

Welcome to the Cyber Risk Insights Conference!



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Welcoming Remarks



Rebecca Bole
SVP, Research & Editorial Division
Advisen



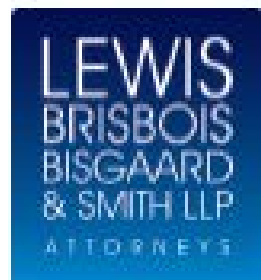
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Leading the way to smarter and more efficient risk and insurance communities, Advisen delivers:

- the right information into
- the right hands at
- the right time

to *power* performance.

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Our 2015 Cyber Risk Awards Hosts!



Jeremy Gittler
XL Catlin



Graeme Newman
CFC Underwriting



Tom Srail
Willis



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2015

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2015 Cyber Risk Awards

AdviseN's Cyber Risk Network Person of the Year
Cyber Risk Industry Person of the Year - USA
Cyber Risk Industry Person of the Year - London Market
Cyber Risk Industry Person of the Year - International
Cyber Risk Event Response Team of the Year
Cyber Risk Pre-Breach Team of the Year
Cyber Risk Innovation of the Year
Cyber Service Vendor of the Year
Best Cyber Risk Broking Team
Best Cyber Risk Insurer



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For more information about subscriptions
contact Jim Delaney at jdelaney@advisen.com

Opening Remarks



Elisabeth Case

SVP-Commercial E&O Practice Leader

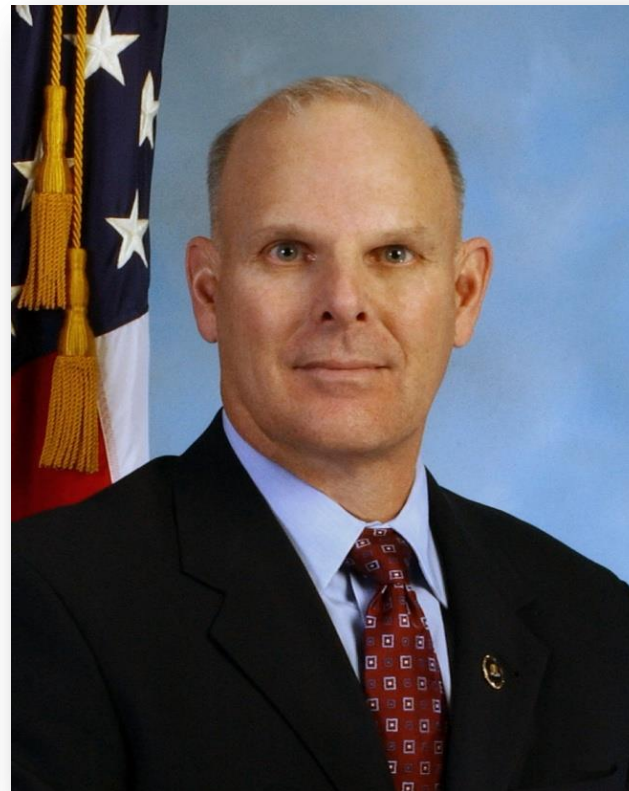
Marsh FINPRO

2015 Conference Chair



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Keynote Address



Robert Holley
Special Agent in Charge, Chicago Division
FBI

The Headlines from the Cyber Risk Network



Chad Hemenway
Managing Editor
Advisen



Insurance Intelligence for the Cyber Community

The Headlines from the Cyber Risk Network are available to members of the Cyber Risk Network only.

For more information about subscriptions contact Jim Delaney at jdelaney@advisen.com

“Who goes there?!”



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“Who goes there?!”



Melissa Ventrone

Partner and Chair of Data Privacy & Security, Wilson Elser
Moderator

“Who goes there?!”

- **Melissa Ventrone**, Partner and Chair of Data Privacy & Security, Wilson Elser (Moderator)
- **Quincy Castro**, Internet Security Researcher, Team Cymru
- **Darren Guccione**, CEO and Co-Founder, Keeper Security
- **Jamie Murdock**, Chief Information Security Officer, Binary Defense Systems
- **Christopher Novak**, Director, Global Investigative Response, Verizon RISK Team

Case studies

Corporate / political
Utilities and other critical infrastructure companies
Financial institutions
Very Large Retailers

Corporate / political case study

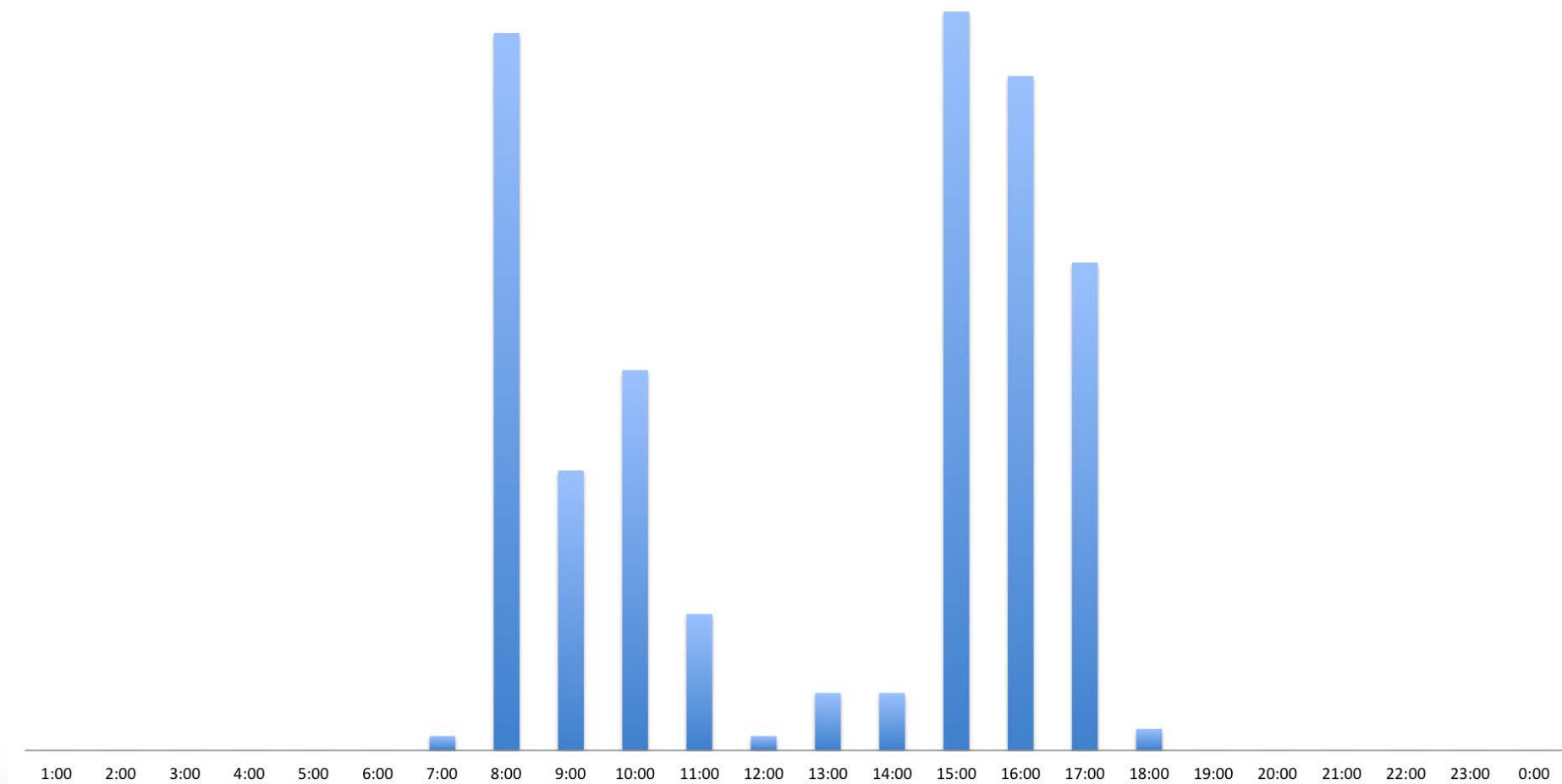
Actors behind these types of attacks? Attacks by one actor, or actors working together?

Motivation behind attacks? What information are they targeting? What do they do with the information?

Tools and techniques used in attacks?

Activity volumes by time for a state sponsored group

Events by Hour Over 3 Months (UTC+8)



Utilities and other critical infrastructure companies

Actors behind these types of attacks? Attacks by one actor, or actors working together?

Motivation behind attacks? What information are they targeting? What do they do with the information?

Tools and techniques used in attacks?

Financial institutions case study

Actors behind these types of attacks? Attacks by one actor, or actors working together?
Motivation behind attacks? What information are they targeting? What do they do with the information?
Tools and techniques used in attacks?

Very large retailers case study

Actors behind these types of attacks? Attacks by one actor, or actors working together?

Motivation behind attacks? What information are they targeting? What do they do with the information?

Tools and techniques used in attacks?

Should people care?

What should corporate security teams be concerned about?

“Who goes there?!”



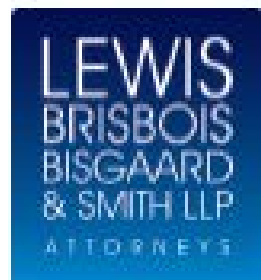
Morning Break

Coming up - “The Risk Management Perspective”

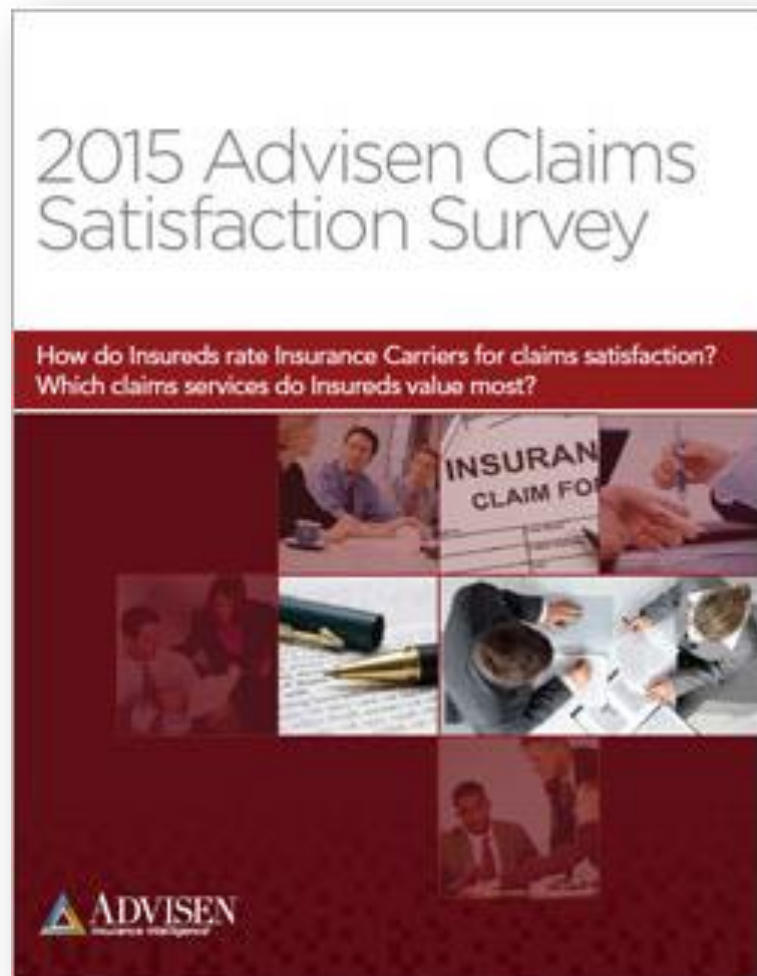


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The Risk Management Perspective



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The Risk Management Perspective



Meredith Schnur

Professional Risk & National Practice Leader, Wells Fargo
Moderator

The Risk Management Perspective

- **Meredith Schnur**, Professional Risk and National Practice Leader, Wells Fargo (Moderator)
- **Josh Harwood**, Director of Risk Management, TDS
- **Vitas Plioplys**, Director of Risk Management, Experian

The Risk Management Perspective



Insurance Coverage and Coverage Issues



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Insurance Coverage and Coverage Issues



Molly McGinnis Stine
Partner of Cyber Insurance Group, Locke Lord
Moderator

Insurance Coverage and Coverage Issues

- **Molly McGinnis Stine**, Partner of Cyber Insurance Group, Locke Lord (Moderator)
- **Brian Brown**, President, CyberSpecialist Group
- **Elissa Doroff**, Vice President, Underwriting and Product Manager, Cyber/Technology, XL Catlin
- **Kirstin Simonson**, 2VP, Underwriting Director, Global Technology, Travelers
- **Greg Vernaci**, Head of Cyber, US & Canada, Financial Lines, AIG

Insurance Coverage and Coverage Issues



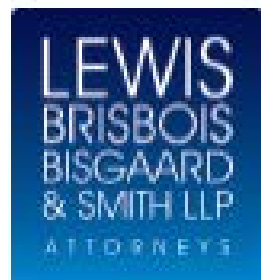
Conference Luncheon

Coming up - “Selling Cyber to Small and Medium Enterprise”

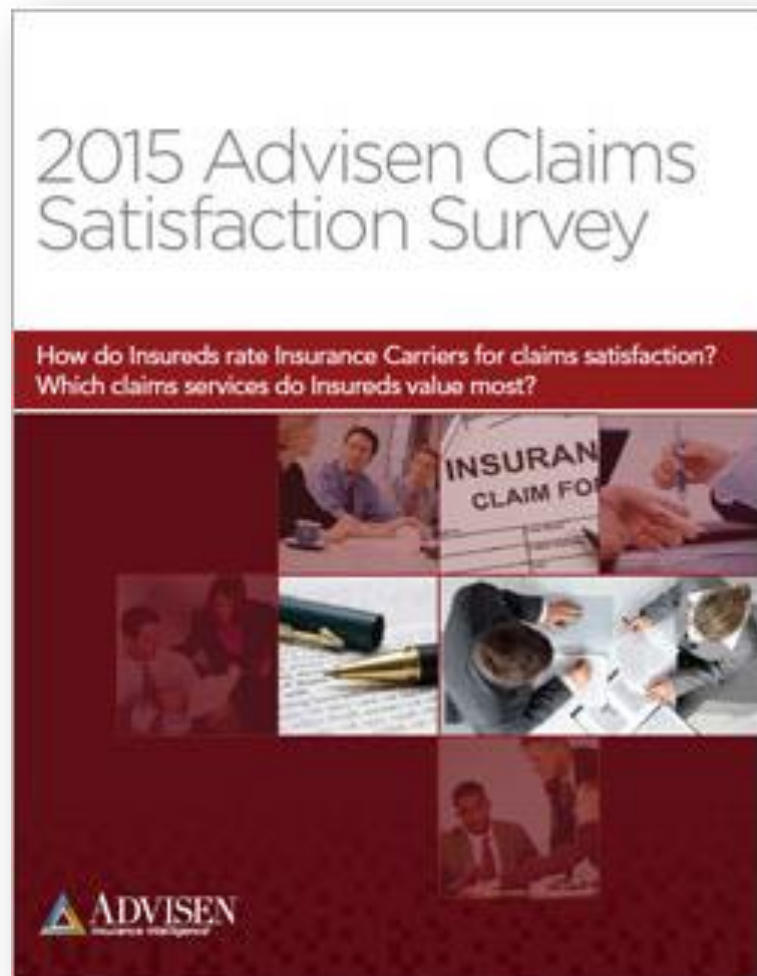


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Selling Cyber to the Small and Medium Enterprise



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Selling Cyber to the Small and Medium Enterprise



Lauren Gorte

Assistant Vice President, Professional Risk, ACE USA
Moderator

Selling Cyber to the Small and Medium Enterprise

- **Lauren Gorte**, Assistant Vice President, Professional Risk, ACE USA (Moderator)
- **Akhil Chopra**, Senior Vice President, QSG-FINPRO-Errors and Omissions, Marsh
- **David Hallstrom**, Technology Underwriting Director, CNA
- **Brian Thornton**, President, ProWriters
- **Dave Wasson**, Professional and Cyber Liability Practice Leader, Hays Companies

Selling Cyber to the Small and Medium Enterprise



The Cyber Terrorism Threat



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The Cyber Terrorism Threat

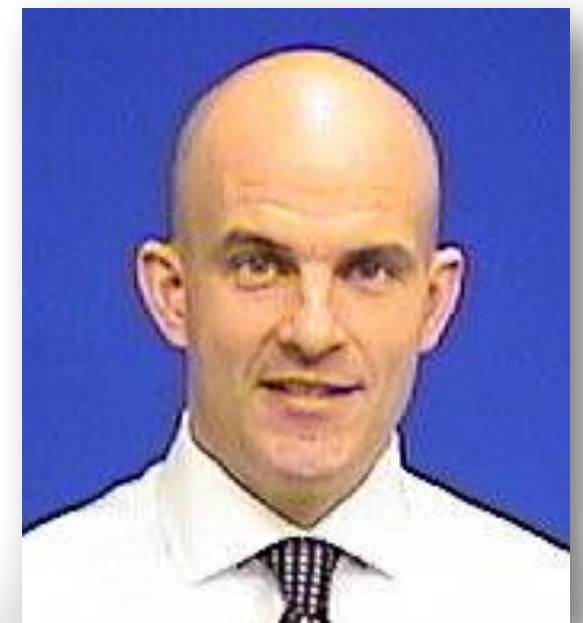


John Mullen
Partner, Lewis Brisbois
Moderator

The Cyber Terrorism Threat

- **John Mullen**, Partner, Lewis Brisbois (Moderator)
- **Nick Economidis**, E&O Underwriter, Beazley
- **Bill Hardin**, Managing Director and Co-Chair, Global Data Privacy and Incident Response Practice, Navigant
- **Matthew McCabe**, SVP of Network Security and Privacy, Marsh FINPRO
- **Eric Shiffman**, Supervisory Special Agent, FBI Chicago Division

The Cyber Terrorism Threat



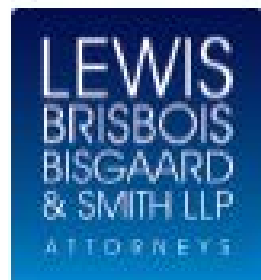
Afternoon Break

Coming up - “Harnessing the Numbers”

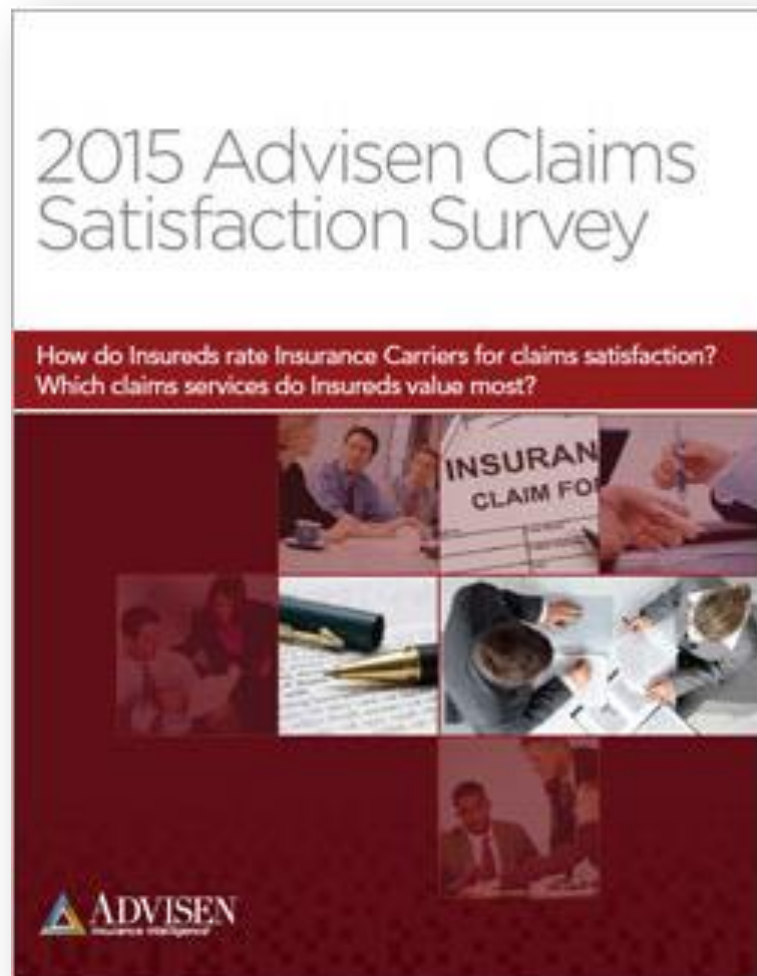


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Harnessing the Numbers



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Harnessing the Numbers



Bo Holland
Founder and CEO, AllClear ID
Moderator

Harnessing the Numbers

- **Bo Holland**, Founder and CEO, AllClear ID (Moderator)
- **Douglas Hubbard**, Inventor and Founder, Hubbard Decision Research
- **Catherine Rudow**, SVP, Specialty Casualty, PartnerRe US
- **Scott Stransky**, Manager and Principal Scientist, AIR Worldwide
- **Alice Underwood**, Executive Vice President, Willis Re

AIR's Stochastic Modeling Framework Can Be Applied to Cyber

HAZARD



Event
Generation



Intensity
Calculation

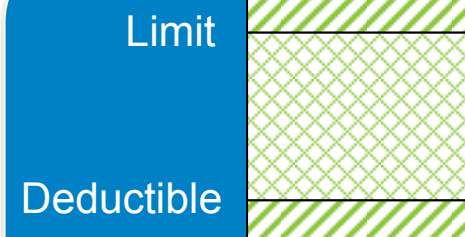


Exposure
Information

ENGINEERING



Damage
Estimation



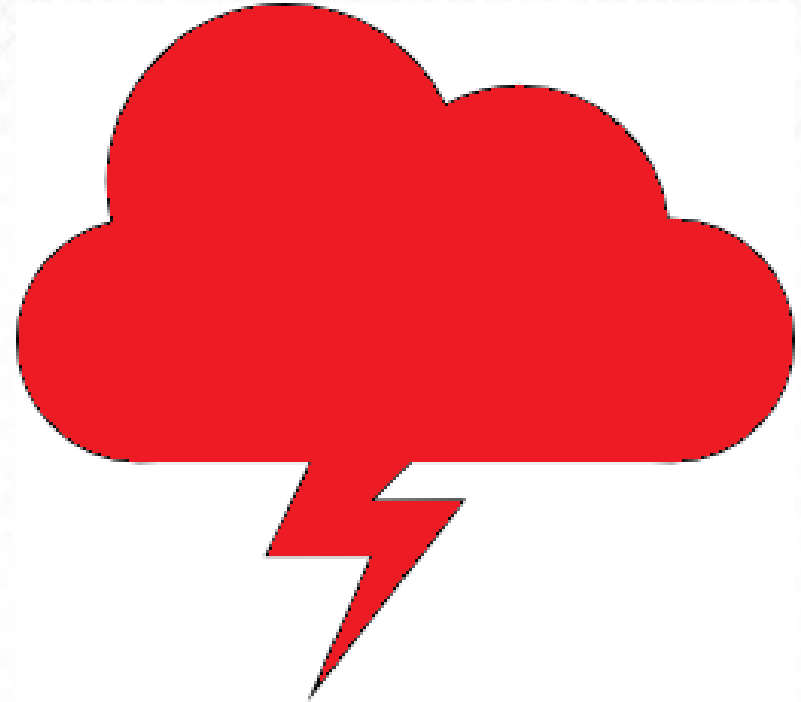
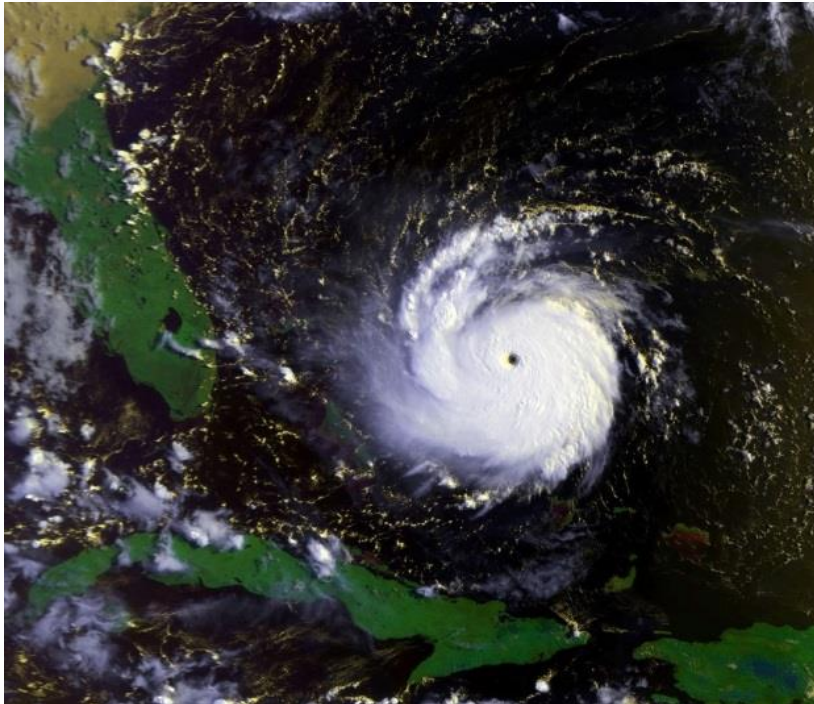
Policy
Conditions

FINANCIAL



Loss
Calculation

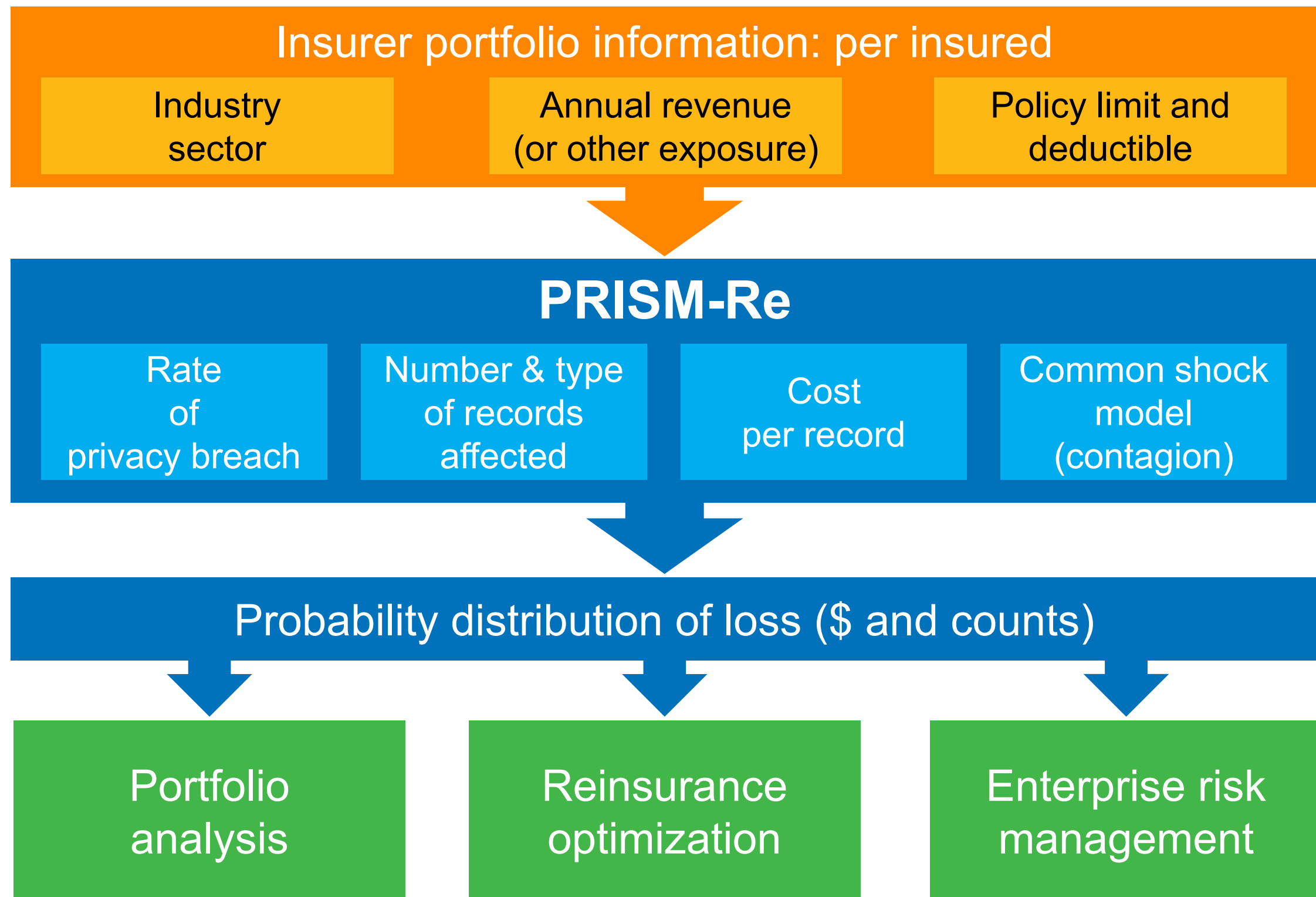
The “Hurricane Andrew” of Cyber Is Coming



CYBER RISK MODELING WITH PRISM-RE

Advisen Cyber Risk Insights Conference
Chicago
May 18, 2015

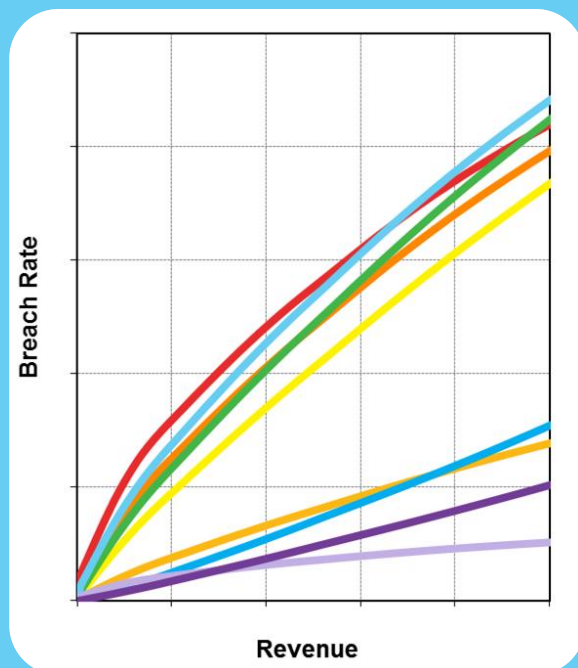
PRISM-Re framework



PRISM-Re mechanics

Rate of privacy breach

Separate regression model for each sector



Number and type affected

Total records

PII

PCI

PHI

Cost per record

Forensics & crisis mgt

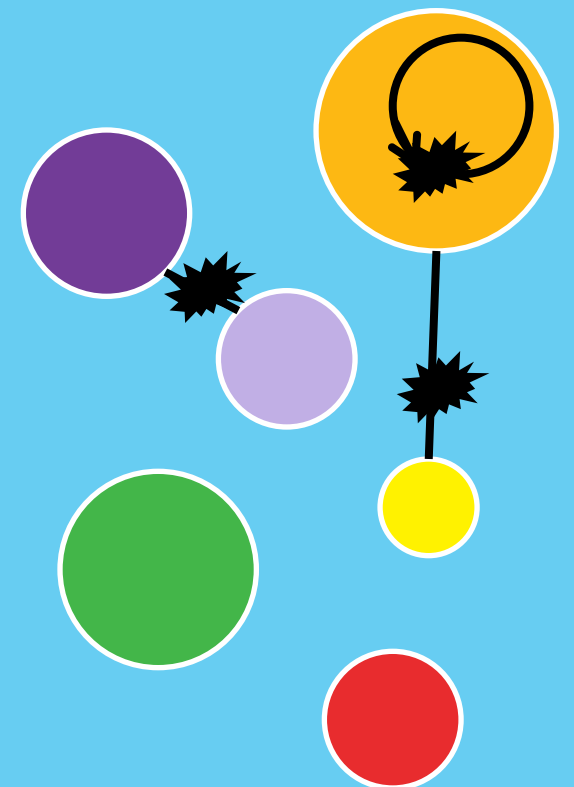
Credit & ID monitoring

Regulatory defense & fines

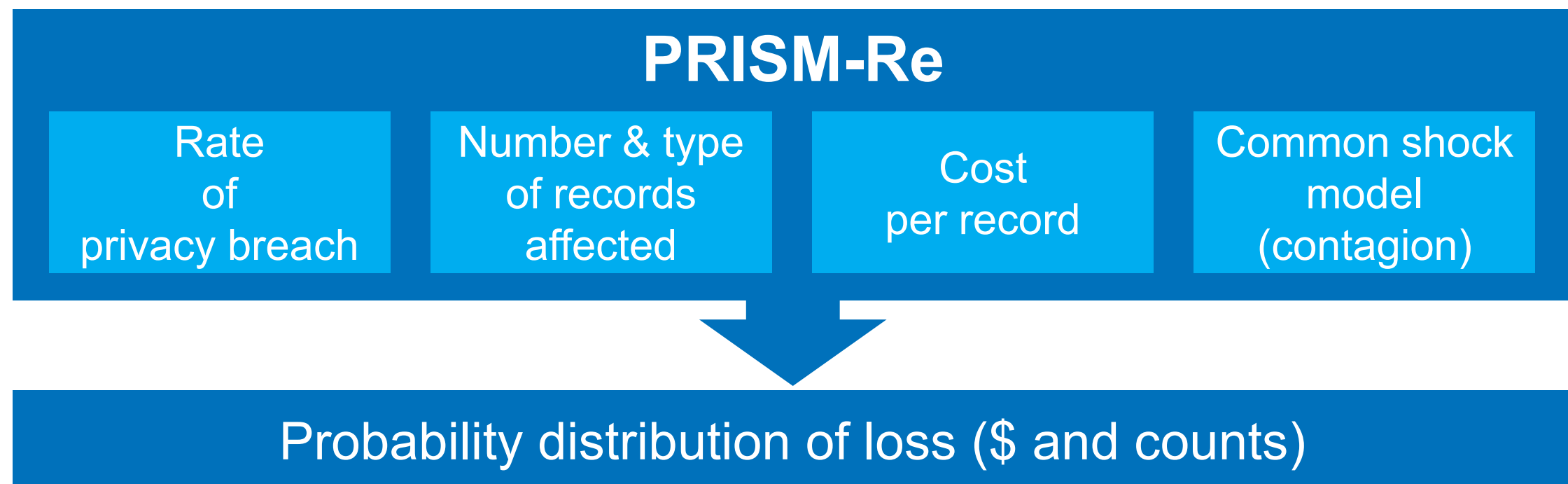
Civil liability

Common shock

Within and/or across industry sectors



PRISM-Re simulation process



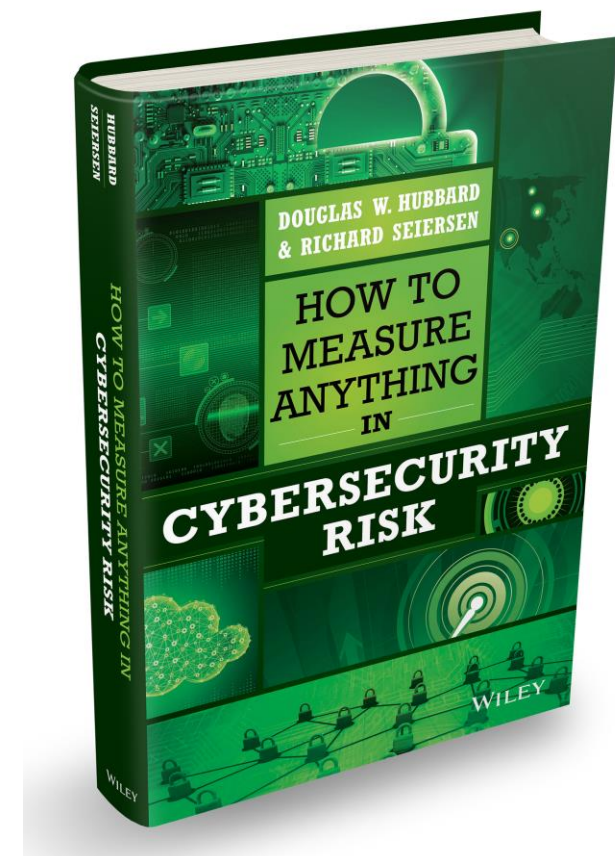
CYBER RISK MODELING WITH PRISM-RE

Advisen Cyber Risk Insights Conference
Chicago
May 18, 2015

The Biggest Cybersecurity Risk

Question: What is Your Single Biggest Risk in Cybersecurity?

Answer: How You Measure Cybersecurity Risk

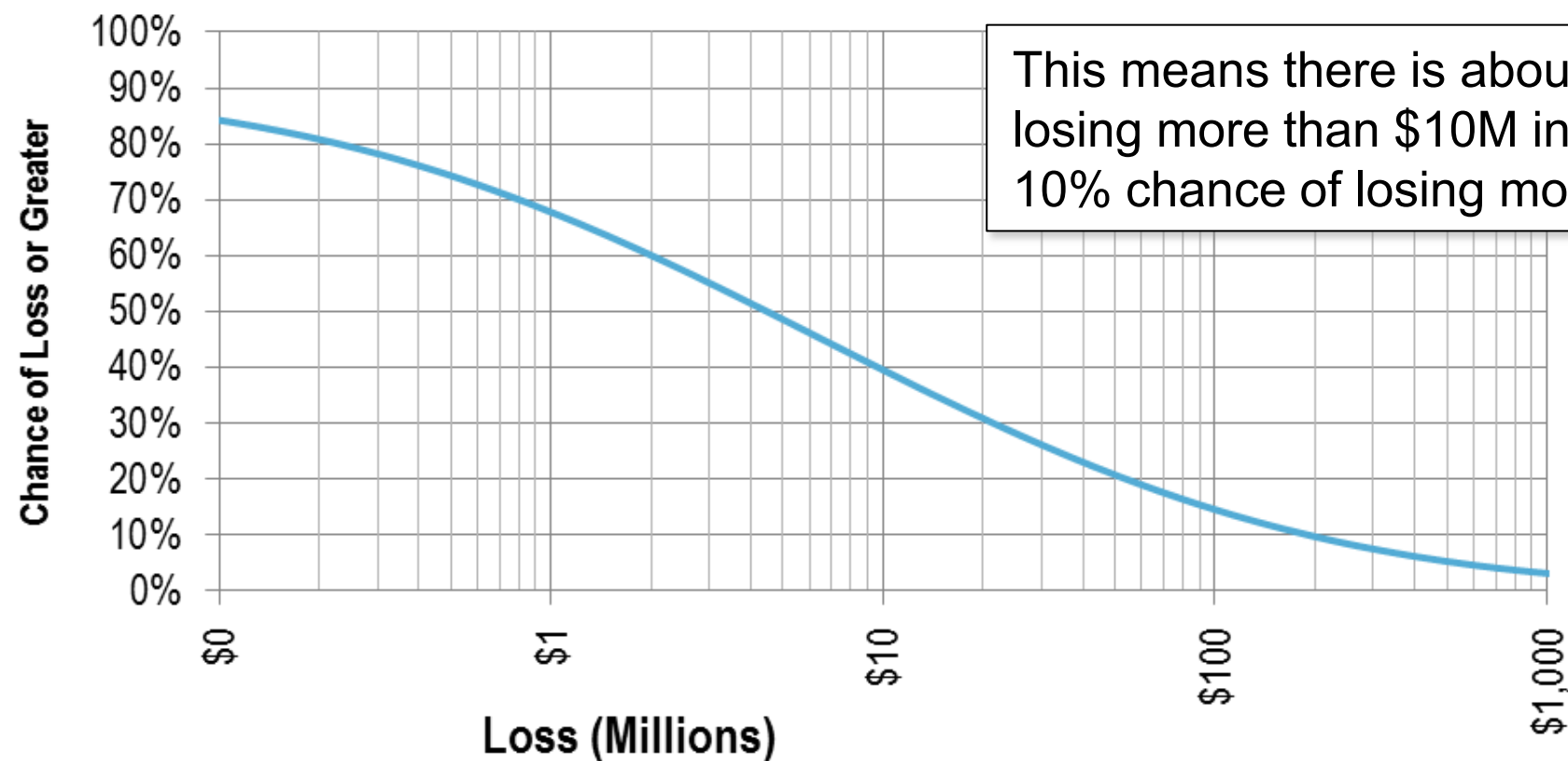


Can Organizations Do Better than “High, Medium, Low?”

What if we could measure risk more like an actuary – “The probability of losing more than \$10 million due to security incidents in 2016 is 16%”

What if we could prioritize security investments based on a “Return on Mitigation”?

	Expected Loss/Yr	Cost of Control	Control Effectiveness	Return on Control	Action
DB Access	\$24.7M	\$800K	95%	2,832%	Mitigate
Physical Access	\$2.5M	\$300K	99%	727%	Mitigate
Data in Transit	\$2.3M	\$600K	95%	267%	Mitigate
Network Access Control	\$2.3M	\$400K	30%	74%	Mitigate
File Access	\$969K	\$600K	90%	45%	Monitor
Web Vulnerabilities	\$409K	\$800K	95%	-51%	Track
System Configuration	\$113K	\$500K	100%	-77%	Track



Harnessing the Numbers



Data Breach Simulation Exercise



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Data Breach Simulation Exercise



Elisabeth Case

SVP - Commercial E&O Practice Leader, Marsh FINPRO
Moderator

Data Breach Simulation Exercise

Observation Team

- **Elisabeth Case**, SVP-Commercial E&O Practice Leader, Marsh FINPRO (Moderator)
- **Marcello Antonucci**, Claims Manager, Beazley
- **Randy Krause**, President and CEO, ePlace Solutions
- **Fausto Molinet**, Cyber Security Consultant, Delta Risk
- **Melissa Ventrone**, Partner and Chair of Data Privacy & Security, Wilson Elser

Cyber event simulation exercise

May 15th, 2015, Chicago

What was the exercise?

On Friday, Advisen hosted a cyber incident simulation exercise that saw a selected teams of experts - representing the various stakeholders in a real event - work through a mock cyber incident in real time.

An observation team critiqued the handling of the incident and now report back some best practices and key takeaways from the exercise.

Who took part?

Red Team: A group of cyber security experts who devised the mock incident to be as realistic as possible and to test the 'corporation' to its limits. Also acted as external resources to the Blue Team in crisis response

Blue Team: A select group representing the key cyber stakeholders within the corporation under attack. This team - made of board members and operations executives played roles on the day

The scenario

- Aston Maureen global car manufacturing company
- Chicago headquartered - dozens of worldwide locations
- 30,000 employees - \$25 billion revenue
- Produces very high-end to basic vehicles
- Extreme luxury KITT car is custom-ordered and personalized to buyer. Bought by wealthiest people in the world

What happened next?

Monday, 9am: FBI find intellectual property
(relating to engineering/manufacturing process)
on a remote computer...

Set-up to fail...

- Team-members don't work together regularly
- Poorly defined policies & procedures
- Processes undefined (ad hoc actions)
- Unknown obligations for third parties
- No overall picture of the event

Unfair?

The Blue Team responded exactly the same as many companies who do exercises

- Lack of plans for quick action
- No correlation of activities, incidents and access
- Silos of activity without coordination
- Knee-jerk reaction to events that could be nothing (reacting prior to identification)
- Panic when hearing “PII” involvement (or even alleged)

Learning points

Get the right team

Define their roles

Have a plan

Communication plan is critical

Make your plan cyber-specific

Integrate cyber into your existing, physical, plans

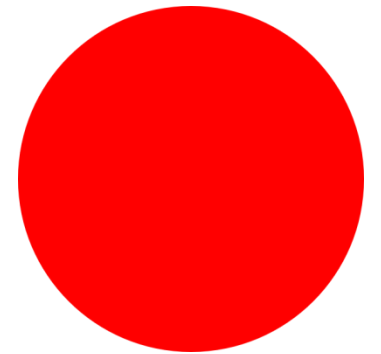
Drill your plan

Make it second-nature

Key takeaways

1. Do you have existing plans? If so, integrate cyber into them
2. Do you have developed relationships with service providers. Identify external relationships now
3. Practice, practice, practice...
4. Get the right people on board

Simulation Exercise



Red Team Participants

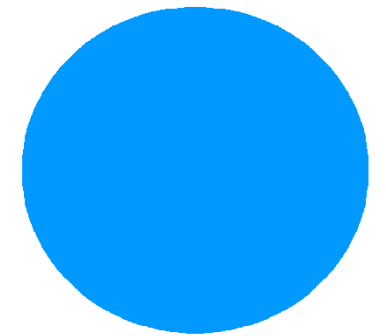
- Melanie Dougherty Thomas, Inform
- Fausto Molinet, Delta Risk
- Chris Pogue, Nuix
- Melissa Ventrone, Wilson Elser



Simulation Exercise

Blue Team Participants

- Joe Abrenio, Delta Risk
- Jesus Gonzalez, Aon
- Peter Karutz, MDD
- Winston Krone, Kivu Consulting
- Tom Laughran, FleishmanHillard
- Jamie Murdock, Binary Defense Systems
- Michael Tomlinson, Tomlinson Law



Observation Team



Closing Remarks & Reception



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