



Cybersecurity Insurance

UT Law 2018 Essential Cybersecurity Law Conference

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Cyber risk and the threat environment



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Cyber Risks & Liabilities



"I divide the entire set of Fortune Global 200 firms into two categories: those that know they have been compromised and those that don't know yet."

Dmitri Alpervitch
Former VP Threat Research, McAfee

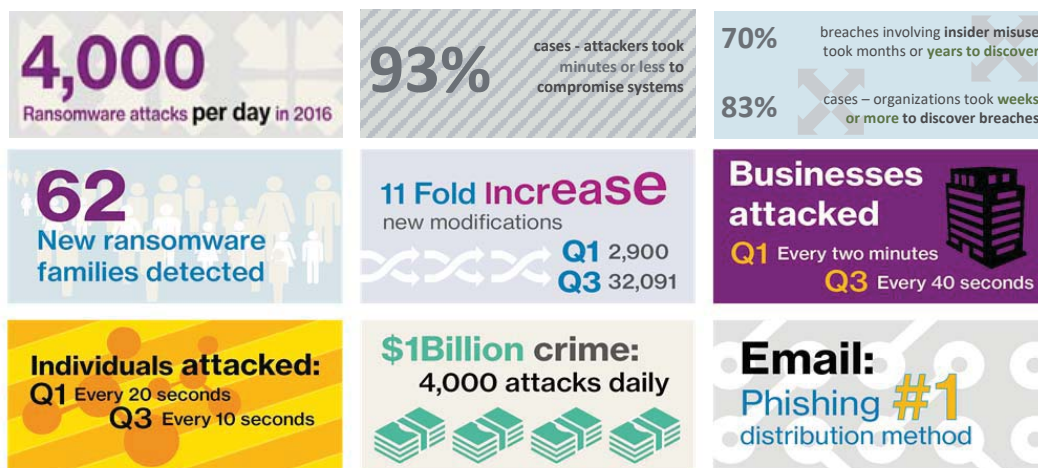
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Prevalence of cyber crime in business – threat



How does this happen?

It just takes one click...

As evidenced by the recent WannaCry incident, attacks often start with an email message containing an attachment or a link to a website then quietly installs the malicious software.

• Source: Antivirus Software Companies – 2016 statistics

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Cyber Attack: Financial & Operational Impacts



Key Cyber Risks

- **Network reliance throughout supply chain and manufacturing processes**
 - Network access key to many organization's critical business activities
 - Significant business, reputational and financial cost for any network interruptions
- **Systems interconnected with and/or reliant on 3rd party networks / 3rd party vendors**
 - Large number of vendors throughout supply chains
 - Reliance on external networks (i.e. Cloud computing) for data management and operational resilience
- **Large amount of data collected throughout business and operational cycle**
 - Confidential corporate information and Intellectual property of organization and 3rd parties (design plans, proprietary product information or work processes)
 - Personally identifiable information of clients, employees and 3rd parties
- **Industry Migration towards increasing automation and universal connectivity**
 - Significant business, reputational and financial cost for any event causing damage or personal injury due to automation
 - Significant increase in data collection and analytics across all business activities
 - Increasing regulatory and legal oversight of business activities relating to IOT, network connectivity and potential for bodily injury and/or property damage with autonomous processes

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