



FROM 2015 TO 2016 The number of identities stolen nearly doubled from **563.8 million to 1.1 billion¹**

If a data breach costs you even one loyal customer — **IT'S BIG.** Small businesses are a prime target for cyberattacks.¹

The Numbers Tell a Story:

- 55%** Small business owners experienced a cyber attack **in the past 12 months²**
- 14%** Percent of companies that rate their ability to mitigate cyber attacks as **"highly effective"²**
- 47%** Data breaches caused by a **malicious or criminal attack³**

Liability risks remain constant whether a data breach is **accidental or malicious**; or is perpetrated by an employee or outsiders.

Accidental release of private data by an employee accounted for **25 percent of data breaches in 2016,³**

While IT glitches and business process failures were the cause **28 percent** of the time.¹

Compelling Reasons to Discuss Cybersecurity With Your Independent Agent or Broker:

Direct Cost

The cost of a data breach can be staggering to a business owner, and might include:

- Forensic examination to determine scope
- Notification of affected customers and other parties
- Payments to a call center to handle customer questions
- Credit or identity monitoring
- Public relations
- Legal defense
- Regulatory penalties or proceedings

The **per record** cost of a data breach averaged **\$141** in 2017.³

The same study showed that, depending on the industry, the **per record** cost could be much higher.

Healthcare — \$380	Energy — \$137
Financial Services — \$245	Hospitality — \$124
Transportation — \$123	Industrial — \$149
Services — \$223	Retail — \$154

Cost of Lost Business

While the average direct cost of data breaches is high, the cost of lost business can be much higher— more than **\$4.1 million** on average.³ These include:

- Abnormal customer turnover
- Increased customer acquisition costs
- Reputation loss
- Negative publicity
- Diminished goodwill

Any business is at risk: According to confirmed breaches in 2016, the likelihood of a cyberattack differs among industries and businesses.⁴

Here are four of the most vulnerable

- Financial Services — **24%**
- Public sector entities — **12%**
- Retail — **15%**
- Healthcare organizations — **15%**

48 STATES require notification of data breaches

Loss Of Focus & Productivity:

Every minute, every hour, every day spent recovering data, rebuilding corrupt systems, or plugging vulnerabilities distracts you from your passion — building your business.

We understand the risks associated with electronic devices and online data. Liberty Mutual Insurance offers **cyber insurance** that provides a critical layer of protection for you and your business.

Contact your independent agent or broker to learn more about this critical protection that may be missing from your current coverage.

Sources:

1. Symantec, Internet Security Threat report Volume 22
2. 2016 State of Cybersecurity in Small & Medium-sized Businesses by Ponemon Institute
3. Ponemon Institute — 2017 Cost of Data Breach Study: United States
4. Verizon 2017 Data Breach Investigative Report