

Welcome to the CIO Hour!

October 2021

Spooky Cyber Security Issues & Insurance Implications

The CIO Hour

- A new type of Webinar
- Tackling the problems and questions that are on your mind with real-world technology advice
- Featuring experts in their field with decades of real-world experience
- Usually the first or second Thursday of every month

Visit www.theCIOHour.com for upcoming topics and events.

Ground rules...

- No question is off limits!
- If the question is too specific to a particular situation, we may defer it but are happy to talk to you offline or after the event.
- This is a safe space, but we understand if you wish to remain anonymous.
- Each session is worth 1 CAE credit – details to claim emailed tomorrow 

Agenda

- In the News – A few highlights that might interest you
- Fast 15 min – Introduction to the topic of the month
- Q & A – 30 min – Discussion with our experts and taking your questions

Today's Panel



DEREK S. SYMER

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Derek S. Symer, CPCU, AHT Insurance, Partner, Director AHT Nonprofits has for 20 years concentrated his efforts on associations, the education sector, think tanks and NGOs. Derek has a particular focus in Directors & Officers' coverage, Association Professional Liability and Cyber insurance, and international risks. Derek has a BA in History and German from Dartmouth College and an MA in European History from American University.



JAMES C. MARQUIS

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James C. Marquis is a seasoned senior executive with more than 30 years of experience working in technology with a wide variety of associations and nonprofits. James' work experience includes serving as CIO for a large medical association, CEO of a technology consulting organization and senior roles in product development and business consulting for for-profit and nonprofit clients. He also has designed and built multiple Internet-based business applications including Mojo Middleware™.

In the News

1. Whistleblower: Facebook is misleading the public on progress against hate speech, violence, misinformation

<https://www.cbsnews.com/news/facebook-whistleblower-frances-haugen-misinformation-public-60-minutes-2021-10-03/>

2. Apple Issues Critical Patch To Fix Security Hole Exploit

<https://www.npr.org/2021/09/14/1036869715/apple-issues-critical-patch-to-fix-security-hole-exploited-by-spyware-company>

3. The FCC is trying to stop robocalls, but the scammers won't disappear

<https://www.cnbc.com/2021/09/18/how-fcc-tries-to-fight-robocalls.html>

4. 'Google' is most searched word on Bing, Google says

<https://www.bbc.com/news/technology-58749525>

5. Amazon's Astro isn't a home robot, it's a camera on wheels

<https://www.theverge.com/22699916/amazon-astro-home-robot-camera-surveillance-device>

Today's Topic:

Spooky Cyber Security Issues & Insurance Implications

5 Scary Facts About the Cyber Landscape

1. **11,749,795,247** records breached since 2005 (Source: Privacy Rights Clearinghouse website, [privacyrights.org](https://www.privacyrights.org), as of 9/7/2021)
2. Cyber insurance prices climbed sharply - average price increase of **25.5%** in Q2 2021, **18%** in Q1 2021 and **11.1%** in Q4 2020. (Source: CIAB Q2 2021 Market Survey)
3. **76%** of US Small and medium-sized businesses (SMBs) experienced some form of cyberattack in 2019, but only **31%** had cyber insurance coverage. (Source: CyberScout Survey - <https://www.insurancebusinessmag.com/us/news/cyber/us-insurance-market-not-keeping-up-with-cyber-risk-needs-for-small-businesses-239608.aspx>)
4. The average cyber ransom demand increased **100%** from 2019 to Q1 2020 and increased another **47%** from Q1 to Q2 2020. (Source: Coalition H1 2020 Cyber Insurance Claims Report).
5. In 2019 only **27.9%** of organizations were PCI compliant (SOURCE: Verizon 2020 Payment Security Report - <https://enterprise.verizon.com/resources/reports/2020-payment-security-report.pdf>)

On to Your Questions...

A lot seems to have changed with respect to cyber insurance over the last few years. Can you give us some of the basics?

Typical coverages...

- First party coverages
 - Costs typically incurred by the policy holder
- Third party coverages
 - Financial harm or damage to 3rd parties

What carriers are looking for... (not exclusively)

1. Strong overall IT security posture
2. Deployment of patches regularly
3. Multi-Factor Authentication
4. Endpoint Security & Monitoring
5. Disaster Recovery & Continuity Plans
6. Security Awareness Training

I have heard my renewal may be harder this year? Can you speak to that...

The landscape is definitely changing...

- More scrutiny during the underwriting process
- Examination of business process and controls that are in place
- More questionnaires around ransomware
- More emphasis on security best practices such as authentication standards, system access, vendor management, etc.

What are some of the security trends that you have seen in the last year?

The cybersecurity landscape is complex and far ranging:

- Microsoft Exchange Breach (Big Breaches Happen Regularly!)
 - Linked to “Hafnium” - state-sponsored advanced persistent threat (APT) group from China
 - First reported in January 2021. Impacts between 30k – 120k Exchange Servers
- Targeted Email Compromises (Phishing)
 - Phishing is still a popular attack vector because it works!
 - According to the Verizon 2020 DBIR, 22% of reported data breaches involved phishing.
 - According to Terranova, 20% of employees click and 67.5% of those go on to enter credentials on a malicious Website.
- Ransomware
 - According to the FBI 2020 ICR, reported attacks increased 66% since 2018.
 - According to Sophos, the average cost of an attack was \$133,000.

Does ASAE have a position on the Cyber Incident Reporting Act that the Senate Homeland Security and Governmental Affairs Committee is reviewing this week?

Cyber Incident Reporting Act...

- Post from Mark Warner's Official Website:

<https://www.warner.senate.gov/public/index.cfm/2021/7/following-solarwinds-colonial-hacks-leading-national-security-senators-introduce-bipartisan-cyber-reporting-bill>

- Official bill can be found here:

<https://www.warner.senate.gov/public/cache/files/4/2/422a0de2-3c56-4e56-a4be-0e83af5b0065/F90B3C493BA4FAB09E546FAF40E4B116.alb21b95.pdf>

What should I expect if I have to file a claim?

What to expect when filing a claim...

- Be prepared because insurance carriers will want to control and manage the response.
- Carriers are moving towards vetted vendors.
- Time is of the essence in these matters.

CFC POLICY - CHOICE OF SCHEDULED ADVISORS

Legal & Privacy

WILSON ELSENER | MULLEN COUGHLIN

Forensics

solis security | ankura | CRA Charles River Associates | ENVISTA FORENSICS
Kroll | PROVEN | KPMG

Notification/Credit monitoring & ID Theft Protection Services/Call Center

CYBERSCOUT | epiq | IDExpert | Kroll

Public Relations

Hill + Knowlton Strategies

What can we focus on to manage and minimize our own risk?

Staying on top of risk management...

- Prepare written risk management plan
- Employee education and training
- IT Department
- Contract Risk Transfer

How can we know what is happening in our organization?

Knowing is half the battle!

- Establish monitoring programs
- Tools to get started

DISCLAIMER: We have no ties to these tools – but we have seen them work in practice successfully for a variety of organizations.

- Kaseya – Patch Management and Remote Monitoring
 - GravityZone by Bitdefender – Centralized antivirus / anti-malware
 - Site 24x7 by Zoho – Variety of easy to deploy monitors for servers and networks.
 - Qualys SSL Labs – Free TLS and other scanners
 - Intruder.io – Easy to use vulnerability scanning
 - KnowB4 – Phishing and security training
- Let's look at a Risk Scenario...
 - Breach Calculator Tool: <https://eriskhub.com/mini-dbcc> -- Open-Source mini calculator.
 - More expanded version available to ERisk Hub subscribers

Other Questions?



Thank you to Derek for today's content expertise!

If you have additional questions, please contact
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AHT

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Want a One-on-One with the 501Works CIO?

30-minute free consulting session for today's participants. Call or email us:



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Final Thoughts

- Join us in November for ***Tips and Tricks for Creating Successful Software RFPs***
- An archive of this presentation and today's Webinar will be posted on theCIOHour.com in a few days.
- Any suggestions for future programs? Topics you would like to see covered? Please email us: theCIOHour@501works.com
- For CAE credit – you will receive a link via email tomorrow so you can claim your credit and receive your certificate.

