

Healthcare Organizations: Recent Study Shows Patient Privacy and Data Security Breaches are on the Rise

Data breaches can threaten patient privacy, putting healthcare organizations at risk for a heavy financial burden.

A recent Ponemon study* showed that data breaches are costing the health care industry billions. According to the study's 65 participants, the financial impact of data breach incidents over a two-year period came out to approximately \$2 million per organization; money that could be better spent keeping healthcare costs down. Additionally, because the study involved a high number of hospital participants, the study was able to conclude that the total economic burden created by data breaches on US hospitals has climbed to almost \$12 billion over the past two years.

The reasons cited for most of the breach occurrences are unintentional employee action, lost or stolen computing devices and third-party errors. It is reported that it can take three to six months to resolve a data security breach incident. Protecting patient data needs to become a higher priority in healthcare organizations, as more than 58 percent of organizations have little or no confidence that their organization has the ability to detect all patient data loss or theft.

What can you do to protect your organization?

Too many businesses believe their General Liability policy will provide adequate coverage in the event of a loss. Unfortunately, General Liability, Property, and Professional Liability policies are not always designed to address many critical information security exposures.

At S.H. Smith & Company, we understand the cyber, security and privacy exposures specific to the healthcare industry and we know how to properly cover such exposures. Our experience and expertise in the cyber marketplace has granted us access to a wide variety of carriers and products, thus allowing us the capability to place virtually any cyber risk. Contact one of our cyber product experts today to learn more about our full cyber, security & privacy offerings.

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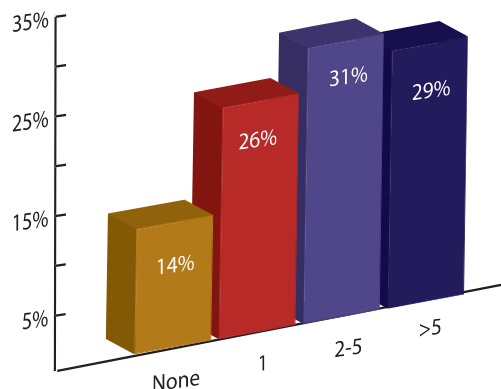
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Frequency of Healthcare Data Breach Incidents Over Two Years

29% of respondents have had more than five data breaches in the past two years and the average number of data breach incidents for participants in this study was 2.4 over the past two years.



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*Source: Ponemon Institute LLC "Benchmark Study on Patient Privacy and Data Security, November 2010.