

# EMERGING INFORMATION IN THE DARK WORLD OF CYBERLIABILITY

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MSV Webinar Series

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# INCREASING ODDS OF BEING BREACHED WITHIN 2 YEARS

- ▶ 2014 – 22.6%
- ▶ 2018 – 27.9%
- ▶ 2019 – 29.6%

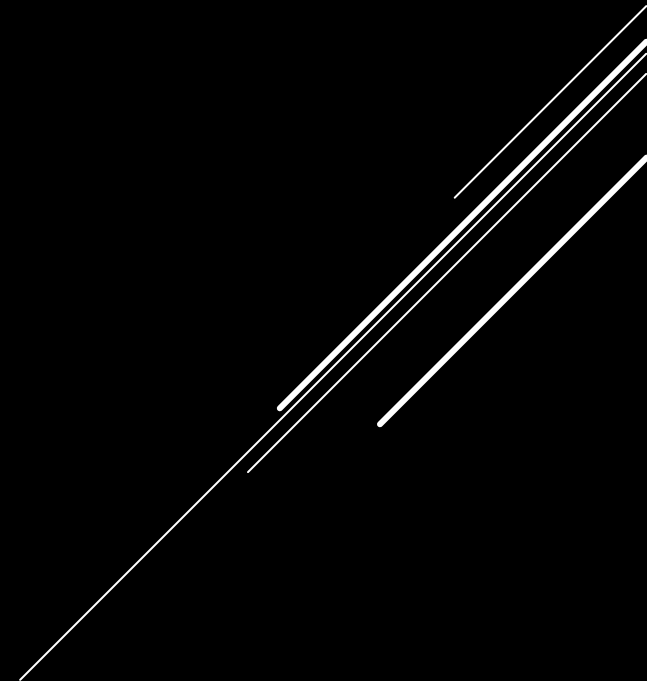
*Ponemon/IBM 2019 Cost of a Data Breach Report*



- ▶ \$429 Per Healthcare Record
  - ▶ Costs Includes –
    - ▶ A. Detection and Escalation 31.1%
    - ▶ B. Post Data Breach Response 27.3%
    - ▶ C. Notification 5.4%
    - ▶ D. Lost Business 36.2%
    - ▶ HC has highest customer turnover at 7%

## AVERAGE COST PER HEALTHCARE RECORD BREACHED

*Ponemon/IBM 2019 Cost of a Data Breach Report*



# DATA BREACH EXPENSE IN HIGHLY REGULATED INDUSTRIES VS. OTHER INDUSTRIES

	COST OF BREACH IN YEAR 1	COST OF BREACH IN YEAR 2	GREATER THAN YEAR 2
Highly Regulated	53%	32%	16%
Other	81%	14%	5%
Average	67%	22%	11%

# PRIMARY CAUSES

- ▶ Most Industries
- ▶ Malicious Attack
- ▶ Human Error
- ▶ System Glitch

## Health Care

Employee

Negligence

Malware

Rogue Employees

# EMERGING AND ACCELERATING RISKS

- ▶ Phishing attempts using COVID Developments -
- ▶ Emails impersonating well known Health Organizations such as the WHO (World Health Organization) CDC (US Centers for Disease Control and Prevention), or using legitimate but copied maps to entice clicking. Click on a COVID Map and Catch a Malware Virus

<https://www.munichre.com/hsb/en/press-and-publications/press-releases/2020/2020-04-27-cyber-survey-suspicious-business-emails-increase.html>

<https://www.thehartford.com/resources/covid-19/cyber-risk>

# EMERGING OR ACCELERATING RISKS

## System Stress and Confidentiality

Strains of the company's network and additional remote issues to consider

- Limit use of large attachments or programs that use up bandwidth

- Use of Personal Email Accounts and Confidential Information

- Unplug Alexa

- Talking about or leaving out unsecured confidential information in a work from home setting

- Lock or Logoff



# RECOMMENDATIONS


- ▶ Formulate an Incident Response Team and an Automated Security Plan
- ▶ Use Encryption
- ▶ Work with a Vendor that can help develop an Automated Security Plan and appropriate Risk Management solutions
  - ▶ MSV Partners Plus – Strategic Solutions of Virginia

<https://www.thehartford.com/resources/cyber-incident-response-plan>





# RECOMMENDATIONS

- ▶ <https://www.hhs.gov/hipaa/for-professionals/security/guidance/cybersecurity/index.html>
  - ▶ Cyber Security Checklist and Graphic
  - ▶ Ransomware Guidance
  - ▶ National Institute of Standards and Technology (NIST) Cybersecurity Framework
  - ▶ OCR Cyber Awareness Newsletters
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# RECOMMENDATIONS

- ▶ Complete a Coverage and Exposure Analysis and review a Cyber Policy Proposal through the **Medical Society of Virginia Insurance Agency**
  - ▶ Many Carriers, Coverage options
- ▶ Secure Cyber Liability Coverage through our Agency and Carriers.



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