

FYI IPNE NEWSBLAST



Providing insurance services and products to enable our clients to focus on the things that matter. We pride ourselves on helping them not to worry about managing the risk.

DARK SIDE OF THE INTERNET

Below is an excerpt from an informative article from “American Agent & Broker”, one of our most trusted resources, regarding the dark side of the internet.

People everywhere are realizing that the internet, so much a part of daily life at work and home that we take it for granted, is neither safe nor secure. Any computer connected to the internet is vulnerable to data thieves, just as every building is vulnerable to fire. Yet businesses that would not leave sensitive data in their reception areas fail to secure sensitive information that is computerized. An example of a common attack is when malware installs itself on a server and monitors everything that goes through the server. The malware is designed to sniff for certain types of data, such as credit card or social security numbers.

The consequences of a data breach can be significant, even when the breach is small and doesn't lead to employee or customer identity theft. When a data breach is discovered, unless the sensitive information was encrypted, notification to the individuals whose data may have been exposed generally is required by law.

Press reports following data breaches often inflict significant damage on a business. After reading about a significant data breach, many people are less willing to entrust their personal data to the breached entity.



Things for organizations to consider include:

- **What steps has the organization taken to secure sensitive data?**
- **Has the business's board of directors approved and implemented a written red flags plan?**
- **Has the business evaluated contracts with outsource vendors for data security risk, to make sure data breach exposures are not inadvertently obtained when outsourcing services are purchased?**
- **How would the business's current insurance coverage respond to a data breach? If coverage is unclear, is this an area that needs to be clarified during renewal?**
- **Of the options available in the market, what cyber coverage is best suited to the business?**

There are big differences in scope, kind and flexibility of breach response services between available cyber coverages, so many options are available for organizations to consider.

Below is the link to the American Agent & Broker website with the complete article:
<http://www.agentandbroker.com/Issues/2010/April-2010/Pages/Dark-side-of-the-Internet.aspx>
Please contact IPNE at (800) 539-4763 with any questions or for additional information.