

CYBERSECURITY: Lessons Learned from Recent Breaches

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Discussion Points

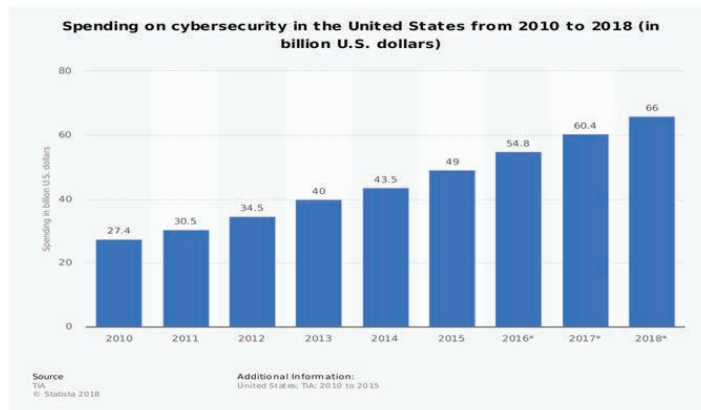
- Marriot / Starwood Breach Litigation
- Insurance Coverage Litigation
- Regulatory Enforcement Against Equifax and Uber
- Business E-Mail Compromises
- Article III Standing in Litigation Post-Spokeo
- Lessons Going Forward

The Cybersecurity Challenge

Cybersecurity incidents are on the rise, and majority of enterprises are not confident of their preparedness and capabilities to manage related risks.

The number of U.S. data breaches tracked in 2018 hit an all-time record high of over 1300 despite progressive increases in cyber spending since 2010.

Source - CSO Online



Notable Recent Statistics

- ▶ Security breaches have been up 11% from 2018. USA is the top targeted country
- ▶ 43% of cyber attacks target small businesses
- ▶ Ransomware attacks occur every 14 seconds and will increase 5-fold by 2021
- ▶ The number of IoT devices that will exist by 2020 is estimated at 20.4B. IoT devices are attacked within 5 minutes on average
- ▶ The average cost of cyber crime to organizations is at \$13 million per year.
- ▶ Cyber crime damages are expected to cost businesses \$6 Trillion annually by 2021
- ▶ 76% of organizations were targeted by phishing attempts. 83% of information security professional experienced phishing attacks in 2018. 95% of end-users received phishing training. 70% of employees do not understand cybersecurity.
- ▶ 46% of websites have high cybersecurity vulnerabilities
- ▶ 68% of organizations do not have disaster recovery plans.
- ▶ Email is responsible for 92% of all malware spreads
- ▶ Approximately 33 billion records will be exposed to data breaches by 2023



Breach Litigation

*In re: Marriot International, Inc.
Customer Data Security Breach Litigation*



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Marriot – What Happened?

- Marriot purchased Starwood for \$13B in 2016
- Breach of Starwood's reservation database uncovered in September 2018
 - Internal security tools flagged unauthorized activity
- Attackers gained access in 2014

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