



DATA BREACH AND IDENTITY THEFT

Examples of today's information risks



Risk Solutions

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A DATA BREACH PUTS REPUTATION AND RELATIONSHIPS AT RISK

Businesses of all types and sizes maintain personally-identifying information about customers, employees, retirees and others. Once that data is breached, business reputation and relationships are at risk. Few businesses are prepared for a breach, yet the right response is critical and can be costly - just look at the case examples below.

Data breach case examples

Identity thieves used card skimmers at a gas station to steal bank account numbers with PIN codes from 550 customers. The thieves then created false debit cards, using the stolen information at ATMs to drain funds from client accounts.

- **Cost of notification and services: \$19,250**

Three external back-up hard drives with private personal records for 300 patients were stolen from a locked physician's office. Notifications were sent to affected individuals advising them to place a fraud alert with credit bureaus and to monitor their credit reports and other financial statements.

- **Cost of notification and services: \$10,500**

A burglar broke into an accountant's office and stole a computer with the tax records of 800 clients. The accountant's clients were in four states and the owner needed assistance complying with the variances of state notification requirements. Clients were urged to contact their banks and place fraud alerts on their credit files.

- **Cost of notification and services: \$28,000**

A box of rental applications with the name, address and Social Security numbers of 2,600 individuals was stolen from an apartment building office.

- **Cost of notification and services: \$91,000**

An employee of an investment advisor company installed peer-to-peer file sharing software on a company computer. Identity thieves manipulated the peer-to-peer software to access the private investment records of 2,000 clients.

- **Cost of notification and services: \$70,000**



IDENTITY RESORATION TAKES TIME AND COSTS ADD UP

When a business owner's identity is stolen, the time and trouble to resolve resulting problems can distract attention from business needs. HSB Identity Recovery coverage offers professional services that help victims navigate and speed the process of restoring credit to pre-theft status. And HSB covers restoration costs, which can add up. Look at these case examples.

Identity recovery case examples

A physician reported being sued for \$13,250 due to unauthorized accounts that had been opened in his name when an unauthorized person used the insured's personal information to rent several items and open lines of credit. Our case manager consulted with the insured and placed fraud alerts. The insured hired an attorney to help resolve the issues.

- **Covered cost of attorney fees:**
\$5,652

The insured discovered that someone had attempted to open a fraudulent bank account in his name and access \$20,000 from his line of credit. The insured lost 15 hours from work in discussions with the bank and police. The fraud attempts were unsuccessful but did create some identity theft-related history on the insured's credit reports. Our investigator disputed the unauthorized account history on the insured's behalf and the credit reports were returned to pre-theft status.

- **Covered cost of lost wages:**
\$865



Business owner reported that a former employee changed personal information on the business line of credit and attempted to steal money from the insured's company. We assisted the owner, who missed time from work to handle this issue, with restoring his personal information.

- **Covered cost of lost wages:**
\$5,000

Business executive reported that an unauthorized account had been opened using his Social Security number. Insured was concerned that the thief would also use his business information and hired an attorney to correct this issue.

- **Covered cost of attorney fees:**
\$1,018

Insured reported he was refinancing a loan and had been denied due to information on his credit report. An unauthorized mortgage was listed on the insured's credit report. Our case manager placed a fraud alert on the insured account. We covered the expense that insured had to pay to reapply for the loan once issues were resolved.

- **Covered loan reapplication fees:**
\$700

Insured reported an unknown person printed and forged checks using personal information. The matter was referred to our case manager for assistance. HSB paid the insured for lost wages for time away from work to deal with the forgery.

- **Covered cost of lost wages:**
\$5,000

ABOUT HSB AND MUNICH RE

HSB is proud to be part of Munich Re. Munich Re stands for exceptional risk solutions, consistent risk management, financial stability and client proximity. Munich Re - which pursues an integrated business model consisting of insurance and reinsurance - is one of the world's leading reinsurers.

This is a summary of coverages. For all coverages, terms, conditions and exclusions, refer to the actual insurance policy.

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HSB-056 (New 2/12)