



Data compromise and identity theft

Examples of today's information risks

HSB Canada, part of Munich Re, is a technology-driven company built on a foundation of specialty insurance, engineering, and technology, all working to drive innovation in a modern world, to keep you ahead of risk.

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.

Gas Station

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

Physician's Office

Three external back-up hard drives with private personal records from 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

Accountant's Office

A burglar broke into an accountant's office and stole a computer with the tax records of 800 clients. Clients were urged to contact their banks and place fraud alerts on their credit files.

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



Apartment Building

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

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

Investment Advisor

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

Online Retailer

An insured's computer system was infected with a keylogger virus. Nearly 16,000 credit card numbers and other data were breached. Legal counsel was retained and consulted. Several times, the insured believed the situation to be contained and commenced with notification. It turned out that the insured's I.T. provider was the offending party. The insured was able to finally isolate his systems and get the breach under control.

- Cost of notification and services: \$107,312

Auto Dealership

20 deal jackets containing the personal information of customers were stolen. The insured provided notice to affected individuals. They also provided credit flagging and two customers made legal demands as the result of this occurrence.

- Cost of credit flagging: \$3,949
- Defense and settlement costs: \$16,064

Disgruntled Employee

An ex-employee of a small manufacturer stole over 100 customers' personal information, SIN numbers, and transactional information, with the intention of hurting his past employer.

- Cost for legal review, notification to affected individuals and credit flagging: \$35,329

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These examples summarize actual and possible losses and coverage.

For all terms, conditions and exclusions, consult the actual policy.

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