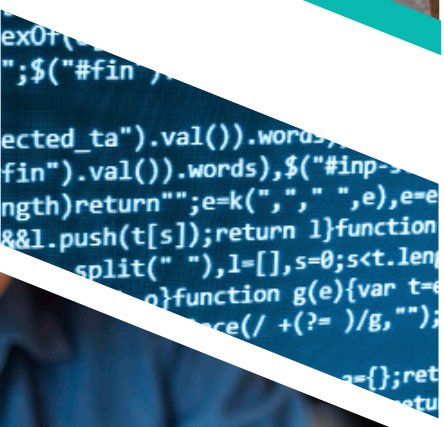
5 Reasons Why **Retail Companies** Need Cyber Insurance



1 REPUTATIONAL HARM

Retail Companies rely heavily on their reputation to make sure their customers return. A data breach can shatter confidence in a retail company and will result in consequential reputational harm. This is an exposure that a good cyber policy will cover.

2 BUSINESS INTERRUPTION

As a retail company, when your system is down, there is a massive probability of lost profit. You may be unable to perform transactions, process information, and perform other day to day operations. This stoppage can cripple a business and needs to be covered.

3 NOTIFICATION COSTS

Retail Companies need to accept credit cards to succeed. Hundreds of customers may be swiping their cards at your company on a daily basis. When this information is breached, you as the merchant, have the responsibility to notify each of the respective parties. This can get extremely expensive.

4 CYBER CRIME

When a hacker holds your retail business's information or website hostage, it's called cyber extortion. Your Cyber Liability Insurance policy can help you pay the criminal.

5 PRIVACY LIABILITY

Not only do retail companies need to worry about a malicious hacking attack, they need to worry about a non-intentional breach. For example, if the CEO leaves his laptop in an Uber, serious confidential information may be compromised and an expensive lawsuit may ensue.

evolve

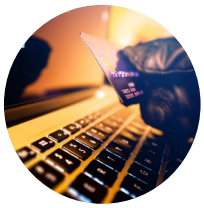
750 BATTERY STREET, 7TH FLOOR, SAN FRANCISCO CA 94111
p: 415.257.2170
PATRICK@EVOLVEMGA.COM
WWW.EVOLVEMGA.COM

"There are two types of companies: those who have been hacked and those that will be."

Robert Mueller, FBI Director 2012

CLAIMS EXAMPLES

Online auctioneer eBay is technically a broker between merchants and customers, not a retail outlet in its own right, but it is certainly in the retail sector, where it has one of the world's best-known brands. Last year, it was taken for 145 million customer accounts, currently the largest known haul of credit card data from a single targeted victim.



The payment processor for a host of retail businesses had no fewer than 130 million credit card accounts stolen in 2009, in a hacking operation for which four Russians and a Ukrainian were ultimately indicted. Heartland was, in fact, only the single largest victim in this, regarded as the biggest credit card hack of all time. The team's other retail victims included JCPenney and 7-Eleven.

In 2005, that TJX Companies, the parent of the Marshalls and T.J. Maxx chains, got hit for 94 million accounts. The breach was not discovered until the next year, and Visa reported fraudulent transactions on those accounts in 13 different countries. A cybercriminal named Albert Gonzalez is now serving 20 years for the crime.

Fellow big-box retailer Home Depot has become the newest inductee into the top 5 after reporting that it had been breached for 56 million credit card accounts. As John Zorabedian reports at Naked Security, losses are currently pegged at $62 million. However, the dust from this attack is only beginning to settle, and that figure is likely to rise.

COST ANALYSIS

What does it cost your business when 100,000 records are breached?

SAN FRANCISCO | LONDON | LOS ANGELES

750 BATTERY STREET, 7TH FLOOR, SAN FRANCISCO, CA 94111
415.257.2170
PATRICK@EVOLVEMGA.COM
WWW.EVOLVEMGA.COM

evolve