CYBERSECURITY: IF YOU'RE NOT PREPARED, YOU'RE BEHIND!

Moderator: **Scott Casey**, Chief Technology Officer and Senior Vice President, Strategic Business Development, EdR

Speakers: **Adam Bruere**, Cyber Insurance Broker, Aon Risk Services, Inc. of Florida

Jim Halpert, Partner, Co-Chair, US Cybersecurity Practice and Global Data Protection, Privacy and Security Practice, DLA Piper

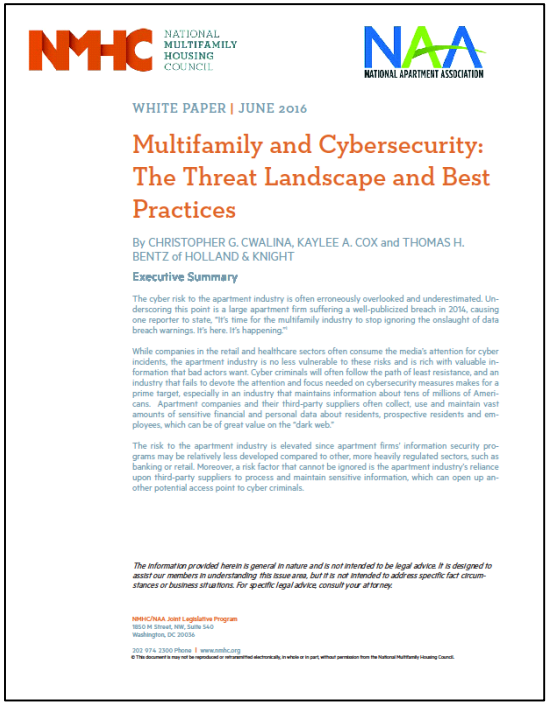
Jeremy Rasmussen, Director of Cybersecurity, Abacode

Paul Vitchock, Supervisory Special Agent, FBI

NMHC White Paper

- Legal Framework
- Enforcement
- Cyber Risks
- Best Practices

White paper can be found at
www.nmhc.org/data-security



NMHC NATIONAL MULTIFAMILY HOUSING COUNCIL

NAA NATIONAL APARTMENT ASSOCIATION

WHITE PAPER | JUNE 2016

Multifamily and Cybersecurity: The Threat Landscape and Best Practices

By CHRISTOPHER G. CWALINA, KAYLEE A. COX and THOMAS H. BENTZ of HOLLAND & KNIGHT

Executive Summary

The cyber risk to the apartment industry is often erroneously overlooked and underestimated. Underscoring this point is a large apartment firm suffering a well-publicized breach in 2014, causing one reporter to state, "It's time for the multifamily industry to stop ignoring the onslaught of data breach warnings. It's here. It's happening."

While companies in the retail and healthcare sectors often consume the media's attention for cyber incidents, the apartment industry is no less vulnerable to these risks and is rich with valuable information that bad actors want. Cyber criminals will often follow the path of least resistance, and an industry that fails to devote the attention and focus needed on cybersecurity measures makes for a prime target, especially in an industry that maintains information about tens of millions of Americans. Apartment companies and their third-party suppliers often collect, use and maintain vast amounts of sensitive financial and personal data about residents, prospective residents and employees, which can be of great value on the "dark web."

The risk to the apartment industry is elevated since apartment firms' information security programs may be relatively less developed compared to other, more heavily regulated sectors, such as banking or retail. Moreover, a risk factor that cannot be ignored is the apartment industry's reliance upon third-party suppliers to process and maintain sensitive information, which can open up another potential access point to cyber criminals.

The information provided herein is general in nature and is not intended to be legal advice. It is designed to assist our members in understanding this issue area, but it is not intended to address specific fact circumstances or business situations. For specific legal advice, consult your attorney.

NMHC/NAA Joint Legislative Program
1850 M Street, NW, Suite 540
Washington, DC 20036

202 974 2300 Phone | www.nmhc.org

NMHC Cybersecurity Threat Alerts

- Working with the Real Estate Information Sharing and Analysis Center (RE-ISAC), NMHC distributes regular email alerts of cyber activity that could impact member firms, data or residents.
- NMHC members can sign up at www.nmhc.org/NMHC-Cybersecurity-Alert-System/

Cybersecurity Action Plan

1. Know what you know— conduct an assessment of critical data and find vulnerabilities early
2. Draft and regularly update an incident response plan roadmap to products, policies and partners
3. Understand your risk and consider cyber insurance coverage
4. Conduct security screenings on supplier candidates prior to engagement
5. Regularly review 3rd party contracts and ensure liability and responsibility is clear
6. Conduct regular audits of contracted suppliers' data security practices
7. Retain outside expertise in advance of trouble—monitoring, legal and forensics go hand-in-hand
8. Create security awareness training program for employees and test regularly
9. Conduct periodic assessments and cyber incident drills with relevant staff—legal, corporate, public relations, operations, etc.
10. Ensure senior leadership understands your cybersecurity program and associated risks

Scott Casey, EdR: scasey@edrtrust.com

Adam Bruere, Aon Risk Services, Inc. of Florida: adam.bruere@aon.com

Jim Halpert, DLA Piper: jim.halpert@dlapiper.com

Jeremy Rasmussen, Abacode: jeremy.rasmussen@abacode.com

FBI Field Offices: fbi.gov/contact-us/field-offices/
InfraGard Local Chapters: infragard.org/Application/General/ChapterList