

Equifax Says Cost of Data Breach Now Stand at \$439 Million

March 6, 2018 - The cost of last year's data breach at the consumer reporting agency (CRA) Equifax now stand at \$439 million according to financial filings from the company. While that may sound like a staggeringly high figure, it is probably just the tip of the iceberg. That's because the figure doesn't include the costs associated with fines, government compliance or the bevy of law suits headed the company's way. Even without the costs of law suits, losses will probably exceed \$600 million.

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Based on the latest numbers released by the company, the data breach included the personally identifiable information on 147 million American, Canadian and British citizens. The vast majority of impacted consumers were Americans. But that number isn't final yet and it too is expected to increase.

Even with all of that bad news, Equifax managed to post a net profit of \$172.3 million in the fourth quarter of last year; beating analyst expectations. At some point however, the company is likely to be forced to take some losses. That's because they were underinsured for breach this size. Insurance is only expected to cover losses in the range of \$125 million. The rest will have to be covered by the company.

For anyone looking to calculate the costs of a data breach, Equifax may provide one of the best examples. Before legal costs, it appears to be somewhere between \$3 and \$4 per breached record. For companies with large databases, that's a frightening prospect.

by Jim Malmberg

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