



AAO-Endorsed Cyber Liability Insurance

Because You Never Know



PEARL INSURANCE®

1200 East Glen Avenue, Peoria Heights, IL 61616-5348

60% of data breach cases involve attackers who are able to compromise an organization within minutes¹

ARE YOU PROTECTED FROM CYBER THREATS?

The American Association of Orthodontists (AAO) Endorsed Cyber Liability Insurance Plan can help protect your practice from the potentially severe effects of a broad range of third-party liability and first-party risks associated with data privacy and network security, including hackers, malicious software, rogue employees, hardware theft, and more.

THE HIGH COST OF A DATA BREACH

According to The Ponemon Institute, in 2015 the average cost of a data breach to an organization was \$3.79 million, and \$154 per lost or stolen record. However, if a healthcare organization has a breach, the average cost could be as high as \$363 per record.

Two major factors reduce the financial impact of a data breach:

- Executive or board involvement in their organization's IT security strategy
- The purchase of cyber insurance to mitigate the cost of a data breach. Insurance protection reduces the cost by \$4.40 per record.

DATA BREACH: JUST THE FACTS

As the facts emerge, one thing is becoming clear—a data breach is a serious issue every business needs to understand and plan for.

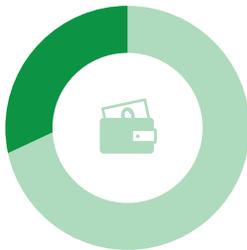
39%

of small business owners don't think a breach would impact them²



27%

of small business owners believe a breach would cost them money to notify customers and employees²



32%

of data disclosures in the healthcare industry are due to miscellaneous errors made by internal staff¹



DATA BREACH DEFINED	Loss, theft, accidental release, or accidental publication of Personally Identifiable Information (PII) and Protected Health Information (PHI) including: Social Security number, bank account number, credit or debit card numbers, driver's license number, patient history, and medications
HOW A BREACH CAN OCCUR	Stolen or lost paper and electronic files; stolen or lost laptop, smartphone, tablet, or computer disks; stolen credit card information; employee error or oversight; theft or release due to unauthorized access (such as by former employees or vendors); hacking
WHO NEEDS DATA BREACH COVERAGE	Any business, small or large, that handles or stores any private customer, patient, or employee data is at risk. Businesses such as healthcare practices are at a higher risk for a data breach because of the quantity and type of sensitive information they handle and store
HOW DATA BREACH INSURANCE CAN HELP	<ul style="list-style-type: none"> · Offers time-saving professional services to help quickly restore your business' reputation, guide you in handling a breach, and assist you with regulatory compliance · Covers response expenses, including mailing notification letters, credit monitoring services, and public relations · Provides coverage for defense and liability expenses in the event you're sued because of a breach

Learn more today! 800.622.0344

GREATER PROTECTION, GREATER PEACE OF MIND

Data Privacy | Network Security Liability Insurance Policy

COVERAGE:	BENEFITS AVAILABLE
Data Privacy Liability	<p>Helps protect against claims alleging that negligence resulted in:</p> <ul style="list-style-type: none">· Breach or violation of a data privacy law, whether or not it is due to the unauthorized access or unauthorized use of a computer system—whether the computer system is owned or leased and operated by your business· Improper dissemination of non-public personal information
Network Security Liability	<p>Helps protect against claims alleging that negligence resulted in:</p> <ul style="list-style-type: none">· Failure to prevent unauthorized access or unauthorized use of a third party's computer system· Inability of an authorized third party to gain access to your services· Transmission of malicious code· Failure to prevent identity theft· Failure to prevent a denial of service to an authorized third-party
e-Media Liability	<p>Helps protect against claims alleging that negligence resulted in:</p> <ul style="list-style-type: none">· Wrongful publication, defamation, slander or libel, or other tort that may harm to the reputation or character on your business' website or advertising· Infringement of copyright, service mark, trademark, or misappropriation of ideas· Misappropriation or misdirection of internet-based messages or media of third parties on the internet by your business
Notification Expense And Credit Monitoring Expense	<p>Covers reasonable and necessary expenses incurred to comply with statutory mandates to notify individuals of a loss or theft of non-public personal information, but may also include courtesy notifications when not mandated by notification laws.</p> <ul style="list-style-type: none">· Definition of Data Privacy Laws now includes U.S. and Canadian laws· Covers costs to provide credit monitoring to those affected by loss of non-public personal information
Crisis Management Expense	<ul style="list-style-type: none">· Covers expenses incurred for services provided by a public relations firm, law firm, or a crisis management firm in order to mitigate potential harm to your business' reputation in the event of a Data Privacy Wrongful Act
Data Privacy Regulatory Expense	<ul style="list-style-type: none">· Coverage for fines and penalties, including PCI fines and penalties assessed in connection with a data privacy regulatory proceeding
Cyber Investigation Expense	<ul style="list-style-type: none">· Covers expenses incurred for services provided by a third-party vendor to investigate and determine the source or cause of a Data Privacy Wrongful Act or Network Security Wrongful Act· For a complete description of coverage terms and conditions, refer to the insurance policy. In the event of a loss, the terms and conditions of the policy issued will determine the coverage provided. Coverage is provided by the member companies of Hartford Financial Services Group, Inc. and may not be available in all states. In Texas, coverage may be provided by Hartford Fire Insurance Company or Twin City Fire Insurance Company.

INSURANCE COVERAGE DETAILS

<p>RESPONSE EXPENSES (FIRST-PARTY)</p>	<p>Coverage Includes:</p> <ul style="list-style-type: none"> · Legal and Forensic Services to assess whether a breach occurred and assist with regulatory compliance if it's determined that a breach occurred (\$5,000 sub-limit applies) · Notification to impacted customers and employees, and associated expenses, such as letter preparation and mailing costs · Crisis Management/Public Relations to inform your customers a breach has occurred and to help restore your business' reputation · Good Faith Advertising Services to organize and create a media response (\$5,000 sub-limit applies) · Monitoring Services to pay for credit, fraud, public records, or other monitoring alerts, if warranted · Available Limits: \$10,000; \$25,000; \$50,000; \$100,000 · Per-Claim Deductible: \$1,000 for \$10,000 and \$25,000 limits; \$2,500 for \$50,000 and \$100,000 limits
<p>DEFENSE AND LIABILITY EXPENSES (THIRD-PARTY)</p>	<ul style="list-style-type: none"> · Coverage for civil awards, settlements, and judgments that you're legally obligated to pay · Available Limits: \$50,000; \$100,000; \$250,000; \$500,000³ · No deductible applies; Defense costs are within limits

SERVICE DETAILS

<p>ACCESS TO A DATA BREACH WEBSITE PROVIDING:</p>	<ul style="list-style-type: none"> · Tips and resources to help you minimize the chance for a breach and safeguard Personally Identifiable Information and Protected Health Information · Legal requirements by state · Information on how to create a data breach incident response plan · Guidance on what needs to be done if a breach occurs
<p>TEAM OF BREACH EXPERTS WHO WILL:</p>	<ul style="list-style-type: none"> · Assist you if you believe a breach has occurred and determine the potential severity of the breach · Consult on "next steps" to address a breach situation

This document contains only a general description of coverage that may be provided and does not include all of the features, exclusions, and conditions of the policies it describes. Coverage is subject to the policy terms and is individually underwritten. Please refer to the actual policies for complete details of coverage and exclusions. In the event of a conflict, only the terms of an actual issued policy will prevail. Coverage may not be available in all states or to all businesses. Data breach coverage must be purchased in order to have access to data breach services.

Coverage is underwritten by Hartford Fire Insurance Co. and its property and casualty insurance affiliates. **In TX, this insurance is written by Sentinel Insurance Company, Ltd., Hartford Casualty Insurance Company, Hartford Lloyd's Insurance Company, Property and Casualty Insurance Company of Hartford, Hartford Underwriters Insurance Company, Twin City Fire Insurance Company, Hartford Accident and Indemnity Company and Hartford Fire Insurance Company.** In WA, this insurance is written by Hartford Fire Insurance Company, Hartford Casualty Insurance Company, Hartford Accident and Indemnity Company, Hartford Underwriters Insurance Company, Twin City Fire Insurance Company, Sentinel Insurance Company, Ltd., and Hartford Insurance Company of the Midwest. In CA, this insurance is written by Sentinel Insurance Company, Ltd. (CA lic. #8701) and its property and casualty affiliates, One Hartford Plaza, Hartford, CT 06155. All information and representations herein are as of July 2014.

¹2015 Data Breach Investigations Report, Verizon

²The Hartford's 2013 Small Business Success Study

³\$500,000 third-party limits is only available in New York.

All content in "High Cost of a Data Breach" section came from: Ponemon Institute. 2015 Cost of Data Breach Study: Global Analysis. May 2015



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