

Is Your Business Prepared for a Data Breach?

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The question is not *if*, but *when*. Your business will likely experience a loss, or attempted breach, of its customer data soon.

Last year in the United States the average cost per lost or stolen customer record was \$217. The total average cost of a data loss was \$6.53 million.

A business that experiences a loss of data is faced with the costs of detecting the loss; notifying the victims of the loss; post-data loss costs such as legal expenditures, identity protection services, and regulatory interventions; and lost business costs, such as turnover of customers and damage to reputation. According to ComputerWeekly.com, "Data breaches are now a fact of life together with taxes and death."

Is your business prepared to handle the costly impact of a loss of customer data?

What is more alarming is that businesses who are victims of data breach may themselves face civil or criminal liability for the breach. It seems difficult to imagine that the victim of a crime could be held responsible for that crime, but the bottom line is that businesses are expected to be proactive in protecting their customers' personal information.

Recently, the Federal Trade Commission settled a suit against one business after alleging that it had some

responsibility in three data breaches it suffered because it left some consumer data unprotected and used outdated software that could not receive security updates. This is a great example of why it is imperative that businesses perform a risk analysis to determine their weaknesses in protecting customer data, and address any concerns the analysis may reveal.

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In addition, it is crucial to have an incident response plan in place before the data loss occurs. Crafting an incident response plan that is specific to your business's needs and infrastructure is crucial to ensuring an efficient and effective response to a data loss. While a data loss is not always preventable, having an incident response plan in place shows that your business is proactive in protecting consumer data, and can potentially negate a claim for negligence in maintenance of consumer data should a lawsuit arise.

If you have never had a thorough risk analysis of your business's exposure to data loss and have not engaged an attorney to help assist your company

in preparing an incident response plan, now is the time to do so. Our attorneys are prepared to help your business plan to prevent data loss by developing policies and procedures to protect your customers' data, as well as prepared to help you determine the next steps to take should a data loss occur. Data losses are a fact of life; do not wait until experiencing a data loss to get help. Be proactive in protecting your customers' data and contact one of our attorneys today.

**HERE NOW.
HERE WHEN YOU NEED US.**



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