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

<table>
<thead>
<tr>
<th></th>
<th>Cost of Breach in Year 1</th>
<th>Cost of Breach in Year 2</th>
<th>Greater Than Year 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Regulated</td>
<td>53%</td>
<td>32%</td>
<td>16%</td>
</tr>
<tr>
<td>Other</td>
<td>81%</td>
<td>14%</td>
<td>5%</td>
</tr>
<tr>
<td>Average</td>
<td>67%</td>
<td>22%</td>
<td>11%</td>
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</tbody>
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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.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

- Cyber Security Checklist and Graphic
- Ransomware Guidance
- National Institute of Standards and Technology (NIST) Cybersecurity Framework
- OCR Cyber Awareness Newsletters
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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