

HOW TO AVOID COMMON DATA BREACH PITFALLS



COSTS OF A DATA BREACH IN 2014

\$5.9 M

U.S. average cost
of a data breach

15%

Annual increase in
the average cost
of a data breach
around the world

\$201

Average cost paid
for each exposed
record

Source: 2014 Cost of Data Breach Study: Global Analysis, Sponsored by IBM, Conducted by Ponemon Institute LLC

COSTS OF A DATA BREACH

\$417,700

Average Detection &
Escalation Costs

\$1.6 M

Average Post
Breach Costs

\$510,000

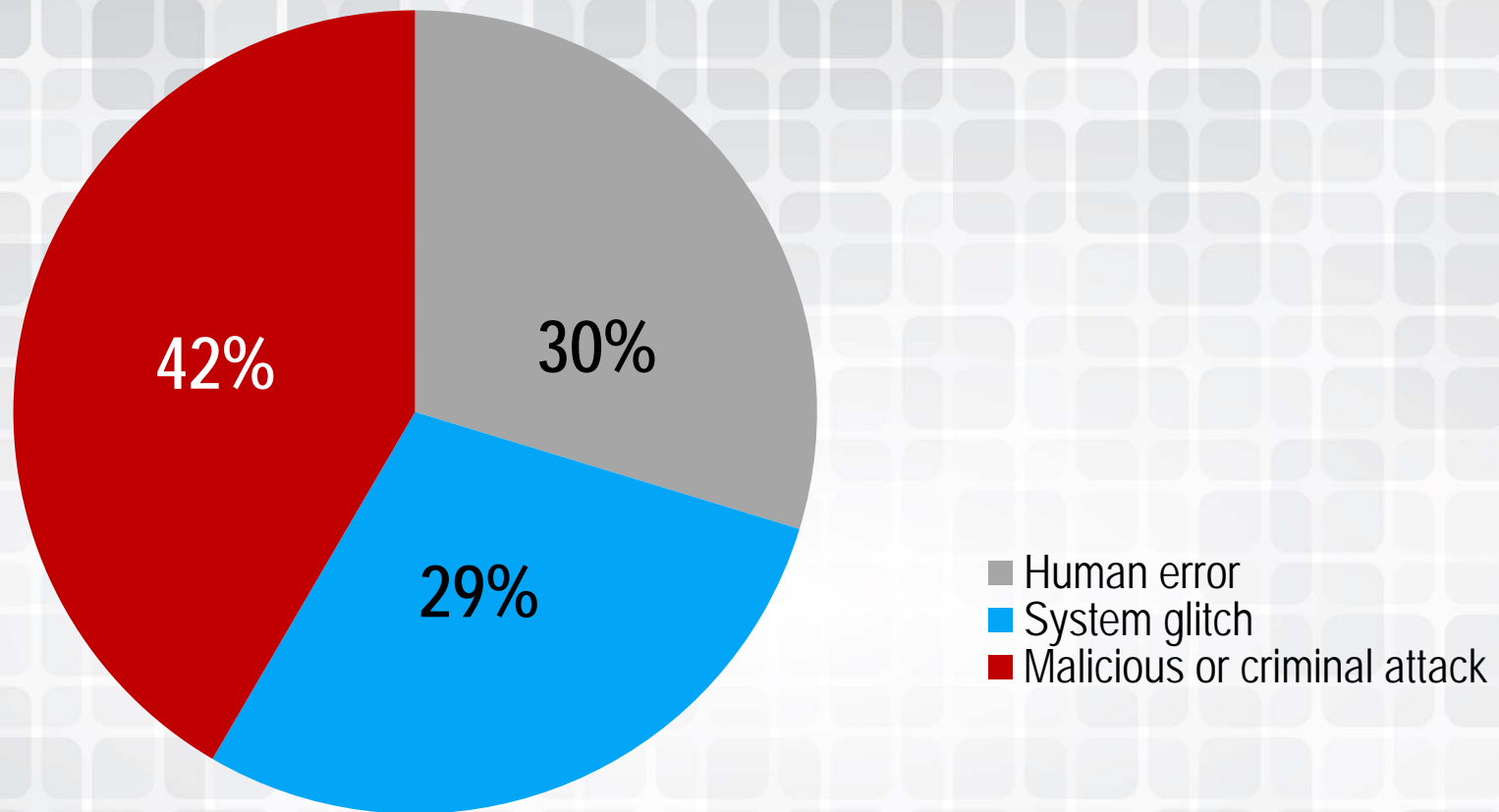
Average
Notification Costs

\$3.2 M

Average Cost of
Lost Business

Source: 2014 Cost of Data Breach Study: Global Analysis, Sponsored by IBM, Conducted by Ponemon Institute LLC

ROOT CAUSES OF A DATA BREACH



Source: 2014 Cost of Data Breach Study: Global Analysis, Sponsored by IBM, Conducted by Ponemon Institute LLC

PER CAPITA COST FOR EACH ROOT CAUSE

Malicious or
criminal attack

\$246

System glitch

\$171

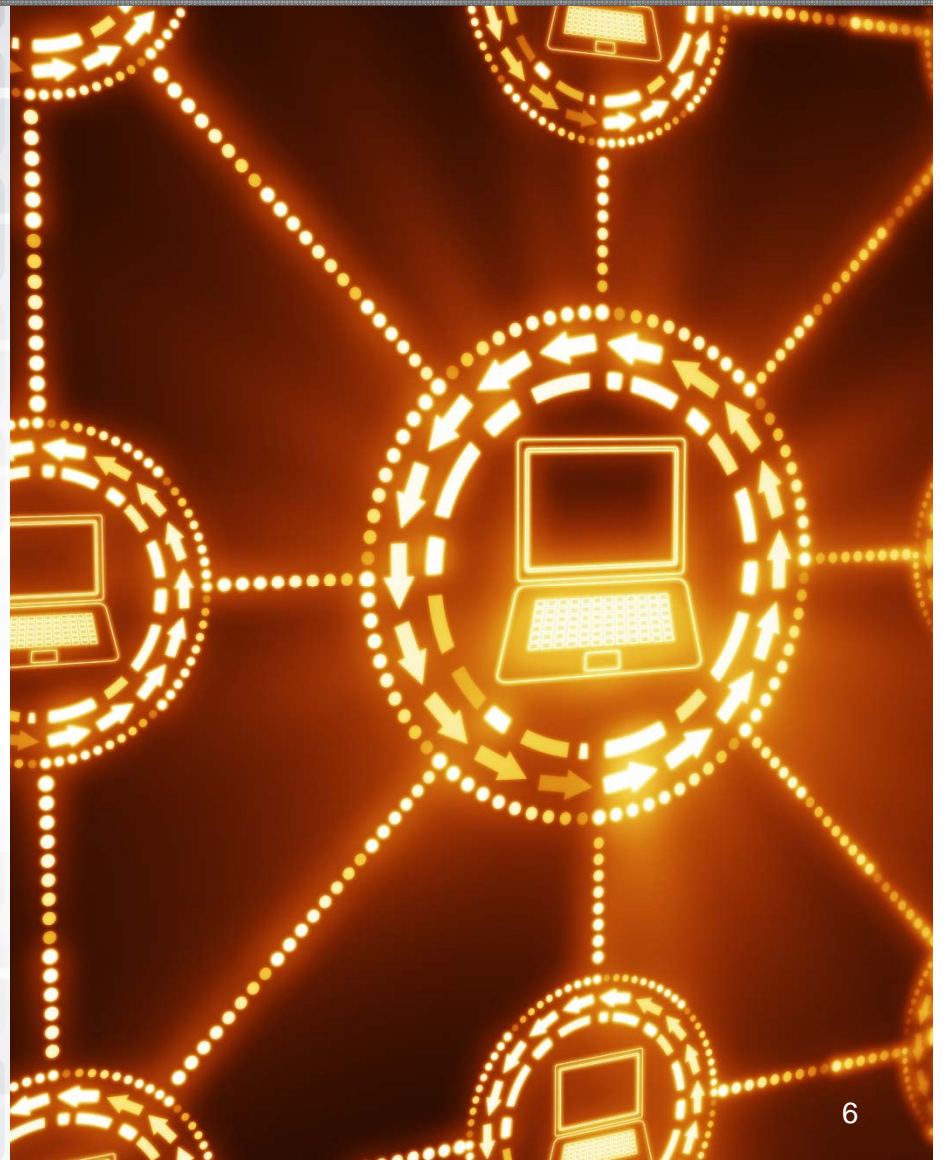
Human error

\$160

Source: 2014 Cost of Data Breach Study: Global Analysis, Sponsored by IBM, Conducted by Ponemon Institute LLC

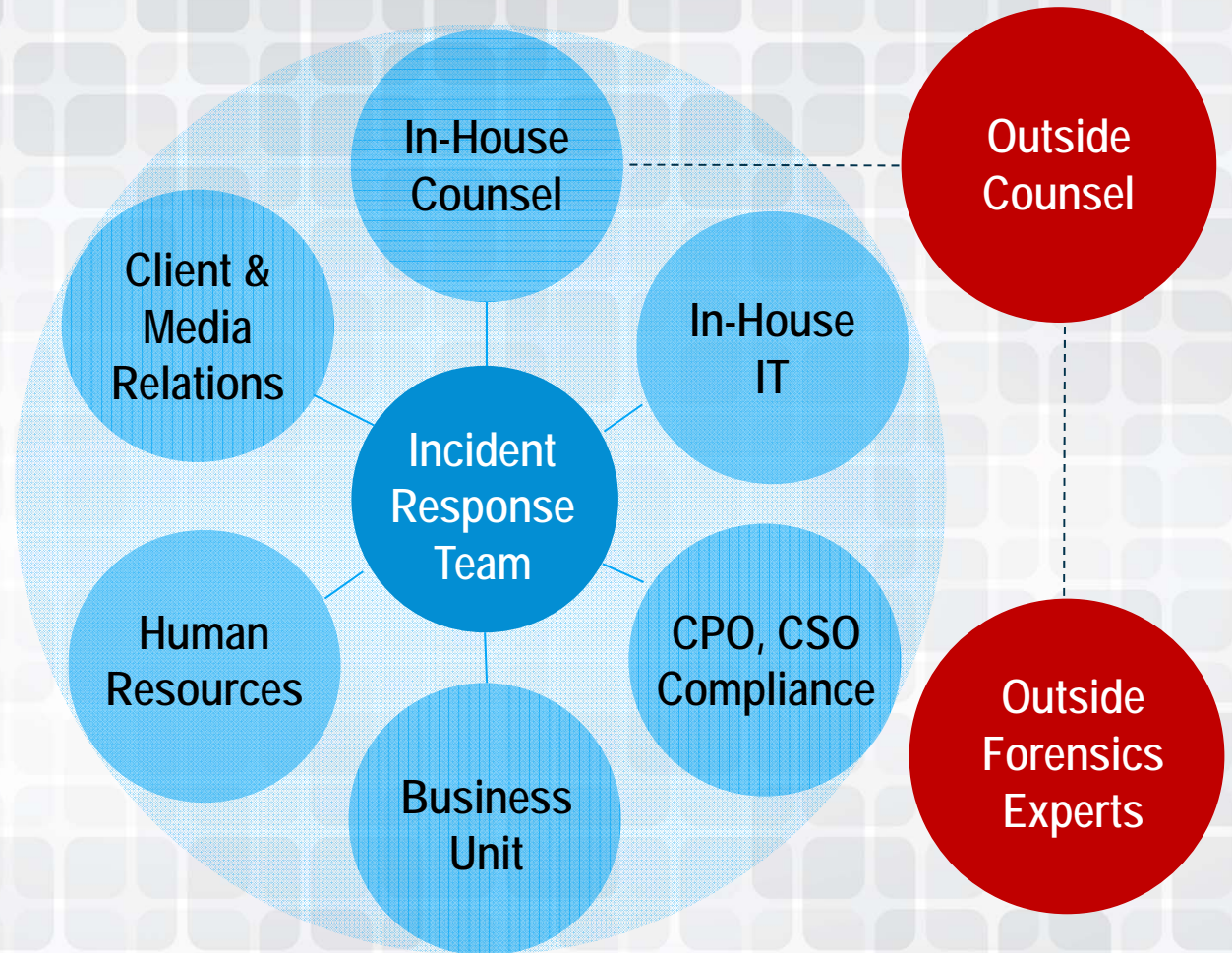
BEFORE A BREACH

1. Inventory data – what, where, how is it used & shared, sensitivity
2. Analyze vendor agreements
3. Review privacy policies and disclosures for robustness, consistency with actual practices, and legality



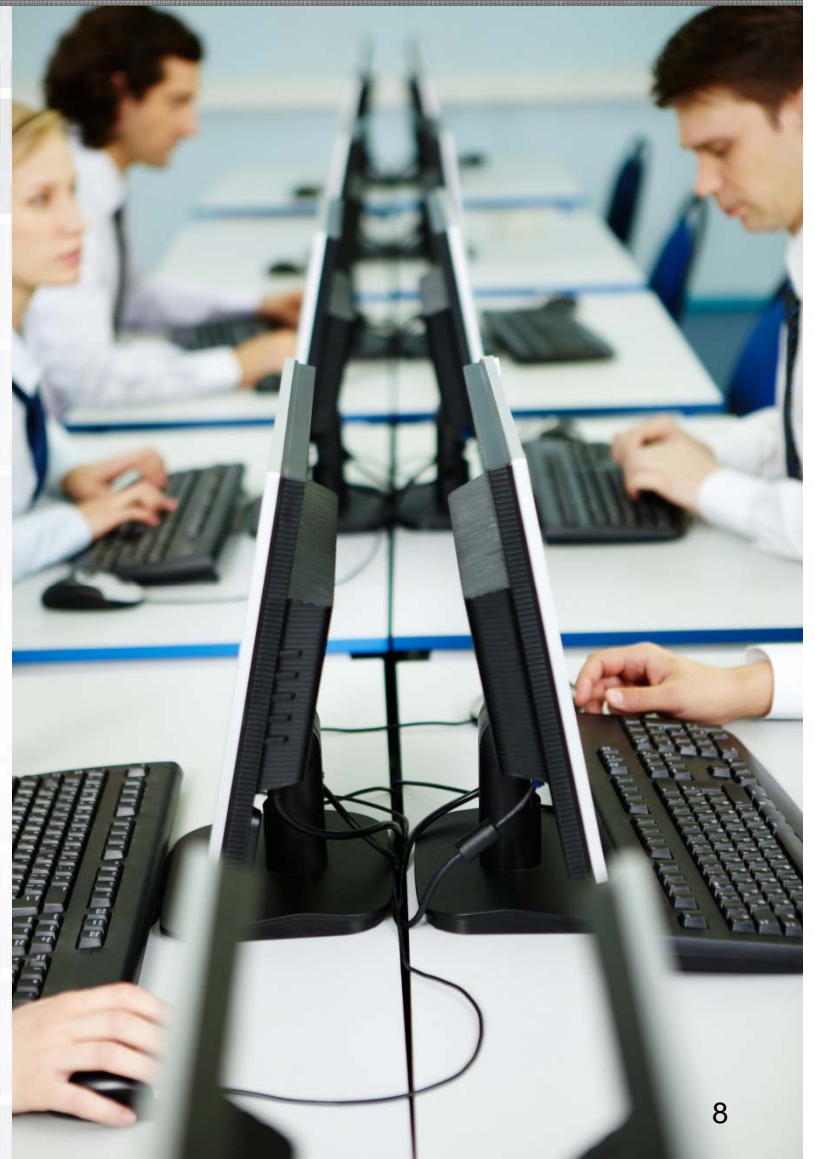
BEFORE A BREACH

4. Develop Incident Response Plan
5. Build an effective incident response team led by legal counsel



BEFORE A BREACH

6. Train employees on privacy and data security responsibilities and incident response
7. Set a tone from the top that privacy and data security are core company values
8. Conduct periodic privacy reviews and risk assessments



WHEN THE BREACH HITS



Activate incident response plan



Contain the breach

BREACH INVESTIGATION

1. Follow the legal team's lead
2. Employ a third party forensic team to investigate
3. Protect the integrity of the data and systems
4. Document response and containment actions
5. Protect the privilege



BREACH RESPONSE

Develop an Effective
Communications Plan



BREACH RESPONSE

Notification:

To Whom?

- *Analyze client and vendor agreements*
- *Analyze statutory notification obligations*

How Soon? The Timing Paradox

- *More careful analysis takes time*
- *More careful analysis increases certainty*
- *More careful analysis reduces cost*



AFTER THE BREACH

1. Conduct post-breach review
2. Implement lessons learned

Questions?

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