



Theft of personally identifiable information is one of the fastest growing crimes in the US. Since 2005 it is estimated that more than 515 million records have been stolen.

With over 170 million Americans living in community associations or apartment complexes the attention of cyber criminals on these entities can surely be expected. Most community associations, apartment building owners and property managers store personally identifiable information on their residents and tenants in some electronic or physical form.

While in the past cyber claims were largely the concern of large corporations, the emergence of criminal networks specifically targeting the theft of personal data has made cyber liability a threat to all businesses large and small. In particular jeopardy are entities that store this information in quantity such as community associations, apartment building owners and property managers.

CYBER SCENARIOS

1. An email is sent to an employee or several employees. When the email is opened access to the database is granted to the sender. A database can be copied in less time than it takes to delete the suspect email. The database and the information of all those whose records are stored are compromised. Cyber\$ential responds to this situation.
2. A “rogue” employee has been copying and forwarding the information of residents. Several months after the employee leaves residents start having problems with their accounts and their credit. Cyber\$ential responds to this situation.
3. A current or past board member stores association information on their “home computer”. When their computer is hacked into the information of residents is compromised. Cyber\$ential responds to this situation.
4. A lost or stolen laptop, cell phone or other mobile device provides access to the association database compromising the information of all. Cyber\$ential responds to this situation.
5. An offsite breach of a property manager or of a “cloud” vendor results in a compromised database. Outsourcing the storage or management of the database does not outsource the liability. Cyber\$ential responds to this situation.
6. Many associations offer on-line payment options to their residents. These systems can act as a portal to the actual payment centers database (PayPal) or to the association system or network. Transferring a virus or providing unauthorized access to a third party’s database can result in significant liability. Cyber\$ential responds to this situation.
7. Social Media sites and web site publishing create a potential for inappropriate content or libel. Cyber\$ential responds to this situation.

THE COST OF A BREACH

Crisis response is offered through Cyber\$ential by Identity Theft 911. Their team will take immediate steps to remediate the breach and to minimize any further consequences resulting from the breach:

1. There are both Federal and State regulations mandating the notification of individuals if their information was potentially compromised in a breach. These regulations require the monitoring of the credit activity for all potentially breached individuals. Conservative estimates calculate the cost of this monitoring and notification at \$225 per record. An association of 225 units could incur an expense of \$50,000 for this alone. This is just for 225 records. Databases may include not just the records of unit owners but often include the information of past owners, prospective owners and possibly tenants of owners. Cyber\$ential provides coverage for crisis management and for notification and monitoring expenses.
2. Associations can be liable for the actual financial loss and costs that the residents suffer following a breach. Cyber\$ential provides coverage for this liability.
3. Forensics are the investigation and remediation of a breach to determine the extent of the breach. These costs are estimated at \$1,500 per hour.
4. Community Associations falling under state or federal regulations requiring the safeguarding of Personally Identifiable Information may find themselves being assessed fines or being called before regulatory agencies. Cyber\$ential provides coverage for this expense.
5. Handling public relations following a breach can be critical in maintaining an associations reputation so there is no impact on unit values in a competitive market. Cyber\$ential includes coverage for public relations expenses following a breach.



214 West Park Avenue, Long Beach, NY 11561
 P: 516.431.8125 | E: info@newempiregroup.com
 For more information: www.newempiregroup.com

Name _____ Phone _____
 Address _____
 Email _____