

Because every breach is different.



Cyber Liability & Data Breach Insurance

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Information Age



Video: <http://www.youtube.com/watch?v=Ndy9n4kEFNE>

Directive On Network and Information Security (07/02/2013)

- The Commission extends the obligation to report significant cyber incidents except **Internet and Telecommunications providers** to:
- **Key Internet companies** (e.g. large cloud providers, social networks, e-commerce platforms, search engines).
- **Banking sector and stock exchange**
- **Energy** (e.g. electricity and gas) - Generation, transmission and distribution of energy are highly dependent on secure network and information systems.
- **Transport** (operators of air, rail and maritime transport and logistics)
- **Health**
- **Public administrations** -eGovernment and eParticipation are increasing with citizen demand for timely and cost- effective services and with it the NIS risks for state and local administrations.



How Do Data Breaches Occur?

- Employee loses an unencrypted portable device (blackberry, laptop, thumb drive, backup tape)
- Property crimes (computers prime targets)
- Inside job (employee steals information)
- Stray faxes, emails
- Phishing scams and increasingly, Spear-Phishing (social engineering)
- Malware / virus attacks (especially when working remotely on an unsecured network)
- Failure to purge/scrub computing devices scheduled for destruction
- Weaknesses in "Cloud" security

The Market of Stolen Personal Information

- Large and sophisticated black market with shockingly low prices for personal information (supply > demand):
 - Credit card information (name, billing address, card-number, CVV2 code, and expiration date) = \$1.50 – \$3.00 per file.
 - Social security numbers = \$1 – \$6 per number, depending on availability of corresponding date of birth and/or mother's maiden name.
 - Online banking log-in details = \$50 – \$1,000.
 - SpyEye Trojan Kit (top on every aspiring hacker's holiday shopping list): \$1,000 – \$2,000.

- See, RSA Anti-Fraud Command Center, RSA Online Fraud Report, August 2010:
[www.rsa.com/solutions/consumer_authentication/intelreport/11068_Online_Fraud_report_0810 .pdf](http://www.rsa.com/solutions/consumer_authentication/intelreport/11068_Online_Fraud_report_0810.pdf)

Greece in the Data Breach Map

Figure 7. Countries represented in combined caseload



Countries in which a breach was confirmed

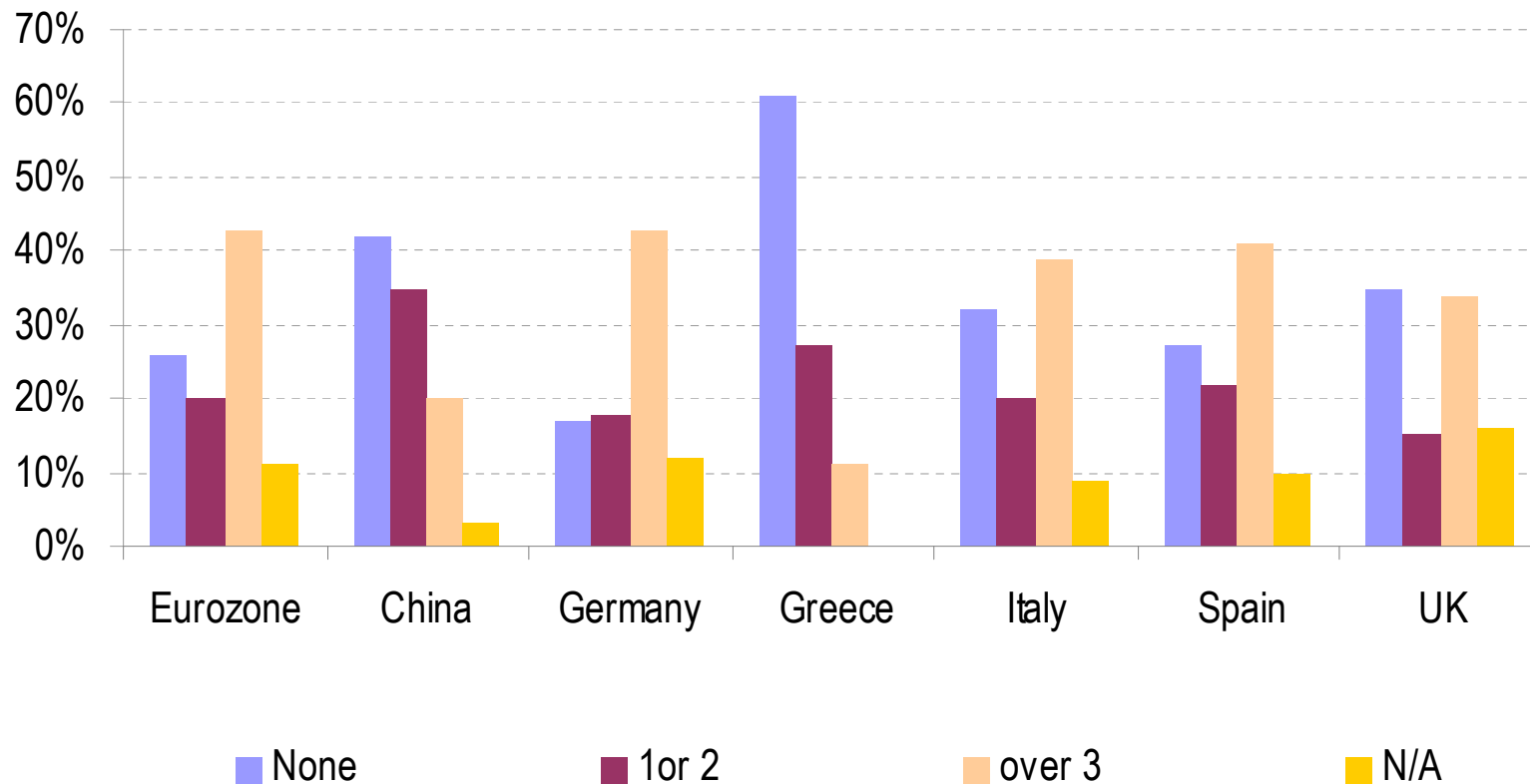
Australia	France	Jordan	Poland	United Arab Emirates
Austria	Germany	Kuwait	Romania	Ukraine
Bahamas	Ghana	Lebanon	Russian Federation	United Kingdom
Belgium	Greece	Luxembourg	South Africa	United States
Brazil	India	Mexico	Spain	
Bulgaria	Ireland	Netherlands	Taiwan	
Canada	Israel	New Zealand	Thailand	
Denmark	Japan	Philippines	Turkey	



**2012 DATA BREACH
INVESTIGATIONS REPORT**

Greek Market Vs Global Market – Security Incidents

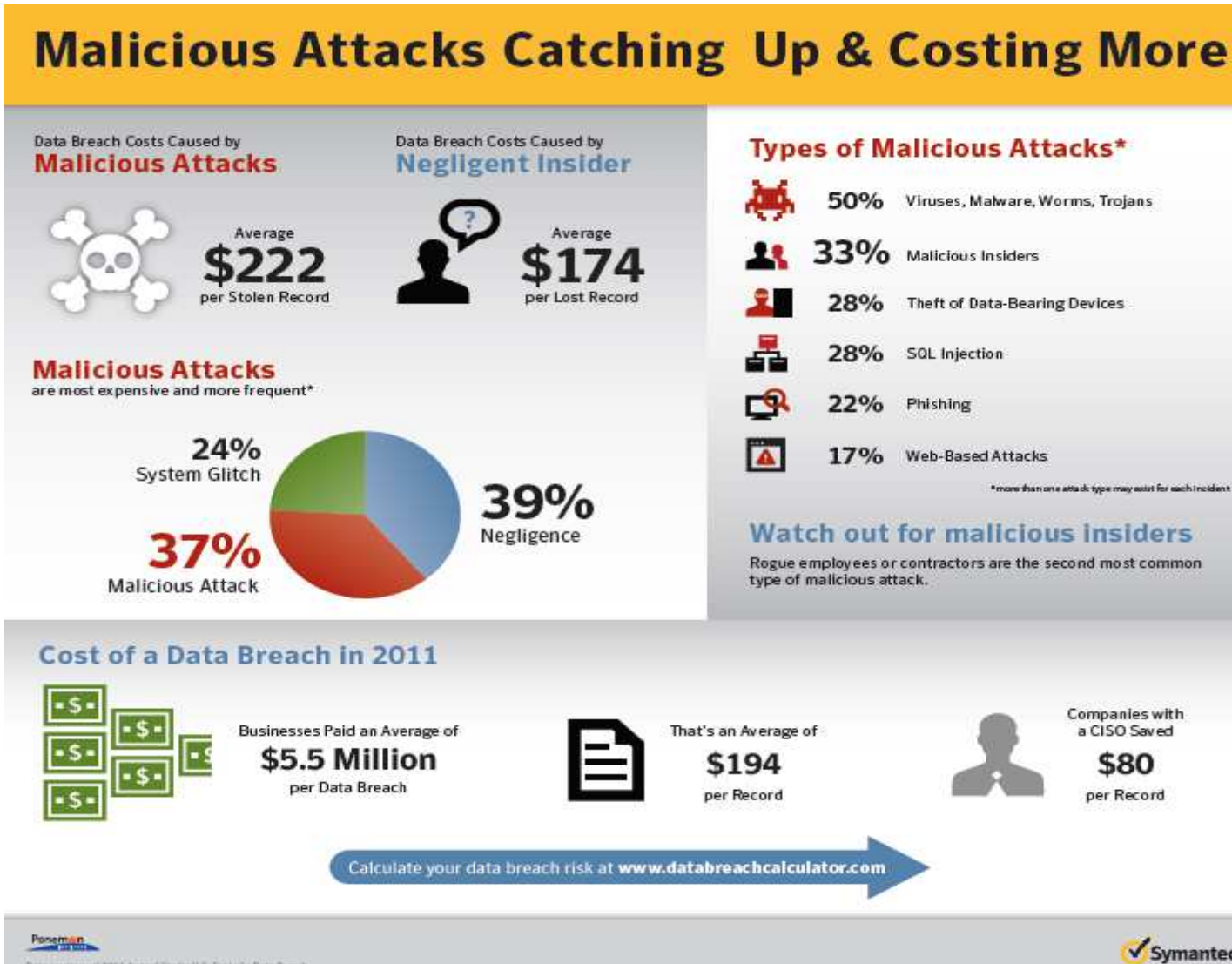
PWC – Information Security Survey 2013



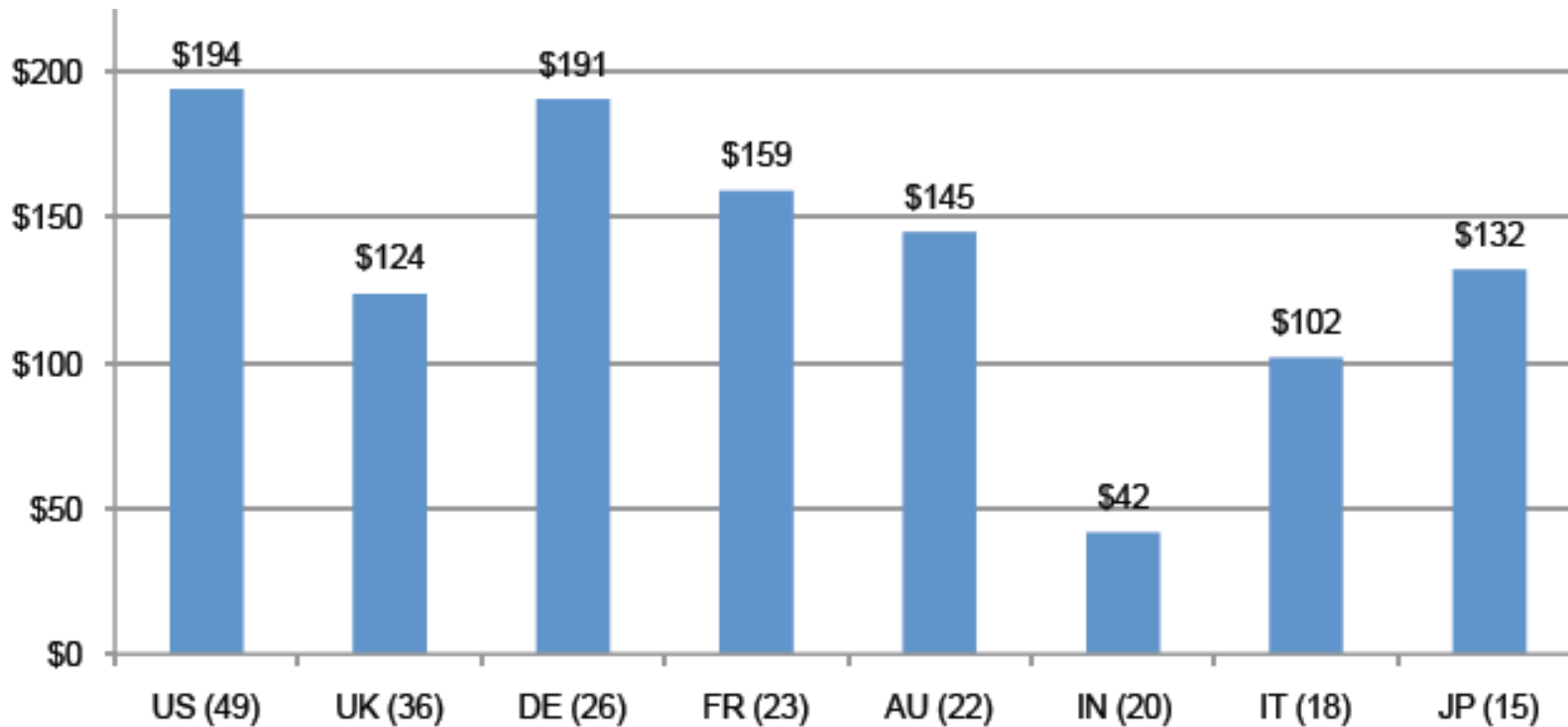
Greek companies do not report Security Incidents



Data Breach Causes



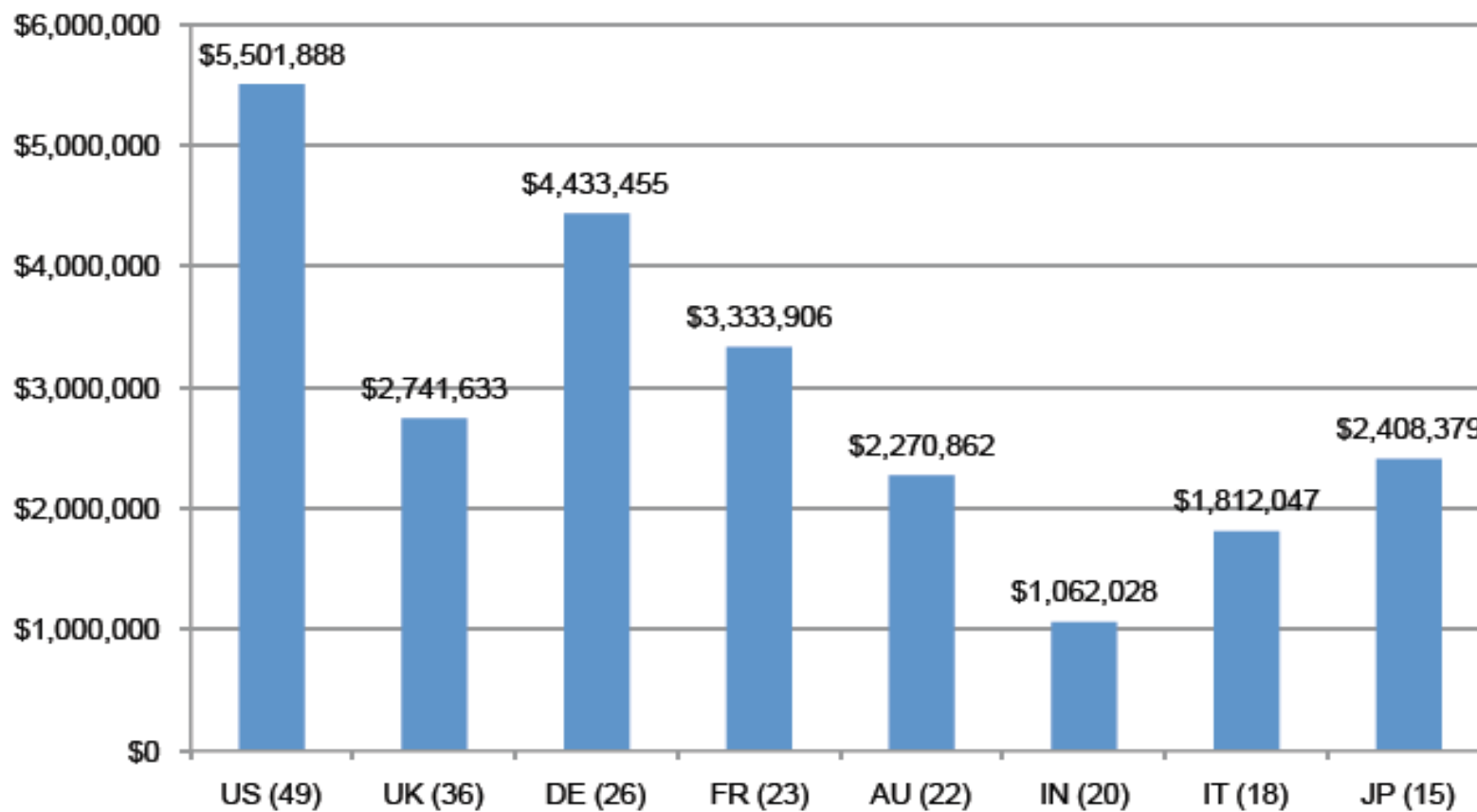
The Average per Capita Cost of Data Breach



2011 – Cost of Data Breach Study global – Ponemon Institute Research Report



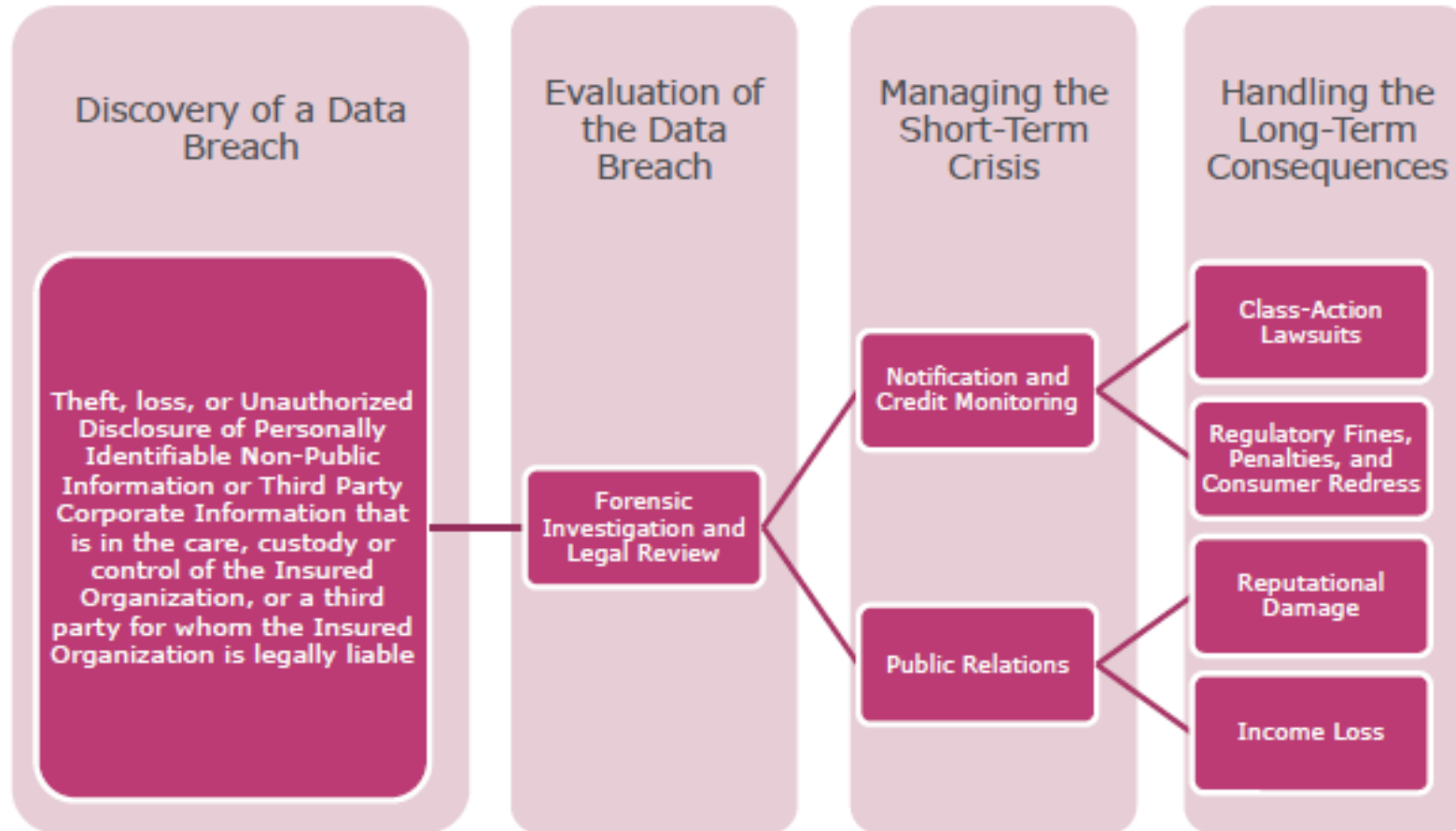
The Average Total Organizational Cost of Data Breach



2011 – Cost of Data Breach Study global – Ponemon Institute Research Report



Data Breach Process



Breach Related Expenses for a Company



Forensics

- Legal Expenses for Outside Attorney
- Cost of Forensic Examination
- Cost to Remediate Discovered Vulnerabilities



Notification

- Crafting letter or other notification
- Printing or Design
- Mailing or other transmission



Public Relations

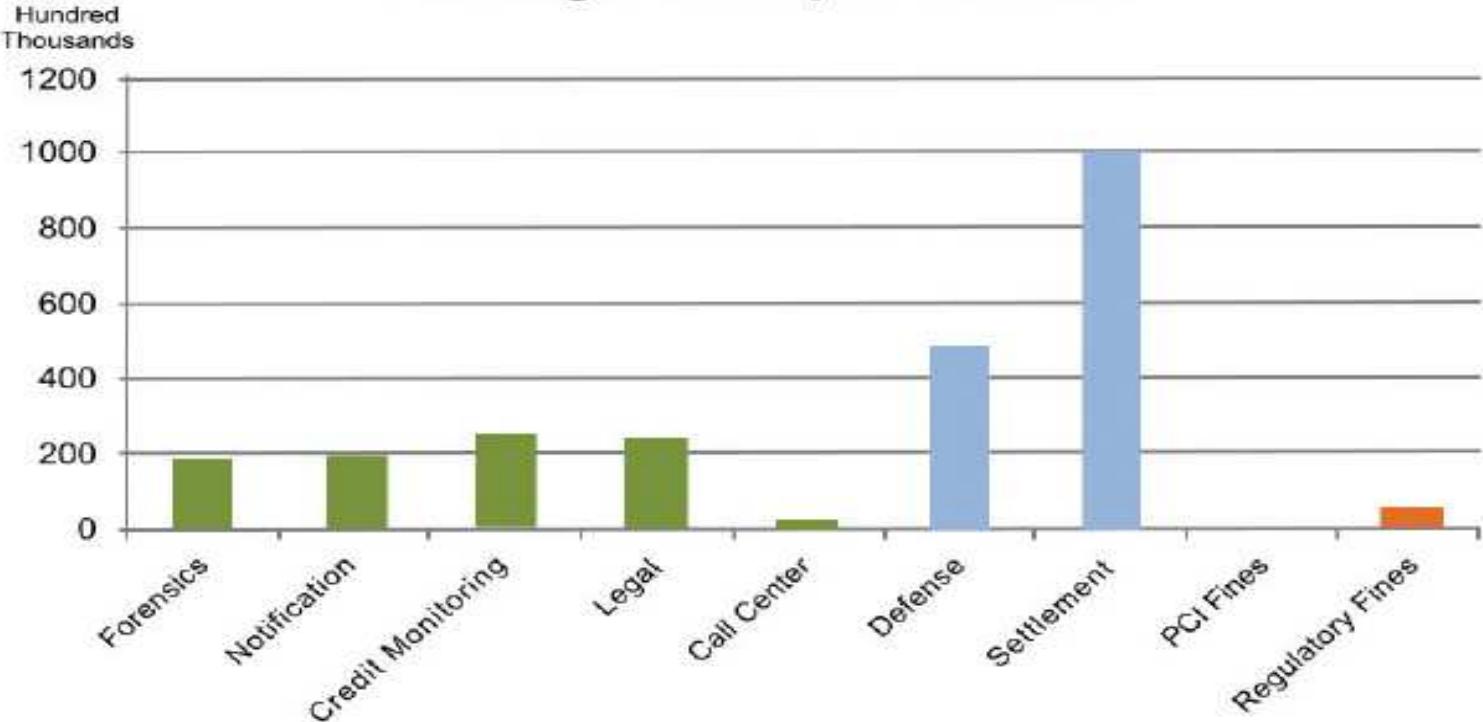
- Advertising & Press Releases
- Call Center Operations
- Other Services for affected Persons:
 - Credit Monitoring
 - Id Theft Monitoring



Legal

- Response to Claims or Suits
- Payment of Judgments or Settlements

Cyber Liability and Data Breach Insurance Claims (2005 -2009)



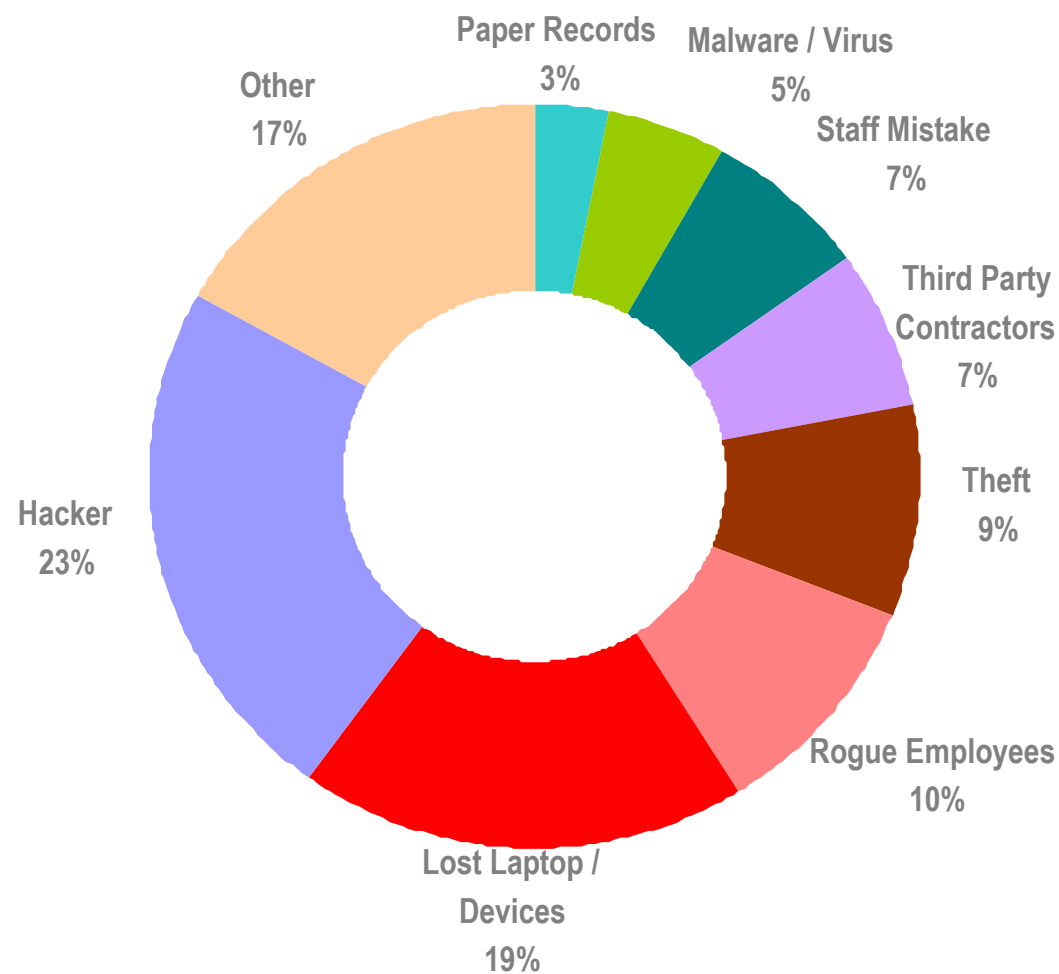
Crisis Services: 33% \$800.000	Legal damages: 63% \$1.500.000	Fines: 4% \$100.000
Average Claim Cost: \$2,4mio Defense Cost: \$0,5mio Hackers: 32% Lost Laptops, usb, tablets, backup disks :33% Credit Card Records : 75% 60% of Claims refers to: Financial Services , HealthCare, Retail		Average Claim Cost per Record :\$1,36 Settlement Cost :\$1mio Physical Files: 7%

NetDiligence Report 2011 – Cyber Liability and Data Breach Insurance Claims



Cyber Liability and Data Breach Insurance Claims 2012

Percentage of Breaches by Cause of Loss



NetDiligence Report 2012 – Cyber Liability and Data Breach Insurance Claims

NetDiligence

Risk Management Issues

Cyber Insurance Insure Intangible Assets



Video: <https://www.youtube.com/watch?v=4cn5DwpkYLA>

Case Study : Sony - Zurich

Sony's CGL Policy does not cover damages arising from Cyber Incidents



Meanwhile, Zurich says that Sony's CGL policy does not cover damages arising from cyber incidents, maintaining the policy only covers "bodily injury" and "property damage" caused by other types of occurrences. Herein lays a multifaceted issue with applying CGL policies to cyber risks. Standard CGL forms often provide coverage for personal and advertising injury, bodily injury and property damage.

Diminished Value of the Brand due to Data Breach



The average Diminishing Value of the Brand as a direct result of such an incident would be 21% according to the survey.

11.8 months is the average time to restore an Organizations Reputation



11.8 months

is the average time it will take to restore an Organizations Reputation's following such an incident

Top 5 List of Businesses Misconceptions

- Every Data Breach is covered by General Liability Policy
- Our Employees would never act maliciously and know how to protect our data
- Our Information is well-protected by our IT consultants
- The Cost to respond to a data breach is very low.
- Most Data Breaches happen to Big Companies

“It takes 20 years to build a reputation
and five minutes to ruin it.”

Warren Buffett

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Diversified Experience in Insurance, Asset Management and Banking
18 years experience in Financial Sector

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