

Data Breach leads to Company Bankruptcy - USA

This scenario highlights the cost of dealing with a breach & that data can be lost through physical acts.

A well constructed Cyber policy will respond to data loss whether physical or non-physical as well as to breaches of physical and network security.

Medical records of approximately 14,000 patients--including addresses, Social Security numbers and medical when the headquarters for Impairment Resources Limited were burglarized. A spokesman for the affected firm, Impairment Resources LLC, said, "The cost of dealing with the breach was prohibitive."

<http://blogs.wsj.com/bankruptcy/2012/03/12/burglary-triggers-medical-records-firm%E2%80%99s-collapse/>

Tags: Healthcare, Breach Response Costs

Privacy Liability Claims Study – USA

A new study looks into the probability of Privacy Litigation.

Cyber policies provide risk transfer for Defense & Settlement of Privacy Liability claims and other potential losses arising out of a Data Breach.

Researchers studied more than 200 federal data breach lawsuits filed between 1998 to 2011, and published their results in "Empirical Analysis of Data Breach Litigation".

This article highlights the importance of Data Risk Management. Not only can data breaches themselves be prevented with good policies, procedures, and training, these practices can help mitigate liability in the event a breach does occur. The study's results "suggest that plaintiffs respond more to the careless or negligent handling by a firm of their personal information, than to the firm's inability to withstand a cyber-attack or misfortune of losing a laptop."

We expect that consumer feelings toward negligence will go beyond how data might be lost. A company that has been hacked, or which may have lost a laptop could open themselves up to privacy litigation based upon how a breach is handled. A breach response plan is as essential as front end security.

Paragon Risk Management Services Ltd has entered into relationships with specialist outside service providers who are recognized as industry experts. Our panel can provide **Pre-Breach Services** to increase awareness and the quality of security to mitigate or prevent a privacy or security breach. These Pre-Breach services are available to anyone, and Paragon referrals will benefit from pre-agreed preferential rates. Please call us if you or your clients might benefit from an introduction.

<http://www.tprcweb.com/jdownloads/2011/Data%20Protection%20and%20Duties%20of%20Care/tprc-2011-dpdc-1.pdf>

Tags: Survey, Privacy, Claims, Cyber Risk Management

Kind regards,

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