Data Breach – Best Practices for Avoidance, Management and Recovery

Wednesday, November 19th 9:30 AM

Adam Sills, Professional Liability – Cap Specialty
James Hamrick, VP of Information Technology – Bell Partners
Tyler Goff, AVP Risk Management – Equity Residential
What is happening in the Cyber World Today?

• JP Morgan Chase, Sony, Target, Home Depot, etc.
• Essex
• Russian & Chinese Hackers
How Do You Identify Cyber Exposure within Your Organization?

- Human Risks – Leaving Laptops on the train, not putting in passwords on phones, etc.
- Soft Points on both systems and buildings
- Third Party Vendors
- Risk Analysis – Comprehensive Security Plan
  - Firewalls/Filters/DLP/Anti-virus/Patches/Encryption
  - Testing
  - Education
How do you measure the risk?

• What is Personally Identifiable Information (PII)?
• How many records, what data is on those records?
• How are they stored?

• If there is a data breach, what does it cost?
  – Breach Costs – Coaches, forensics, notification, credit monitoring
  – Liability Costs
  – Reputational Costs
  – Business Interruption
  – Estimates are across the board from $5 per record to $400 per record
What are the available risk prevention and risk control techniques?

• Eliminate the risk – purge the records
• Fund for the loss – just a budget item
• IT investment – keeping on top of the newest, best and latest in security & privacy
• Transfer the risk
  – Insurance policies
  – Contracts
What Are Some Post Breach Steps that Minimize Loss and Maintain Customer Loyalty?

• Breach Coaches – Typically Law Firms – could be directed by an insurance company, but doesn’t have to be
  – Most important thing is to identify the coach before a loss

• Consultants
  – Forensic
  – Media Relations
  – Legal/Notification

• Incident Response Plan
  – As simple or detailed as necessary
How to transfer the risk – Insurance and Non-Insurance

• Contracts
  – Database warehouses, accounting software, consultants, cloud providers, credit card processors, many others

• Indemnification & Insurance language

• Insurance Policies
  – General Liability
  – Property
  – Errors & Omissions
  – Network Security/Cyber Liability
What steps does your organization need to take?

- Collaboration between Legal, Risk Management & Information Technology
- Keep Senior Management in the loop
- Discuss the mitigation/avoidance/transfer possibilities
  - IT infrastructure
  - Contract language
  - Insurance
Questions?