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Benefit from Cybersecurity Insurance: Taking Advantage of Insurer Panels

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TRANSFORM



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Session Outline

What We're Going to Cover and How You Can Use the Information



Session Outline

- What is a “*Panel*”?
- Why Insurers Developed Panels.
- What Specialties Are In Panels.
- Why You Need to Know About Panels Before an Incident
- Getting the Maximum Value From Panels
- Your Action Plan – Turning This Presentation Into Action Plans
- Q&A



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What is a “Panel”?



Some Basics to Keep in Mind.

- Cyber insurance was initially like the Old West. Very few requirements/ vetting to buy, and a mad rush by carriers to build books of business. 100+ carriers jumped in.
- But as ransomware became the big story and eroded profits, rates skyrocketed, and underwriters raised rates, incorporated co-insurance and increased deductibles all while demanding better cybersecurity.



Some Basics to Keep in Mind.

- Carriers have become much more sophisticated in the cyber arena. They will no longer assume all of your risk.
- They hired IT Security people to help them better underwrite and manage their risk.
- *They want you motivated to act appropriately, mitigate your risks and respond professionally.*



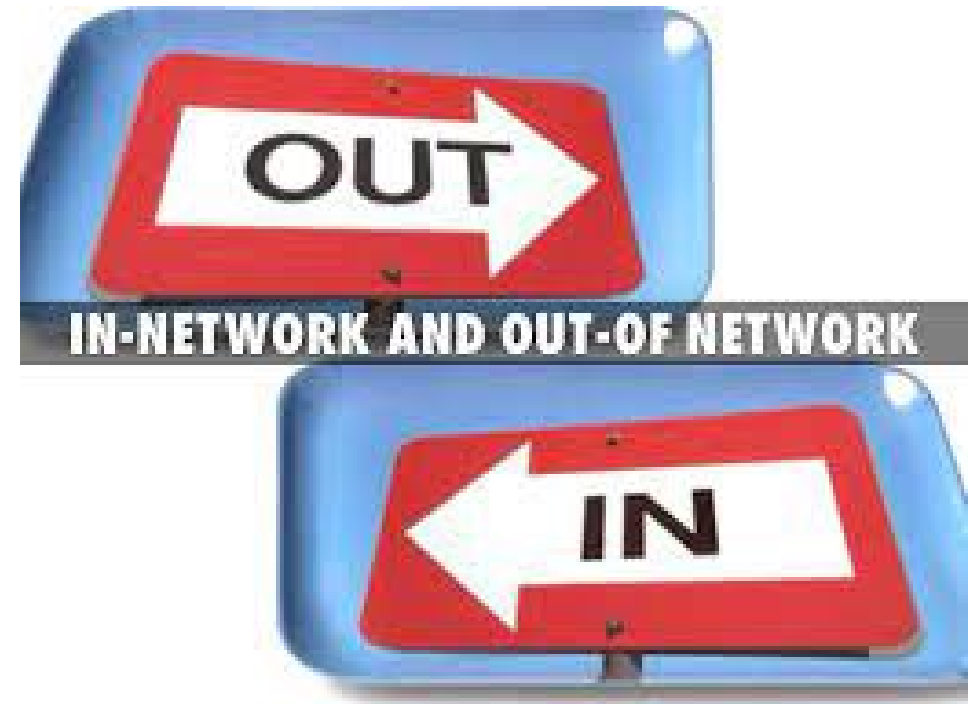
Insurance, at the most basic is a CONTRACT

- The insurance contract contains provisions.
- If you don't follow them, claims can be rejected – or highly limited.
- One important provision is notification of the carrier. They usually want notification of a potential incident **IMMEDIATELY**.



Insurance, at the most basic is a CONTRACT

- An Insurance carrier will likely specify the support organizations they will pay for and have pre-approved.
- Other organizations may require pre-authorization and may not be covered 100% (or at all) depending on the contract. *(Like out-of-network doctors in health insurance.)*



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What is an Insurance “Panel”?



What is an Insurance Panel

- A group of partner organizations a carrier has vetted & pre-approved to provide specific classes of services to its insureds.
- Typical categories of specialists include:

Attorneys (<i>breach coach</i>)	Forensic Investigators	Crisis Communications
E-Discovery Firms	Notification Specialists	Ransom Negotiators
Recovery Specialists	PCI PFIs	Pre-Breach Assessors
	Table-Top Exercise Vendors	

NOTES

- A breach coach is an attorney who has special expertise in data breach management. **Their experience is extremely important.**
- Law firms or in-house counsel who do not manage forensic investigations and data breach notification matters every day are often ill equipped for the realities of a breach situation.
- Often, panel members have pre-negotiated terms and conditions with breach coaches, so you get to the best terms you're going to get without wasting time trying to negotiate.
- Panel members often have reduced rates for insureds.
- Negotiators are sensitive to issues like sanctions screening to prevent you from violating federal laws.

NOTES

- If your breach event involves payment card data, some of the panel members may also be *PCI Preferred Forensic Investigators* – which may be required by payment card companies.
- The notification firms may be able to not only contact victims, but to run a call center to relieve your people from dealing with potentially thousands of calls.
- Using a crisis communication firm can be vital to avoid avoidable reputational damage.
- There are also pre-breach opportunities...

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So What's the Problem?



Issues

What could possibly go wrong?

- Not knowing the requirements of the insurance contract.
- Not recognizing that negotiating the terms and conditions of multiple contracts with multiple providers could take time you simply do not have.
- Avoiding outside help that would be covered under the contract. *For example, paying a ransom without help may turn out to be a violation of US or other nation's sanctions.*
- Using a vendor that turns out to be unapproved.
- *FAILING TO COMMUNICATE WITH YOUR RISK MANAGER/INSURANCE BROKER BEFORE AND AFTER THE INSURANCE IS DECIDED ON.*

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Getting the Most From Panels



Pre-Breach Opportunities

Maximize Your Advantages



- Some insurance contracts may provide for paid services before a breach including:
 - Table-Top Exercises to assess your breach readiness.
 - Pre-breach cybersecurity evaluations.
- Special rates for pre-breach work that is not paid for under the contracts.
- Opportunity to pre-negotiate contracts with panel vendors so that you are ready, and your counsel has approved the agreements.

Pre-Breach Opportunities

- Pre-negotiated (discounted) rates for work done under the insurance contract.
- But – make sure the CISO and other relevant team members are made aware of any changes in renewed/replaced policies so that:
 - the right plans are in-place,
 - there is time to make any required changes,
 - and time to take advantage of capabilities available in the new contract.

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What Should Your Right-Now Action Plan Include?



Your Action Plan....

- Meet with your risk manager, insurance manager or insurance broker to determine the requirements associated with your cyber-insurance policy/policies. Find out:
 - Notification Requirements. Make sure you understand when you must notify, what to report, how to report, whether you must report suspicions or only verified incidents (most likely, suspected incidents as well.)
 - Who is on the panels? You should identify firms you would consider working with. Interview them and determine which you would prefer.
- And...

Your Action Plan....

First Steps...



- Get contracts in place. Negotiate it when you are not in the middle of a crisis. Take advantage of pre-negotiations done by breach coaches, not just carriers.
 - Take advantage of pre-breach services included in your policies, such as table—top exercises and assessments.
 - Use pre-breach interactions with panel members to identify better ways to be prepared. For example, breach notifiers can help understand ways to better prepare data for effective, efficient transfer when the time comes.
- And...

Your Action Plan....

Next Steps...



- Set up a meeting with your risk manager or broker and your general counsel to discuss notification requirements (we've seen counsel delay notifications on the basis that it wasn't "proven" that there was a breach – when there was) and contractual agreements that will be needed with panel members. Note that requirements change and may differ in various jurisdictions (and countries.)
- Do this *BEFORE* an incident.
- Cooperate with the insurer's claims staff and be mindful of their requests.

Your Action Plan....

When the Sky Falls...



- Notify your in-house working group. Notify counsel. Notify your risk manager.
- Make required external notifications (insurance carrier, governments.)
- Activate pre-negotiated agreements with breach coach, forensic investigators, notification services, crisis communicators, etc.
- Coordinate the actions. It's easy to have people confused and inefficient. You can't afford that.
- Make sure your in-house people know what they are to do/not do.

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THANK YOU FOR ATTENDING THE SESSION

Let me know if I can answer questions
And *please* fill out the session survey.

