

Understanding Cyber Insurance & Regulatory Drivers for Business Continuity

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Agenda

- BC/DR Business Drivers
- Recent Regulatory & Cyber Insurance Evolution
- BC/DR Capability Maturity Model
- Risk Mitigation Trends

Top BC/DR Business Drivers

- Regulations
- Cyber Insurance
- Cyber breach / business interruption
- Business agreements / contracts
- Supply chain/third party risk due diligence
- Risk Management



BC/DR Drivers



Top 10 Threats

1. Cyber attack
2. Data breach
3. Unplanned IT & communication outages
4. Act of terrorism
5. Security incident
6. Interruption to utility supply
7. Supply chain disruption
8. Adverse weather
9. Availability of key skills (or lack of talent) **NEW**
10. Health and safety incident **NEW**

BC/DR Threats

Catastrophic Events

“There are only two types of companies: those that have been hacked and those that will be.” –Robert S. Mueller III, former FBI Director

2017

Jan 1- Jun 30

2,227 publically disclosed breaches

6 billions records loss
(already higher than the entire year of 2016)

46% profile decrease post breach

Millions of victims
Billions of dollars in economic damages and high unemployment rate

**Data Breach Risks
Caused by**

**Hacking, Skimming,
Phishing, viruses,
IoT, dark web,
ransomware,
application code**

Current Regulatory Drivers

Loss amount includes fines, legal fees, and more...



Healthcare

- Cybersecurity Act 2015
- HiTRUST CSF v9-scheduled for Q3, 2017



Insurance

- NAIC Cybersecurity regulation for Data Security Model Law v5



Government

- Executive Order for Cybersecurity (M-17-25) May 2017
- Critical Infrastructure Cybersecurity Order 13636
- New York DFS part 500 State Law



Global

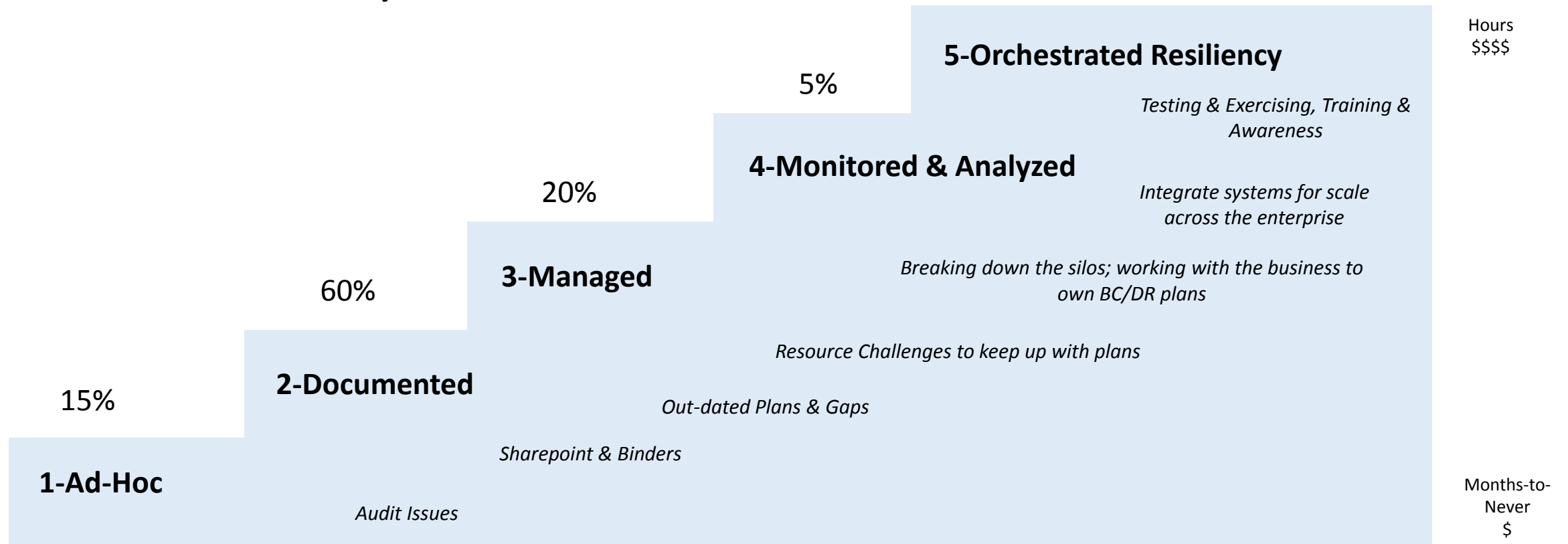
- EU GDPR (May 2016, enforcement May 25, 2018)

Cyber Insurance Data Security Model Law Summary

- Securing a cyber-liability policy is **NOT** simple
- Cyber Insurance premiums shot **up 32%** (2016); coverage **limiting \$100M**
- Insurer writing will evaluate the following elements:
 - **Risk Management** techniques applied to the business to protect network and assets
 - Business' disaster **response plans** and will evaluate to make sure they are comprehensive (network, website, physical assets and its intellectual property)
 - Understand employees and others accessing data
 - At a **minimum, basic protection controls** are in-place

BC/DR Capability Maturity Model

Where are you now?



Risk Mitigation Trends

- BC/DR is a risk mitigation function; how are you protecting **“the business”**?
- Integrated technologies to be **more efficient**
- Manage gaps for **operational resiliency**
 - Interdependencies (policies, upstream/downstream)
 - External third parties (utilities, internet providers, housing/facilities)
 - early alerts and communication to reduce exposure time (crisis notifications and social media)



Thank you!

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