



Is Your Cyber Program Ready for Changing Regulations and Markets?

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MARSH

Today's Panelists



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Today's Moderator



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New and Upcoming Regulations

International

- EU General Data Protection Regulation (GDPR)
- Similar: Brazil, Japan, India, and Thailand

US Federal

- SEC Cybersecurity Disclosure Guidance
- GSA Cybersecurity Contractor Reporting Rules
- Health Insurance Portability and Accountability Act (HIPAA)
- SOX Cybersecurity Systems and Risks Reporting Act
- DoD DFARS Contractor Standards

US State

- NYS DFS Cybersecurity Regulation for Financial Institutions
- Illinois Biometric Information Privacy Act
- California Consumer Privacy Act
- California Internet of Things Cybersecurity Law

Changing Regulatory Scope: Beyond Privacy Breach

- Expansion beyond data protection/event response
- Shift from reactive to prescriptive (GDPR)
- New frontiers: biometric privacy (BIPA)
- “Old” laws, retargeted to cyber issues (SOX)
- Non-cyber authorities issuing cyber guidance (SEC, NYS)



Technology and data usage are operational risks



Require enterprise risk management approach

Business Impact of New Regulations

- Coordination among key stakeholders: GC, CISO, CIO, CTO, RM, et al
- Board and C-suite understanding of cyber risk exposure, risk tolerance, and risk indicators
- Inventory of IT, data assets, and 3rd party access to gain visibility into potential attack surfaces
- Enterprise-wide awareness training for employees and contractors
- Regular technology patching
- Secure application, system configuration, and coding practices
- Strong user ID and authentication controls
- Reduction of sensitive data throughout enterprise
- Crisis response planning and testing



Incorporating Regulatory Requirements into Cyber Planning

STOP:

- Thinking of cyber risk as a technology issue
- Siloing cyber risk or delegating management to IT
- Focusing only on regulatory penalties – look at full spectrum of regulatory risk exposure/costs

START:

- Treating data and technology issues as operational risks
- Communicating/ coordinating across key stakeholders
- Recognizing growing trend of D&O lawsuits and adapting practices and policies

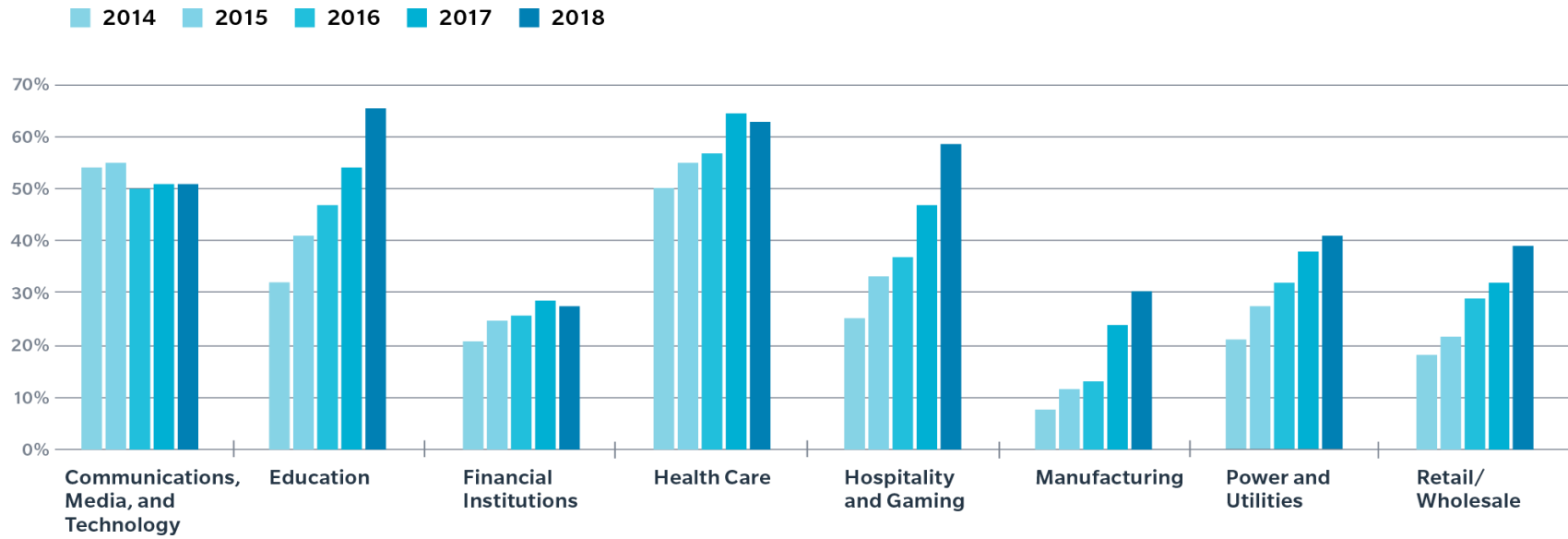
Changing Cyber Insurance Demographics

Strong Purchasing Growth in Non-PII/PCI Industries

FIGURE 2

Education, health care, and hospitality and gaming organizations were the leading buyers of cyber insurance

SOURCE: MARSH PLACEMAP (*CMT figures include cyber/blended deals.)



Impact of New Regulations on Cyber Insurance Markets

- Demographics of cyber buyers have increased dramatically in the non-privacy segments of industry
- Regulations go beyond privacy breach laws and impact a wider spectrum of:
 - The economy
 - An entity's operations
- No historical loss data or controlling legal precedents to rely upon as some regulations touch upon entirely new technologies

Silent Cyber: Implications for Policies and Policyholders

Silent cyber is silent no more. Lloyd's sets dates for P&C re/insurers

- Insurers: “Sticking to their knitting”
- Property: Market retraction in wake of NotPetya claims
- Casualty: Efforts to clarify via ISO exclusions
- Fiduciary: Latest to face unexpected cyber issues in BIPA
- Fidelity: Overlap continues as social engineering is offered but sub limited



Standalone cyber policy is best approach

Thank you to our panelists!



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