

GENERAL LIABILITY CHOICE® DATA BREACH COVERAGE & SERVICES



MAKE DATA BREACH COVERAGE AN ESSENTIAL IN YOUR CLIENTS' RISK MANAGEMENT PROGRAMS.

DATA ON DATA BREACH

Consider these findings from the 2012 Verizon Data Breach Investigations' report:

79% of victims were targets of opportunity

98% of data breaches stemmed from external agents

81% involved hacking

85% of breaches took two weeks or more to discover

97% of breaches were avoidable through simple or intermediate controls

Technology is essential for running any business. But it also introduces the very real risk of data breach.

You may not be aware of how easily a data breach can happen or how it can affect your clients. The fact is, though, any of these incidents can result in a data breach:

- An account rep loses a smart phone with stored customer account information
- A computer hacker gains access to confidential files
- An employee transmits unencrypted records via email
- An intern discards paper documents instead of shredding them

Even if a breach results from an honest error, your clients' businesses are at risk for blame. Leaving them with potential damage to their reputation, lost customers, as well as lawsuits by the victims.

The best defense. Despite the best of intentions, breaches can happen to any business. The good news is you can help your clients protect themselves with General Liability Choice® data breach coverage.

Prepare. Protect. Prevail.®

continued



YOUR CLIENTS' REPUTATIONS. THEIR CUSTOMERS' DATA. HELP SAFEGUARD BOTH.

Chances are your clients collect, store or use personally identifiable information (PII). For instance, Social Security numbers, driver's license numbers, financial account numbers, and medical history.

If that's true, then data breach coverage should be part of their overall risk management program.

Protection. The Hartford can help with insurance coverage to help pay for the expenses associated with a breach. We offer midsize businesses data breach protection as an optional coverage enhancement to General Liability Choice. In case you need higher limits or other coverages, our Hartford Financial Products unit offers a full range of Cyber coverages.

Prevention. We can also help protect your clients with tips to reduce the likelihood of a breach.

THREE SOLID LAYERS OF PROTECTION

Available on a claims-made basis, General Liability Choice data breach includes:

1. Data breach expense coverage

Notification expenses. Notifies those whose PII was breached, and includes:

- Overtime wages of employees and the cost to hire others to assist with the notification process
- Development, preparation, production, and distribution costs of printed matter used in the notification process

Fees and costs. Includes those your clients incur for:

- Professional crisis management law firms
- Public relations or media relations firms to mitigate negative publicity after a data breach

Monitoring services. Covers the cost of providing victims with credit, fraud, public records and other alerts for up to one year.

Good faith advertising services. For radio, television, Internet, or print media responses to reduce negative publicity and restore your clients' public image after a data breach.

Legal services reimbursement. For verification that your clients are complying with statutes and regulations regarding notifications when a breach occurs.

Forensic (information technology) services reimbursement. For investigation to determine the nature and extent of the data breach and what type of PII may have been accessed.

Limits up to \$250,000 per claim are available. A per claim deductible applies to first party expense coverage.

2. Defense and liability coverage

Defense and indemnification when your clients are legally responsible for a data breach. Includes:

- Civil awards
- Settlements
- Judgments

Limits up to \$500,000 per claim are available. Data breach defense and liability claims are not subject to a deductible.



PREPAREDNESS MATTERS

They may not make the evening news, but companies with fewer than 1,000 employees are the most frequent victims of data breach.

As insureds of The Hartford, your clients will have access to our proprietary cyber portal which provides:

- Tips and resources to help minimize the chance for a breach and safeguard PII
- Access to state data breach laws
- Risk management tools, including self-assessments, best practice guides, templates, sample incident response plans, and data breach cost calculators
- White papers, blogs and webinars from leading privacy and security practitioners
- Up-to-date cyber-related news and events, including examples of privacy and security related events
- Information on how to create a data breach incident response plan
- Access to a panel of third party incident response service providers and data breach experts who, for a fee², will:
 - » Provide pre-incident services to help protect your business before a cyber-threat occurs
 - » Assist you with an incident response plan in the event of a breach or help you determine if a breach has occurred and its severity



WHAT THE LAW SAYS ABOUT NOTIFICATION

No one likes to be the bearer of bad news, but when data breaches happen, your clients are required to notify their customers by law. Almost all states and the District of Columbia require it, in fact.

Some mandate notification of affected individuals only. But more than half say businesses must notify third parties, too, including:

- Credit bureaus
- State attorney general offices
- State police
- State departments of consumer affairs

Your clients may even be required by law to provide victims with credit monitoring and/or ID theft protection for a period of time.

The cost for all of these services adds up to five figures quickly, depending on how many records were breached. Add in liability damages and your clients could be facing a serious financial threat to their businesses.

LEARN MORE. Contact your Middle Market underwriter or visit thehartford.com/mmagent for tools and resources you can use with your General Liability Choice data breach clients.



Business Insurance
Employee Benefits
Auto
Home

¹ Verizon Risk Team, U.S. Secret Service and Dutch High Tech Team, 2012

² Depending on the coverage you purchased, such fees may be paid by us up to the applicable limit.

This document outlines in general terms the coverages that may be afforded under a policy from The Hartford. All policies must be examined carefully to determine suitability for your needs and to identify any exclusions, limitations or any other terms and conditions that may specifically affect coverage. In the event of a conflict, the terms and conditions of the policy prevail. All coverages described in this document may be offered by one or more of the property and casualty insurance company subsidiaries of The Hartford Financial Services Group, Inc. Coverage may not be available in all states or to all businesses. The Hartford does not warrant the performance of services by any third party service provider. Possession of these materials by a

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