

# Update on the Law

**Newsletter: Data Privacy/Data Breach and Technology Law**  
February 13, 2009

**ALERT: QUANTIFYING THE COST OF A DATA BREACH**

A February 6, 2009 article in Computerworld Security quotes research done by the Ponemon Institute, a leading privacy organization, on its Annual Cost of a Data Breach Study. This information is valuable to the General Counsel, Chief Financial Officer, Chief Executive Officer, and Privacy Officer of any company, as it will help him/her understand the financial pain of a data breach incident.

The article states that after analyzing 43 companies that had data breaches, the average cost for a data breach in 2008 was \$6.65M. The average per victim cost of a data breach was \$202 per victim. Where the data breach involved a third party to which the data was outsourced, the average cost was \$231 per victim. Where the data breach was a first time event, the average cost was \$243 per victim, but where a data breach had occurred before, the average cost to the company was \$192 per victim.

**Conclusion:** Lessons learned from prior data breaches help to reduce your cost. The law firm of DiFrancesco, Bateman, Coley, Yospin, Kunzman, Davis & Lehrer, P.C. can help set policies and protocols in place to help reduce your costs of data breaches. Our services in this area include: creating/updating data breach policies and protocols, including the training of key personnel; SWAT team engagement upon a data breach to assist you with compliance with the forty-one different state data breach laws; data breach litigation defense. For more information, please contact Todd Ruback at [Truback@newjerseylaw.net](mailto:Truback@newjerseylaw.net) or at 908-757-7800 x196..

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A publication of DiFrancesco, Bateman, Coley, Yospin, Kunzman, Davis & Lehrer, P.C.,  
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