# Contract Terms Associated with Data Breaches – It's a Balancing Act

Companies' increased awareness of the substantial costs and exposure associated with data breaches has motivated them to beef up their data security requirements in vendor contracts, write Emily R. Lowe and Susan Milyavsky of Morgan Lewis & Bockius in an article posted on **Lexology.com**. They write that companies should consider some basic issues that frequently arise when negotiating data security provisions.

"Because customers want the maximum protection, vendors should carefully consider how broad a requested representation is. It's a balancing act, because vendors need to be able to be able to provide certain security controls to win business, but they also need to also understand the difference between providing an adequate degree of protection for their customers and an insurance policy," the authors explain.

And cyber-liability insurance may be a mechanism for a company to mitigate its exposure with respect to damages associated with security breaches.

**Read the article**.