including paying for credit monitoring and recovering lost funds and expenses incurred in clearing their identity.

- **Security Breach Liability:** Diane's real estate agency is sued by an e-commerce organization for its participation in a denial of service attack against the e-commerce firm. Diane's agency had antivirus and firewall protection on its computers; however, the firm had not made updates to them in the past couple years. It turns out their computers became infected with malware, which, when activated, participated in an attack against the firm's servers, overloading them with requests and shutting down their system for a day. The firm sued the agency, among others, for lost revenue and costs to repair their server as a result of the neglect of standards of care by those unknowingly participating in the attack. Diane's agency paid over $50,000 in defense and settled for $30,000 in loss.

- **Defense of Regulatory Proceedings:** Joe owns an appliance sales organization. He makes the decision to store client names, addresses, phone numbers and spending habits to help cross-sell the organization's products. The organization does not have proper security in place to protect the information. A hacker gains access to the personal information and sells it on the Internet. The state where the merchant is located accuses them of privacy law violations and sets up hearings to decide if fines will be asessed. Joe expends $10,000 to defend the company and is ultimately fined $30,000.

- **Payment Card Industry (PCI) Fines and Penalties:** A small family restaurant in Utah was informed by their payment card-processing bank of a potential data breach of their point of sale system. A forensics investigation found they unintentionally stored credit card numbers; however, the payment card processor demanded indemnification for fines assessed by the credit card companies who alleged the data breach. The payment card processor withdrew $10,000 from the restaurant's bank account and sued them for the balance of $80,000.

Additional Carrier Specific Advantages:
Cyber Liability and Data Security+ policyholders have access to a breach coach and a security coach. Claims reporting is available 24 hours a day, 7 days a week.