



AAHA BUSINESS INSURANCE PROGRAM  
P.O. BOX 1629 CHICAGO, IL 60690-9850  
PHONE: 866-380-AAHA (2242)  
FAX: 866-381-AAHA  
AAHA@HUBINTERNATIONAL.COM  
WWW.AAHAINSURANCE.ORG



## Privacy Exposures—New Coverage Available for Data Breaches

Multiply your practice's total number of client records by \$214. Now imagine writing a check for this amount and losing this money off your bottom line. Can you afford to pay this as an out-of-pocket expense? According to a study from the Ponemon Institute, the average data breach cost per individual compromised record is \$214.

The AAHA Business Insurance Program is pleased to announce a new product to protect you and your practice against data breach exposures.

### What Is It?

A breach is defined as an event in which personally identifiable information (PII) is potentially put at risk – either in electronic or paper format. Data breach coverage responds to loss, theft, accidental release, or accidental publication of PII. Personally identifiable information includes:

- Full name
- Social security number
- Bank account number(s)
- Email address
- Driver's license number
- Credit or debit card number(s)

Every time you accept a check, debit card, or credit card payment from a client, you have PII in your possession, and you could be held responsible for a hacker stealing this information. Or consider your exposure to HIPAA privacy rule violations if someone accessed your employees' PII. Data breach coverage applies to both electronically stored data and hard copy paper files.

### What Does This Insurance Cover?

Data breach insurance covers:

- Legal and forensic services
- Public relations and crises management
- Notification expenses



Broker and Consultant: HUB International Midwest Limited, HUB International Midwest Insurance Agency (CA)



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- Defense and liability expenses

And, policyholders will have access to risk management resources that you and your staff can use everyday to minimize the chance of a breach – not just when you have a claim.

### Do I Need it?

Yes. While most veterinarians are now exempt from compliance with the Red Flags Rule, you could still be held accountable for a data breach. Not only could your clients sue you for being affected by a breach, but you also have the expense of repairing your practice’s name and integrity.

**Consider this scenario:** Cyber thieves plant a malware software program on your computer. As a result, every time one of your clients pays for veterinary services with a credit card, the credit card information is automatically sent to another party half-way across the world. Months later, after a number of your clients filed claims with their credit card companies for fraudulent charges, one of the credit card companies calls you because a cyber investigator tracked the breach to your veterinary practice. Now what do you do? Post a public notification? Alert all of your clients who paid with a bank or credit card in the past six months? How does this affect your practice’s professional reputation?

### How Much Does it Cost?

Coverage is available through the AAHA Business Insurance Program insurance carriers as an endorsement to a package policy (underwritten by The Hartford) or as a stand-alone policy (underwritten by CNA). The premium pricing is based on your practice’s annual sales and varies depending on your desired liability limits and coverage structure (third party liability, endorsement or stand-alone policy, etc).

### How do I sign-up?

Contact the AAHA Business Insurance Program at 866-380-AAHA (2242) for more information or a quotation.



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