NORTH RISK PARTNERS®

CYBER INSURANCE & RISK MANAGEMENT

OCTOBER 2023

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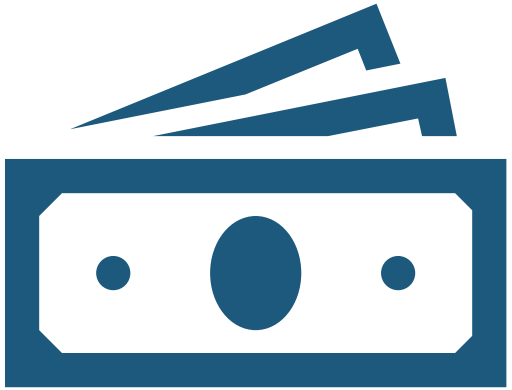
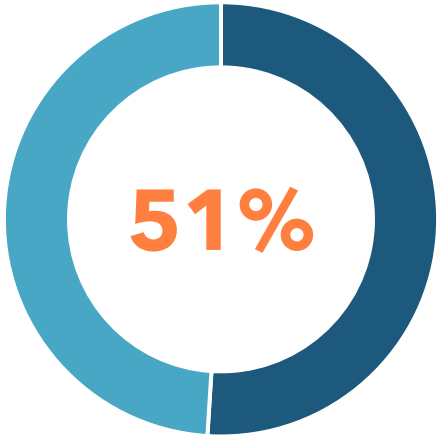
CYBER SECURITY LANDSCAPE

2023 IBM SECURITY REPORT

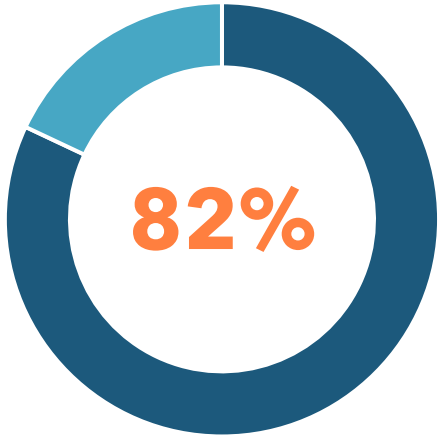


$4.5 million

The average cost of a data breach reached



51% of organizations plan to increase security investments as the result of a breach



82% of breaches involved data stored in the cloud (public, private, or multiple environments)

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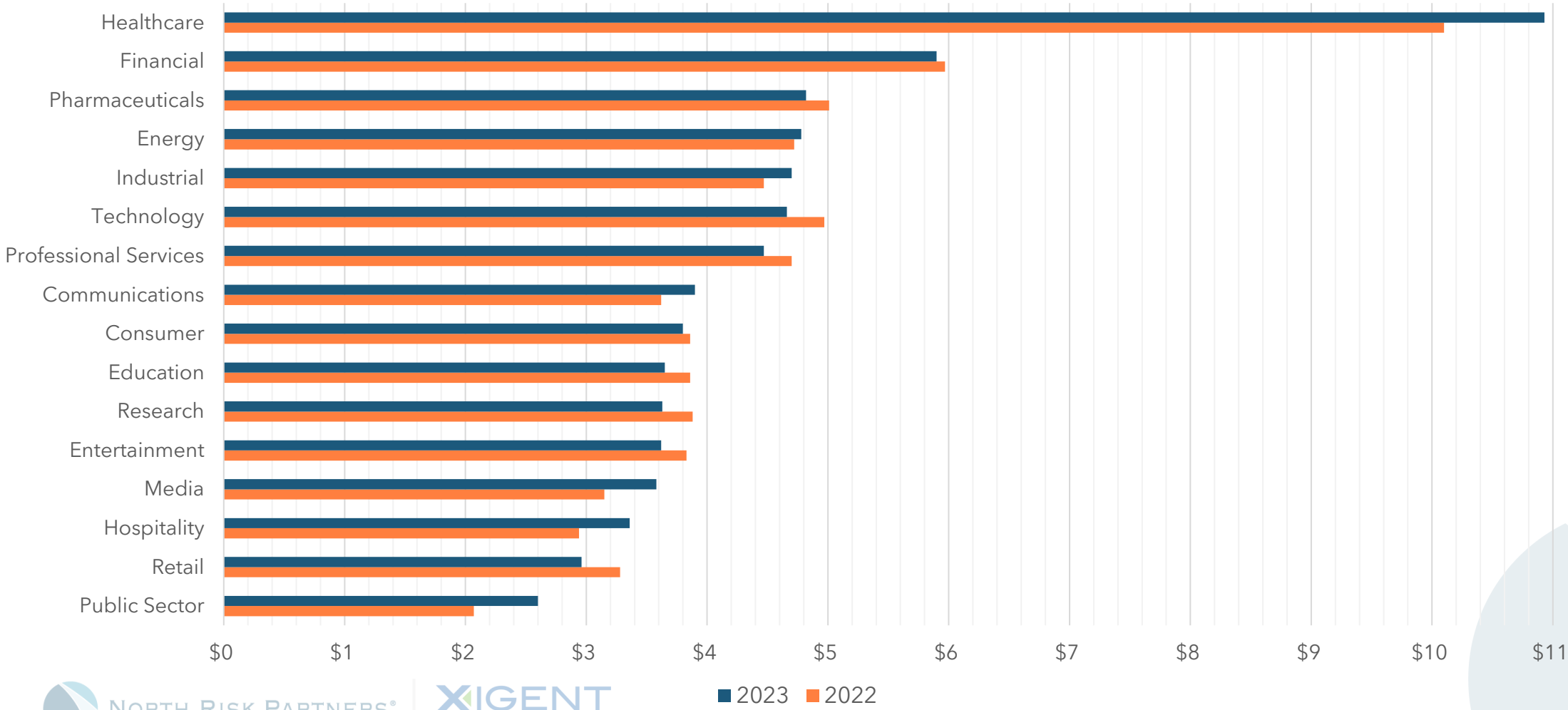
COST OF DATA BREACH BY INDUSTRY



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Source: 2023 Cost of a Data Breach Report by IBM Security and Ponemon Institute

THE RISING THREAT LANDSCAPE

RANSOMWARE

USB DRIVES

HACKTIVISM

MOBILE THREATS

ARTIFICIAL INTELLIGENCE

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CYBER INSURANCE MARKET

CHALLENGES OF THE CYBER INSURANCE MARKET

- MALWARE
- RANSOMWARE
- DISTRIBUTED DENIAL OF SERVICE (DDoS)
- ECONOMIC LOSSES
- UNDERWRITING & RATES

Source: What you need to know about the Cyber insurance market | SwissRe | August 28, 2023

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UNDERSTANDING CYBER INSURANCE COVERAGE

NO TWO POLICIES ARE THE SAME

3rd Party

- Network Security and Privacy Liability Limit
- Regulatory Liability Limit
- Media Liability Limit
- PCI DSS Liability Limit

NO TWO POLICIES ARE THE SAME

1st Party

- Cyber Extortion Limit
- Business Interruption Limit
- Contingent Interruption Limit
- System Failure Limit
- Contingent System Failure Limit
- Data Recovery Limit
- Reputational Harm Limit
- Social Engineering/Cyber Crime Limit
- Hardware Replacement Cost Limit

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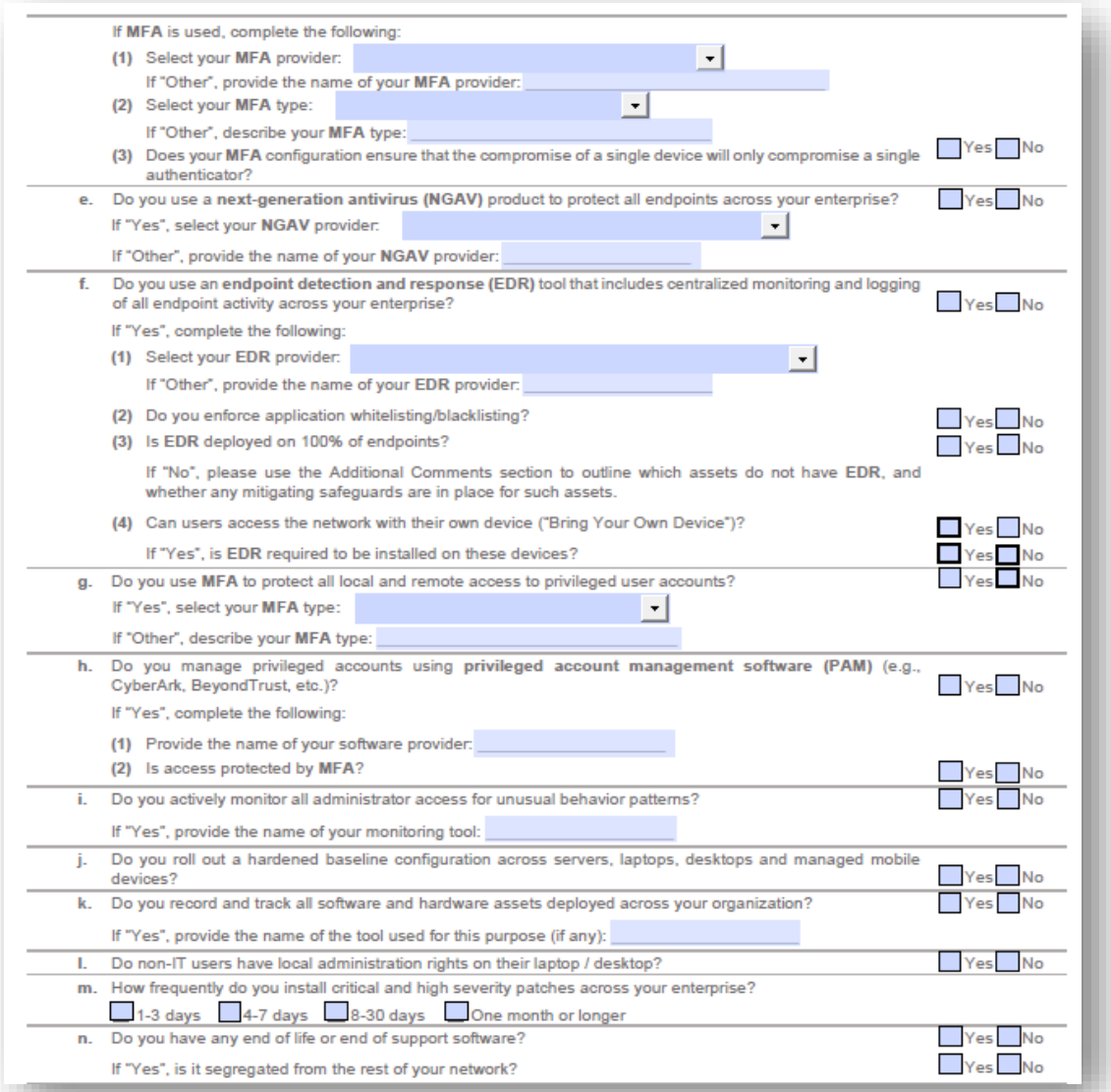
THE APPLICATION & ASSESSING YOUR ORGANIZATION'S CYBER HYGIENE

USE THE APPLICATION AS A WORKING DOCUMENT



If **MFA** is used, complete the following:

(1) Select your **MFA** provider:

If "Other", provide the name of your **MFA** provider:

(2) Select your **MFA** type:

If "Other", describe your **MFA** type:

(3) Does your **MFA** configuration ensure that the compromise of a single device will only compromise a single authenticator? ☐ Yes ☐ No

e. Do you use a **next-generation antivirus (NGAV)** product to protect all endpoints across your enterprise? ☐ Yes ☐ No

If "Yes", select your **NGAV** provider:

If "Other", provide the name of your **NGAV** provider:

f. Do you use an **endpoint detection and response (EDR)** tool that includes centralized monitoring and logging of all endpoint activity across your enterprise? ☐ Yes ☐ No

If "Yes", complete the following:

(1) Select your **EDR** provider:

If "Other", provide the name of your **EDR** provider:

(2) Do you enforce application whitelisting/blacklisting? ☐ Yes ☐ No

(3) Is **EDR** deployed on 100% of endpoints? ☐ Yes ☐ No

If "No", please use the Additional Comments section to outline which assets do not have **EDR**, and whether any mitigating safeguards are in place for such assets.

(4) Can users access the network with their own device ("Bring Your Own Device")? ☐ Yes ☐ No

If "Yes", is **EDR** required to be installed on these devices? ☐ Yes ☐ No

g. Do you use **MFA** to protect all local and remote access to privileged user accounts? ☐ Yes ☐ No

If "Yes", select your **MFA** type:

If "Other", describe your **MFA** type:

h. Do you manage privileged accounts using **privileged account management software (PAM)** (e.g., CyberArk, BeyondTrust, etc.)? ☐ Yes ☐ No

If "Yes", complete the following:

(1) Provide the name of your software provider:

(2) Is access protected by **MFA**? ☐ Yes ☐ No

i. Do you actively monitor all administrator access for unusual behavior patterns? ☐ Yes ☐ No

If "Yes", provide the name of your monitoring tool:

j. Do you roll out a hardened baseline configuration across servers, laptops, desktops and managed mobile devices? ☐ Yes ☐ No

k. Do you record and track all software and hardware assets deployed across your organization? ☐ Yes ☐ No

If "Yes", provide the name of the tool used for this purpose (if any):

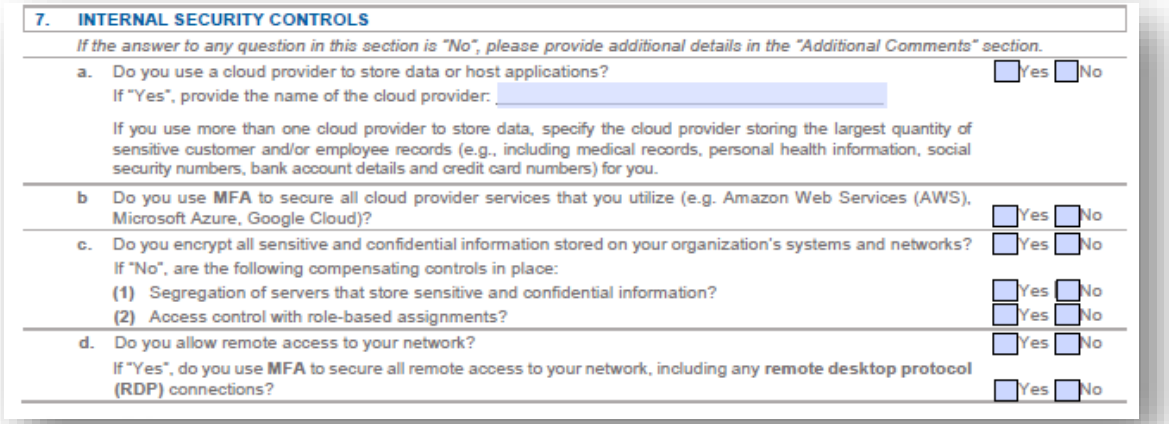
l. Do non-IT users have local administration rights on their laptop / desktop? ☐ Yes ☐ No

m. How frequently do you install critical and high severity patches across your enterprise?

☐ 1-3 days ☐ 4-7 days ☐ 8-30 days ☐ One month or longer

n. Do you have any end of life or end of support software? ☐ Yes ☐ No

If "Yes", is it segregated from the rest of your network? ☐ Yes ☐ No



7. INTERNAL SECURITY CONTROLS

If the answer to any question in this section is "No", please provide additional details in the "Additional Comments" section.

a. Do you use a cloud provider to store data or host applications? ☐ Yes ☐ No

If "Yes", provide the name of the cloud provider:

If you use more than one cloud provider to store data, specify the cloud provider storing the largest quantity of sensitive customer and/or employee records (e.g., including medical records, personal health information, social security numbers, bank account details and credit card numbers) for you.

b Do you use **MFA** to secure all cloud provider services that you utilize (e.g. Amazon Web Services (AWS), Microsoft Azure, Google Cloud)? ☐ Yes ☐ No

c. Do you encrypt all sensitive and confidential information stored on your organization's systems and networks? ☐ Yes ☐ No

If "No", are the following compensating controls in place:

(1) Segregation of servers that store sensitive and confidential information? ☐ Yes ☐ No

(2) Access control with role-based assignments? ☐ Yes ☐ No

d. Do you allow remote access to your network? ☐ Yes ☐ No

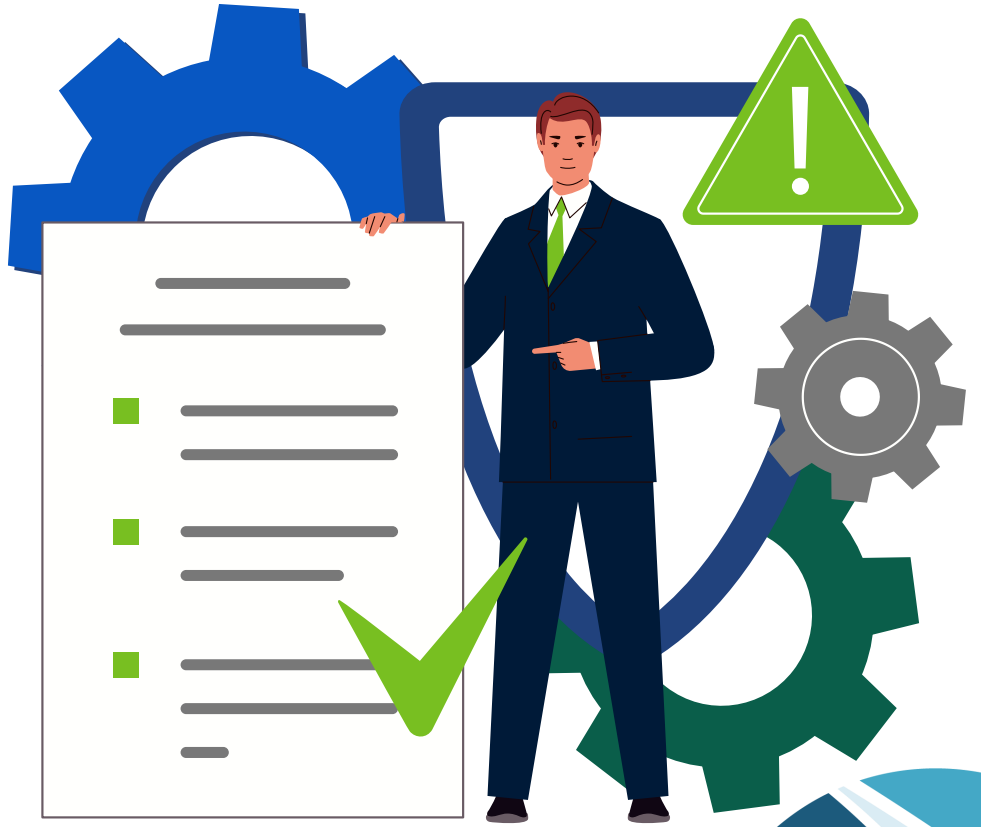
If "Yes", do you use **MFA** to secure all remote access to your network, including any **remote desktop protocol (RDP)** connections? ☐ Yes ☐ No

- Work with the head of IT to complete the application
- Always add an addendum to better explain your company
- Ask questions of your IT provider to understand the controls you do or don't have in place
- Remember that you are never fully secure. Keep working on your Controls & Cyber Hygiene

STRATEGIES FOR CYBER LIABILITY PROTECTION

Proactive Measures to Protect from Cyber Liability

- Employee training and awareness programs
- Understanding where your data lives (hardware, software, cloud)
- Regular software updates and patch management
- Strong authentication methods (multi-factor authentication)
- Cybersecurity insurance coverage
- Utilize available cybersecurity frameworks



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PRACTICAL TIPS

THE HUMAN FACTOR

- Use the Risk Management Services offered by your cyber insurance carrier
- Continually educate your employees about the risks
- Have employees verify any new funds transfer request by phone (and don't use the phone # on the email or respond to the email)
- If you haven't created an Incident Response Plan – create one, run through it and PRINT IT OUT. If you already have one, when was the last time you reviewed it with your team? Have you performed a tabletop exercise?
- If you purchase a cyber insurance policy, make sure ALL of the members of your Incident Response Team have access to the Hotline Phone #
- Audit your data. Do you still need to hold on to the information you are storing?

QUESTIONS?