

Expensive Data

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Yes, your data is valuable, and losing it can cost you a bundle in more ways than one.

Types of data loss ~ these breaches happen every day –

- Hackers – especially foreign ‘gangs’ looking for ‘ransomware’
- Human error – deleting critical files
- Viruses or ‘malware’ corrupting your or others’ key databases
- Cyber-thieves lurking in wifi spots to intercept messages from unprotected laptops, PDAs and smartphones
- Stolen equipment – unencrypted laptops, PDAs, thumb-drives

What are the costs?

1st – there’s your responsibility to customers and employees for possible identity theft. You’ll need to notify immediately and probably want to offer credit monitoring and other assistance to forestall lawsuits and not destroy staff productivity.

2nd – then there’s the time, hassle and cost of replacing the data itself. A pharmacy lost three years of prescription records when a file got deleted and backups were corrupted. It cost \$300,000 to re-create the database from paper records.

3rd –there are new state laws coming that will hold businesses liable for the costs incurred by third parties, like banks, who have to set up new accounts, re-issue credit/ debit cards, and clean up financial files, credit reports, etc. The costs here can be astronomical – quickly in the millions of dollars.

4th – finally, there’s your lost reputation as a reliable business partner – customers, suppliers, lenders will all look for a safer place to do business.

What can you do?

- Don’t keep sensitive employee or customer information on computers connected to the internet – transfer these files to an internal database only machine.
- Treat data like cash and limit access to only those who need sensitive information.
- Get professional help to make sure virus/ spyware/ malware protection, and firewalls are properly installed and current all the time. Be especially careful with wireless networks. Educate employees. Get a security audit.
- Don’t process credit cards yourself – use an outside service and make sure the contractual protections for you are strong.
- If you have to maintain a lot of personal, private data, get a professional security audit.
- Get your broker to explain and quote cyber risk insurance – consider both first party (covering your data) and third party (covering losses you cause to others) coverage. If they cannot explain it to you, find someone who can.