



## SECURITY AND PRIVACY LIABILITY

The experts at Swett & Crawford's Professional Services Group are ready to be valuable members of your team. We apply the vast intellectual capital of our organization, 95 years of professional services knowledge and experience, and unsurpassed market relationships to identify the best terms, conditions and pricing for your unique risk.

### SWETT & CRAWFORD IS YOUR ONE-STOP SOURCE FOR SECURITY AND PRIVACY LIABILITY

Make sure your client is adequately covered for privacy issues.

Standard Commercial General Liability Policies include personal injury coverage for "publication...of material that violates a person's right of privacy<sup>1</sup>." But coverage may be lacking for legal liability resulting from a release or breach of personal identification. Such a breach can happen in several ways:

- Computer hacking
- Unintentional release of personal information
- Theft of discarded records as a result of "dumpster diving"
- Disclosure by a "rogue employee"
- Lost or stolen back-up tapes or laptops

### YOUR CLIENT MAY INCUR SIGNIFICANT LEGAL LIABILITY AND RELATED EXPENSES FROM INCIDENTS LIKE THIS.

Not only may your clients incur the costs of defending and settling suits that seek damages as a result of such data breaches, they may also bear other significant costs in responding to such incidents. More than 30 states have passed legislation that requires business to notify individuals whose personal data may have been breached, and more are expected to follow. Such notification typically costs between \$2 and \$3 per individual notification.

Chipotle, the fast-food chain, reported costs of \$5.6 million<sup>2</sup> which was an amount equal to 91% of its annual profits. In a separate incident, DSW Shoe Warehouse, a national apparel retailer, reported a loss of \$6.5 million after data was stolen from the company's computer network<sup>3</sup>.

### THESE ARE SIGNIFICANT RISKS.

- Since February 2005, more than 100 million Americans have had their personal information compromised<sup>4</sup>
- More than 30 states have enacted legislation requiring that businesses notify individuals if their personal data is breached. More states are expected to follow.

### SWETT HAS A SOLUTION.

If your client is concerned with the potential of these exposures, products are available to protect businesses from risks related to identity theft and the threat of identity theft. The minimum premium for \$100,000 limit is in the range of \$995. The minimum premium for a \$1,000,000 limit is \$2,500. Retentions vary by limit.

1 ISO Commercial General Liability Policy CG 00 01 10 01

2 Private Data Leakage Costs: (<http://www.infowatch.biz/threats?chapter=148831545&id=173255174>)

3 Private Data Leakage Costs: (<http://www.infowatch.biz/threats?chapter=148831545&id=170371373>)

4 A Chronology of Data Breaches Reported Since the ChoicePoint Incident, Privacy Rights Clearinghouse, updated January 9, 2007.

To locate a Swett & Crawford broker in your area, please visit [www.swett.com](http://www.swett.com) and click the office nearest to you on the Location Map.