

REPUTATIONAL HARM FROM A PRIVACY BREACH

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Presenter

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Reputational Harm from a Privacy Breach

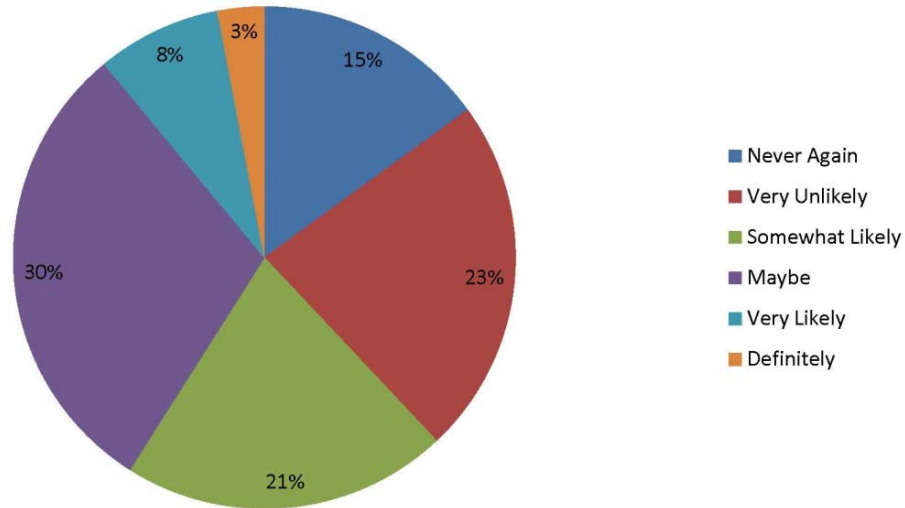
Two Questions that will come up after a data breach

- What Happened?
- How do we fix it?

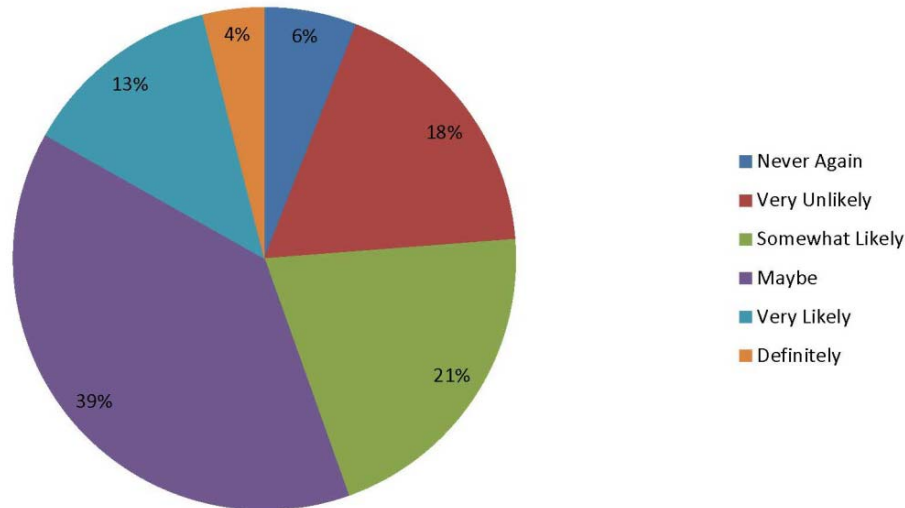
Failure to fully answer these questions can prove to be disastrous

SafeNet Survey 4500 Respondents

Global Response



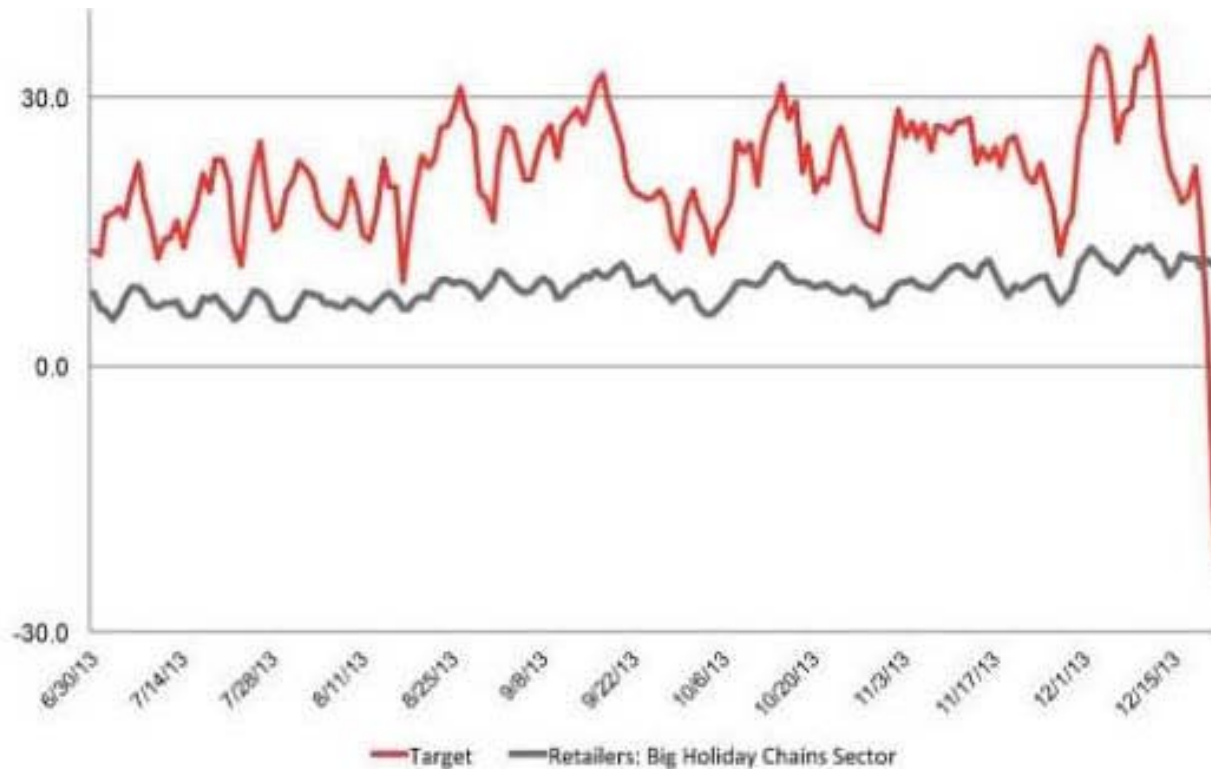
USA Response



Reputational Harm from a Privacy Breach

Target “Buzz Score”

Buzz: Target, Big Holiday Retail Chain



Target Earnings Slide 46% After Data Breach – WSJ 02/26/14

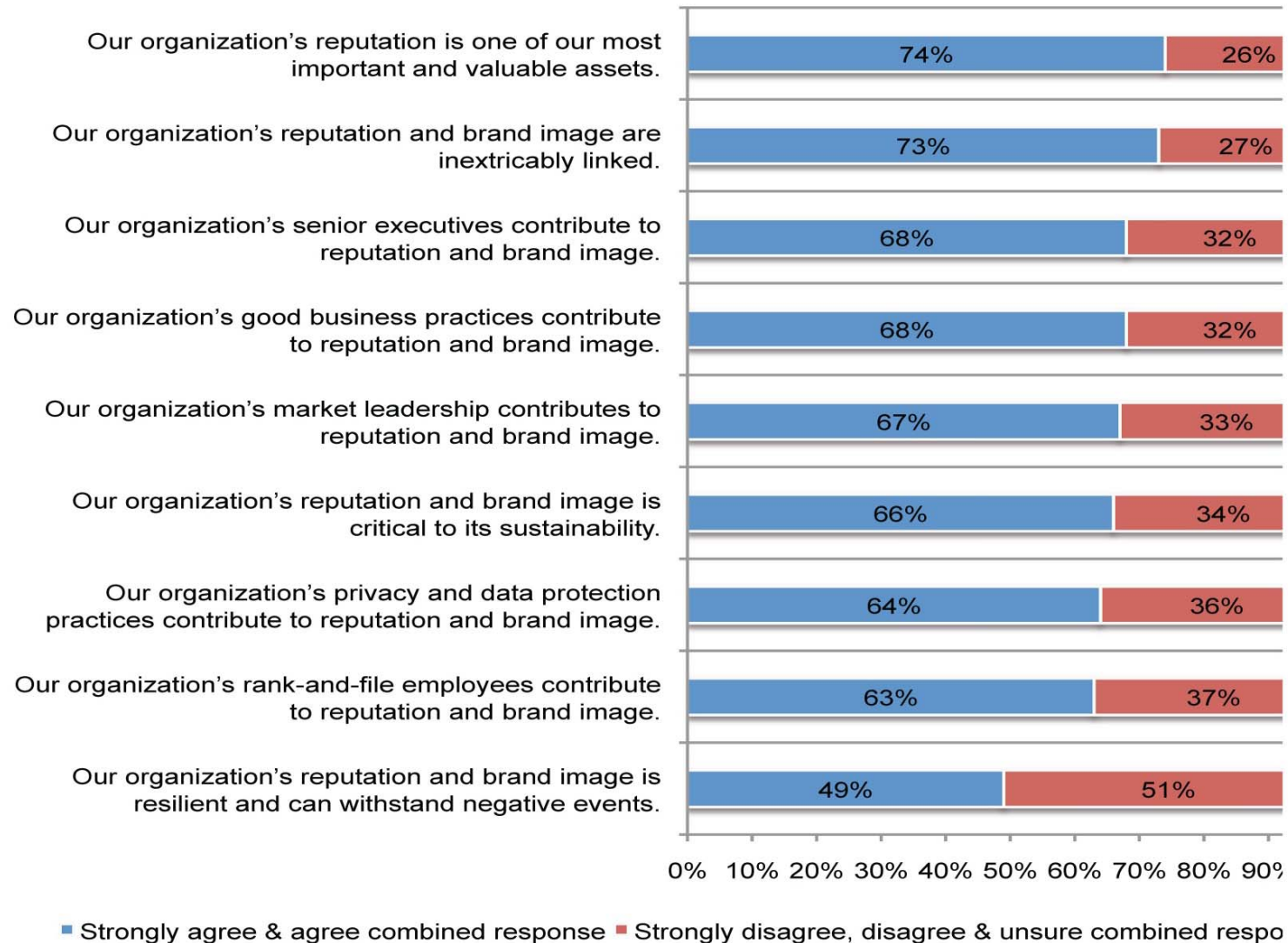
Reputational Harm from a Privacy Breach

Munich Re Survey

- Almost two-thirds of company risk managers believe the theft or loss of confidential customer and business information would inflict the greatest harm on their organization's reputation, a recent survey conducted by Munich Re and HSB has found.

Ponemon November 2011 Study

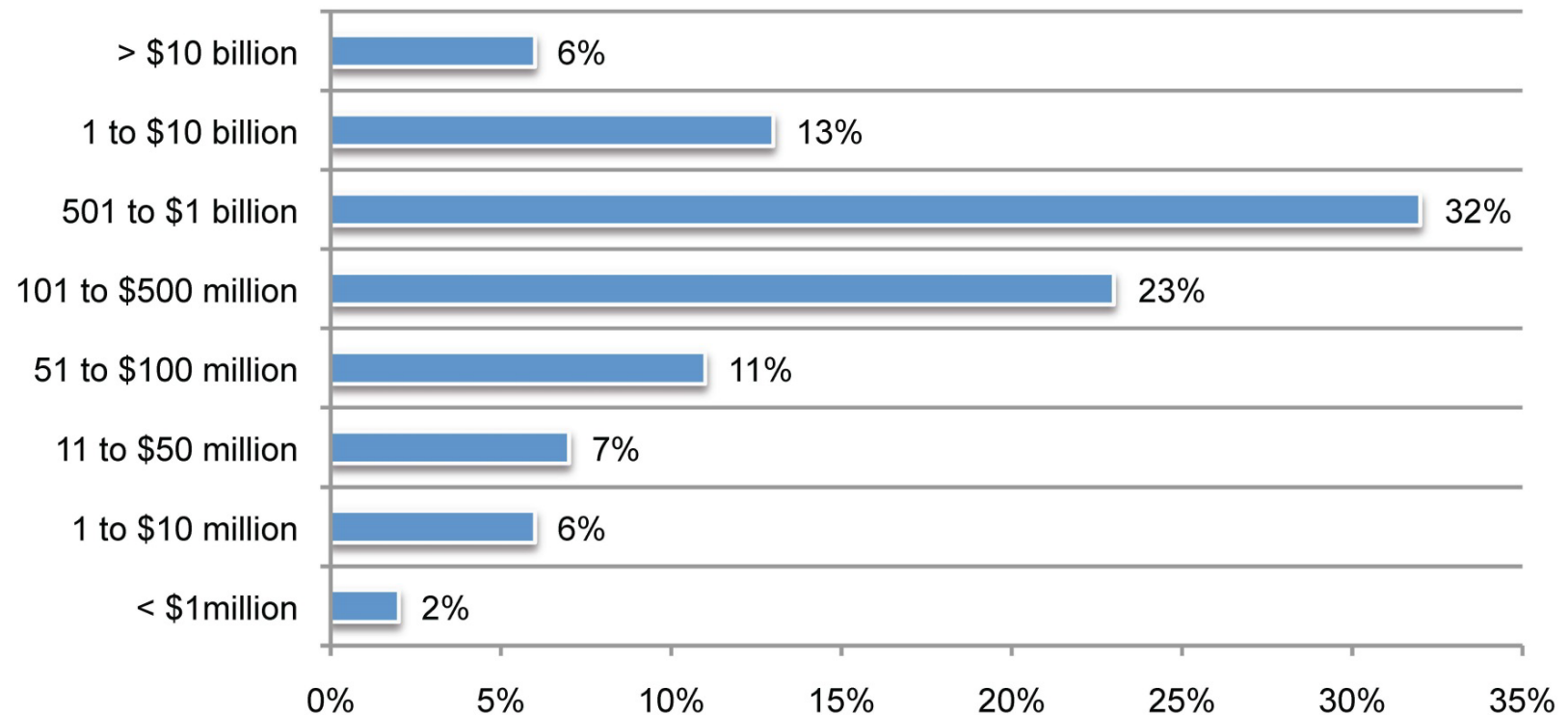
Respondents' Perception About Reputation And Brand Image



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Estimate of the Economic Value of Respondent Organization's Reputation or Brand Image

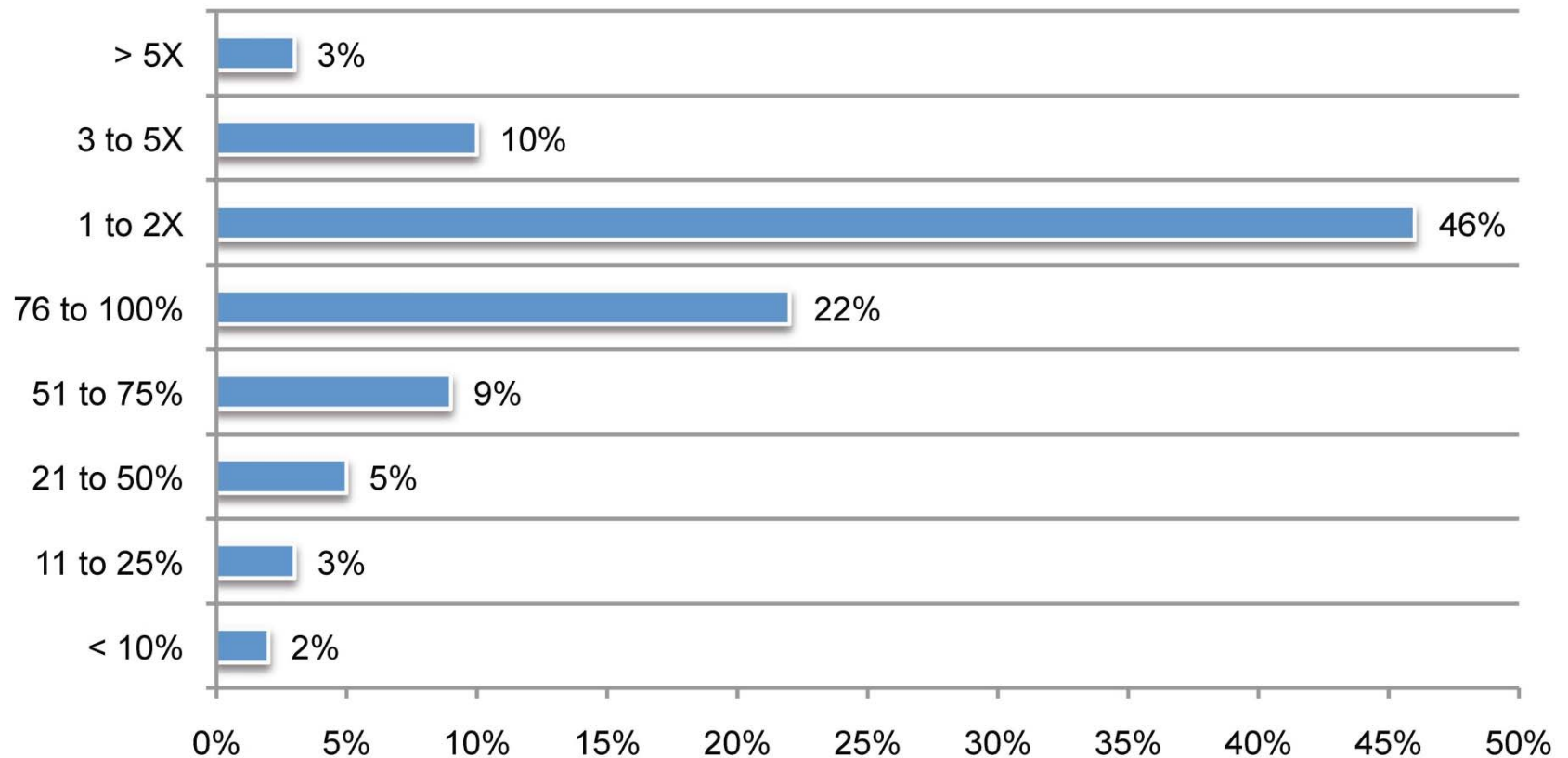
Extrapolated value (\$ millions) = \$1,558



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Estimate of the Economic Value of Respondent Organization's Reputation or Brand Image as a Percentage of its Annual Gross Revenues

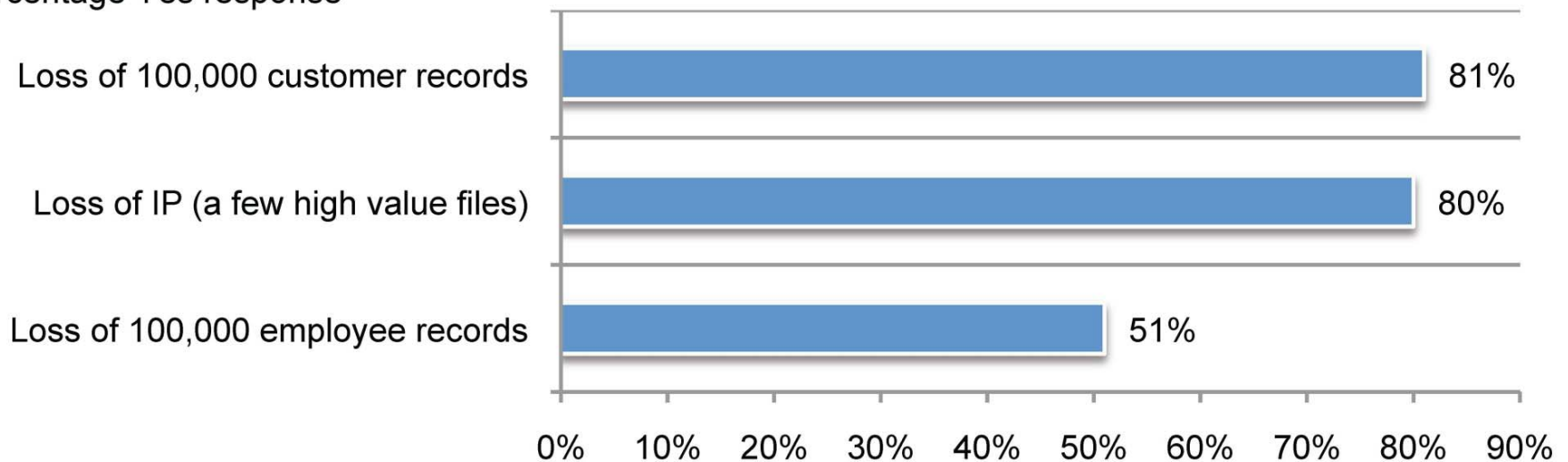
Extrapolated percentage value = 152%



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Would this Scenario Affect the Economic Value of Your Organization's Reputation for Brand Image?

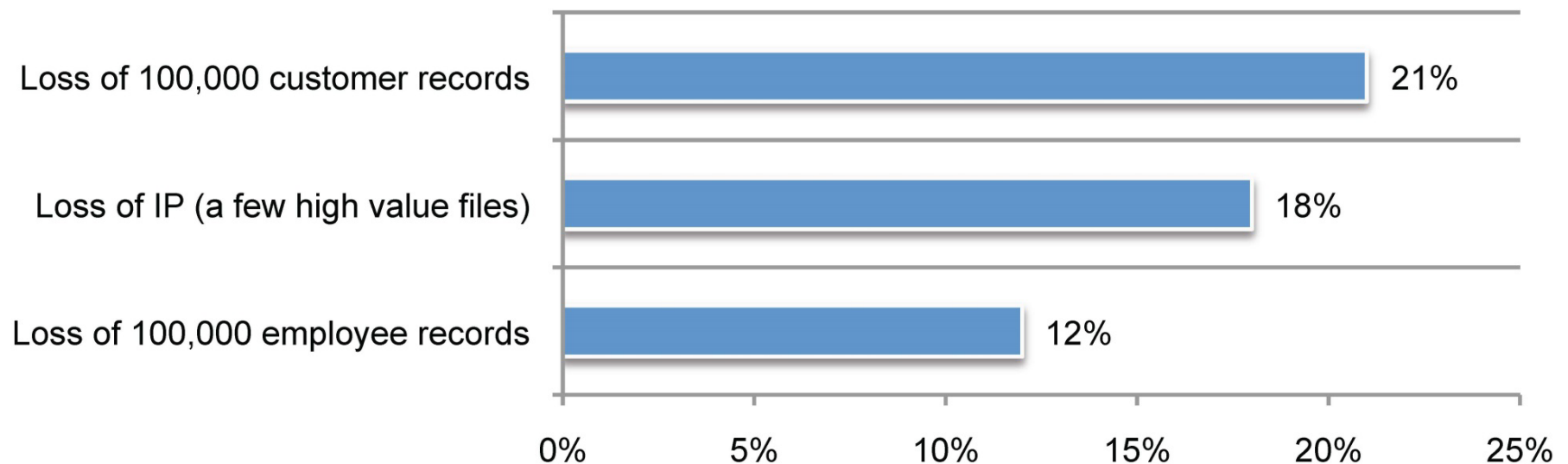
Percentage Yes response



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What Is Your Best Estimate of the Diminished Value of Your Organization's Reputation or Brand Value as a Direct Result of this Incident?

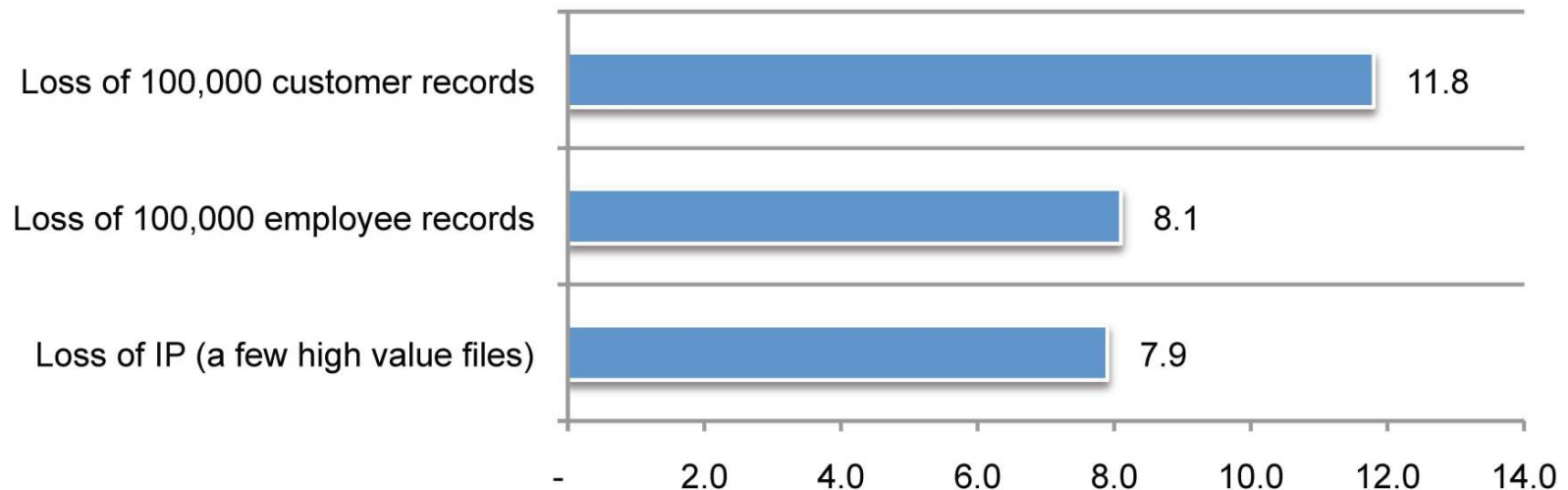
Extrapolated average percentage values



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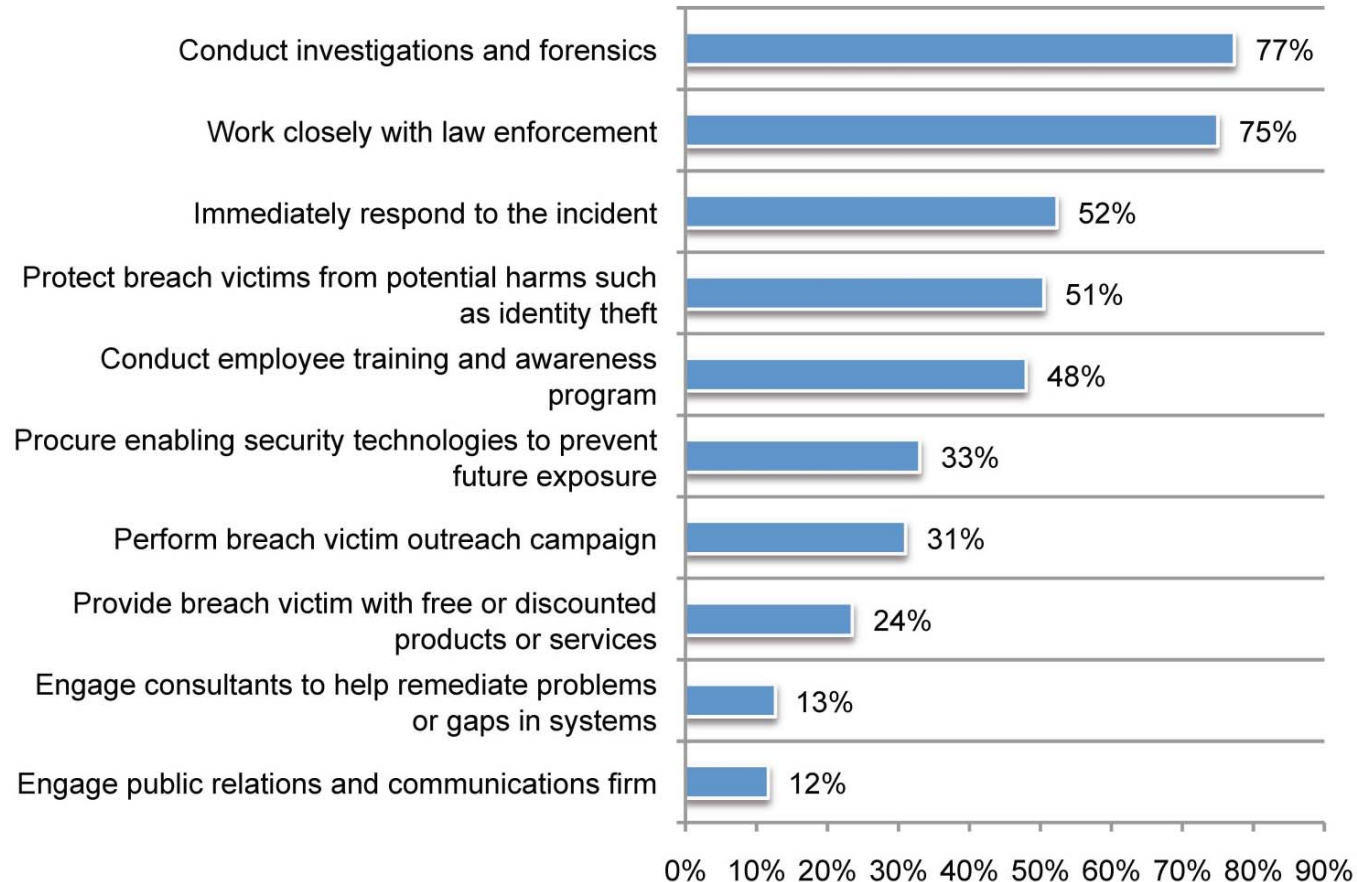
How Quickly Could Your Organization Restore Its Reputation Or Brand Value After This Incident?

Extrapolated average values in months



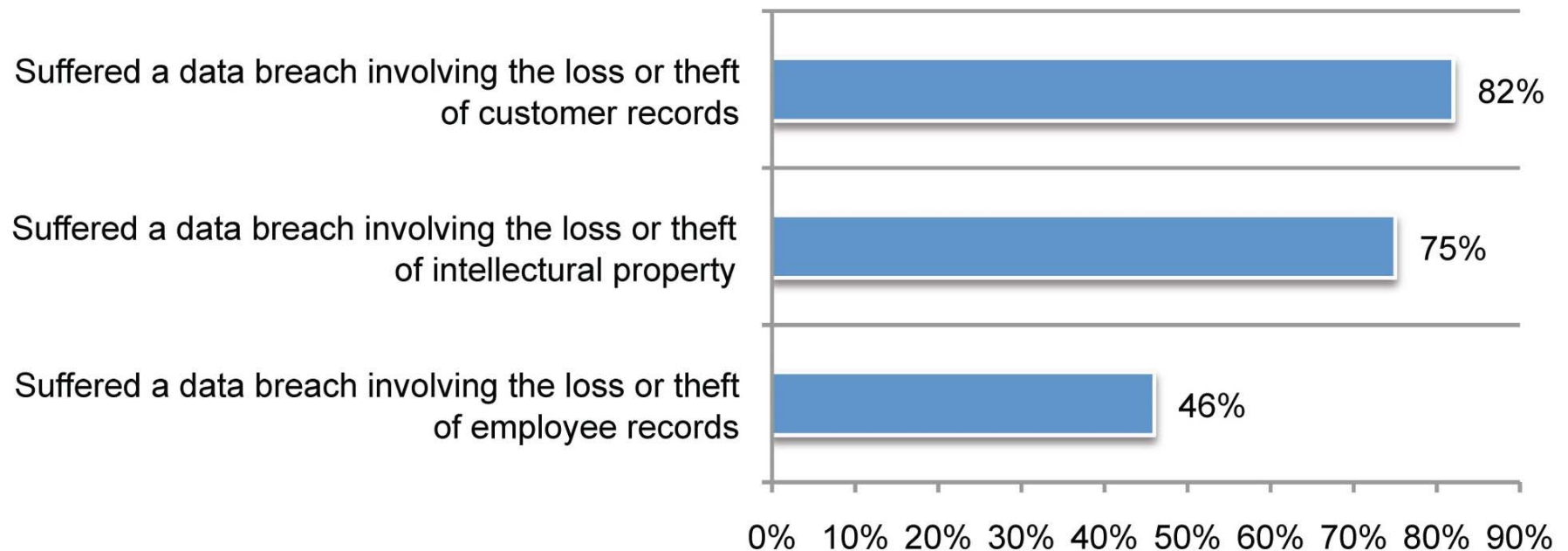
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What Steps Would Your Organization Take To Restore Its Reputation Or Brand Value After This Incident?



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Did Your Organization Ever Suffer From a Data Breach Involving The Loss Or Theft Of Sensitive Or Confidential Customer Information?



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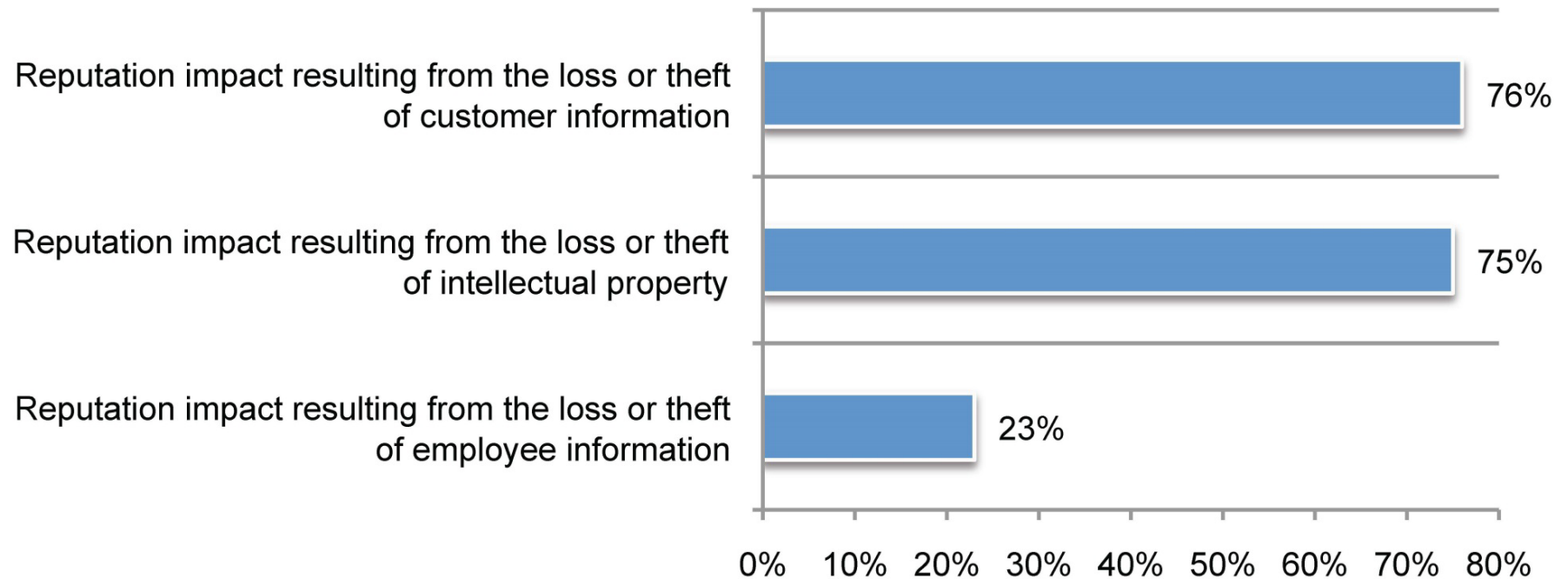
How Many Times Did Your Organization Suffer From A Data Breach Involving The Loss Or Theft Of Customer Information Over The Past 2 Years?



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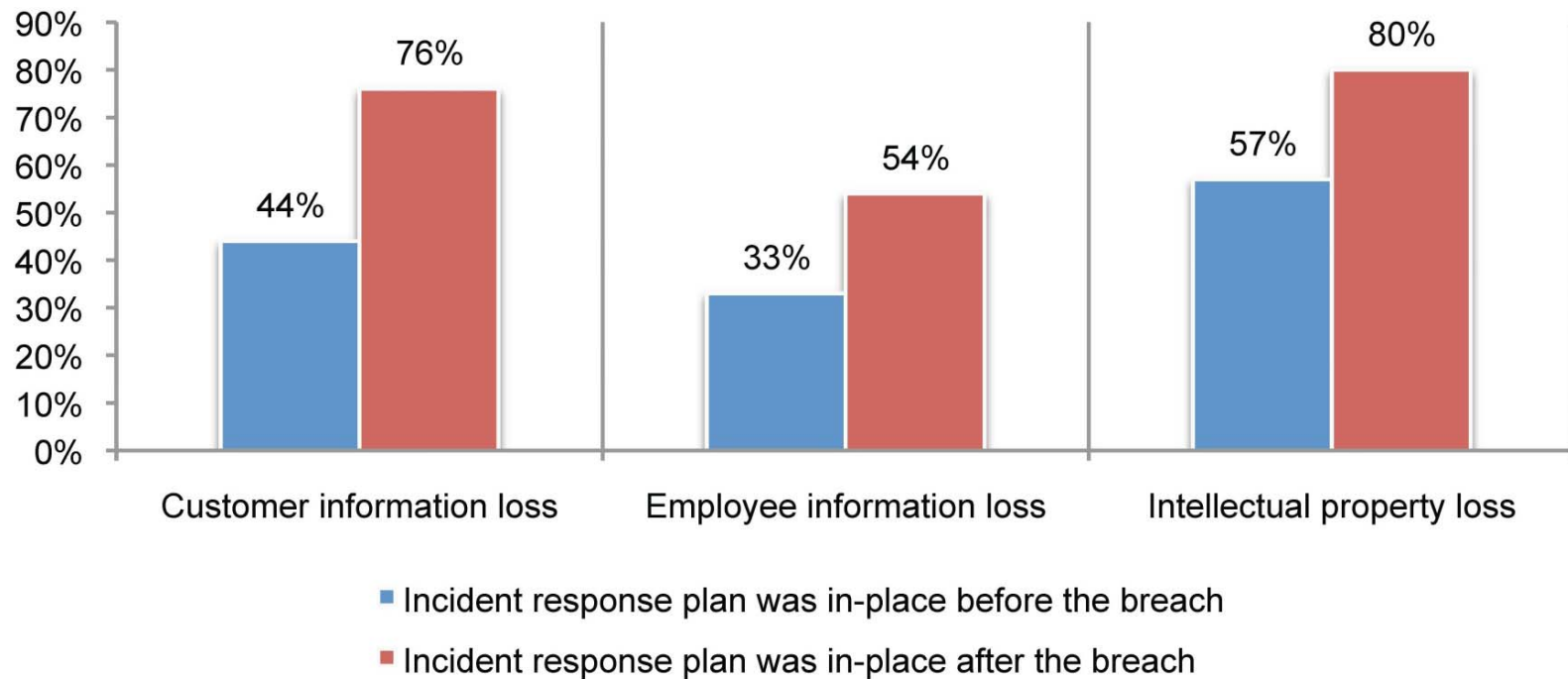
How Did This Impact Your Organization's Reputation Or Brand Image?

Significant and moderate impact response combined



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Did Your Organization Have An Incident Response Plan For Customer Data Breaches Before And After The Breach Event?



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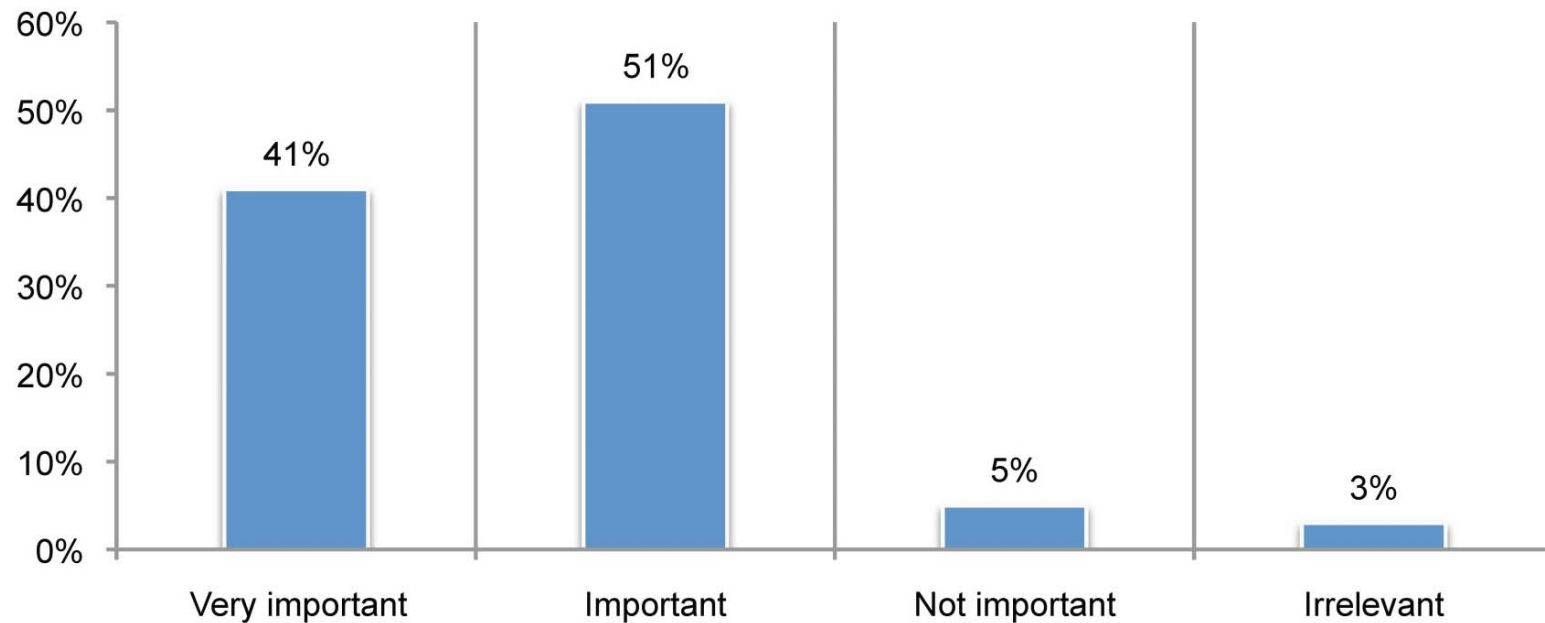
Factors That Contribute To The Organization's Reputation

Very important & important response combined



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In The Context Of Protecting Your Organization's Reputation And Brand,
How Important Are Privacy And Data Protection Practices?



Reputational Harm from a Privacy Breach

Available Coverage That Can Address “What Happened” And “How Do We Fix It”

- Privacy Notification Costs – Costs to comply with a Breach Notice Law to include:
 - A forensic analysis of the breach by a computer security expert
 - Provide notification to those who must be notified by law and, at the insurance discretion, notify others who are required under at least one breach law who have or are believed to have their PINI breached
 - A sub limit for public relations costs
 - One year or more of credit and identity monitoring and the mailing and other reasonable costs for the administration of the program
 - Crisis Management and Public Relations as a standalone separate section and limit



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