

THE IMPACT OF A CORPORATE DATA BREACH: EFFECTS ON OUR PERSONAL LIVES

Data breaches are surging and taking a toll on more than your bottom line.

Data breaches within organizations are also wreaking havoc on the personal lives of employees. And that's especially true if they happen to be in the process of finalizing important financial transactions, like buying a house.

That's because individuals often need to take preventative measures to cut off cybercriminal access to their money, accounts, and personal information after they've been a victim of a breach. Unfortunately, these necessary actions can also block loan officers, bankers, lawyers, and accountants, from accessing their personal financial documents and hinder any legitimate financial processes that are already in the works.

While changing passwords and monitoring credit reports are typical steps to take after a data breach, there can be other headaches and repercussions depending on what activities your employees may be involved in at the time of the breach. In the following chart, we outline some of the impacts your employees may experience depending on their specific situations.

PERSONAL ACTIVITY

IMPACT	Opening a credit card account	Renting an apartment	Buying a car/getting car loan	Filing income tax returns	Applying for financial aid	Qualifying for a mortgage	Applying for a business loan
Must carefully monitor credit report	✓	✓	✓	✓	✓	✓	✓
Change all passwords on bank/financial accounts	✓	✓	✓	✓	✓	✓	✓
Continually freeze and unfreeze your credit report	✓	✓	✓			✓	✓
Get denied credit or loan/lease approval	✓	✓	✓			✓	✓
Forced to pay a higher loan interest rate	✓		✓			✓	✓
Add the extra step of verifying your identity with a special PIN				✓			
Allow for processing delays; paper applications				✓	✓		



EXAMPLE IDENTITY THEFT SCENARIO & IMPLICATIONS

A cybercriminal steals personal information from your workplace system and files a fraudulent tax return in an employee's name to claim a refund.

POTENTIAL IMPACTS ON EMPLOYEE INCLUDE:

SHORT TERM

- Has "real" tax return rejected by the IRS
- Must contact the IRS
- Must continue with tax return, even if it means filing by paper
- Complete IRS Form for Identity Theft Affidavit and:
 - wait up to 30 days to get IRS confirmation
 - prove identity by completing an IRS Identity & Tax Verification letter
 - be prepared to answer questions about previous tax returns
- Work with an IRS Identity Theft Victim rep to review file, process the return correctly, and remove any fraudulent returns from account
- Possibly pay higher tax-prep fee

LONG TERM

- Undergo extra scrutiny by the IRS indefinitely
- Keep in touch with IRS over 6-12+ months to resolve issue
- Get a special Identity Protection Personal Identification Number in order to e-file future returns
- Complicates future transactions requiring federal income tax returns, e.g., applying for financial aid using the Free Application for Federal Student Aid (FAFSA)

Educate employees about how breaches can affect their personal lives and why cyber security training is a necessary form of defense.

[Contact us](#) to learn more about protecting your organization and people.

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