

CYBER INSURANCE UNDERWRITING REQUIREMENTS

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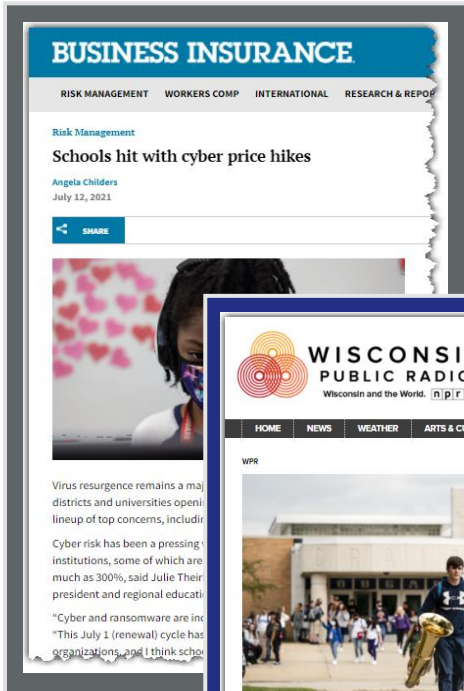


2022 CYBER INSURANCE LANDSCAPE

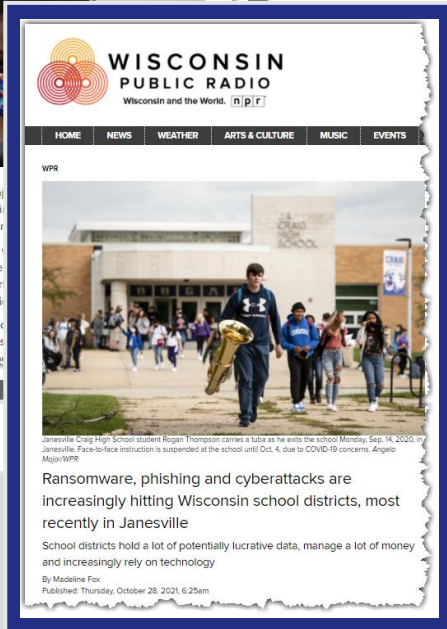
- More expensive
- Increasingly difficult to obtain
- Districts need to implement risk management protocols



IN THE NEWS



Business Insurance:
“Schools hit with Cyber Price Hikes”



Wisconsin Public Radio:
“Ransomware, phishing and cyberattacks are increasingly hitting Wisconsin school districts”

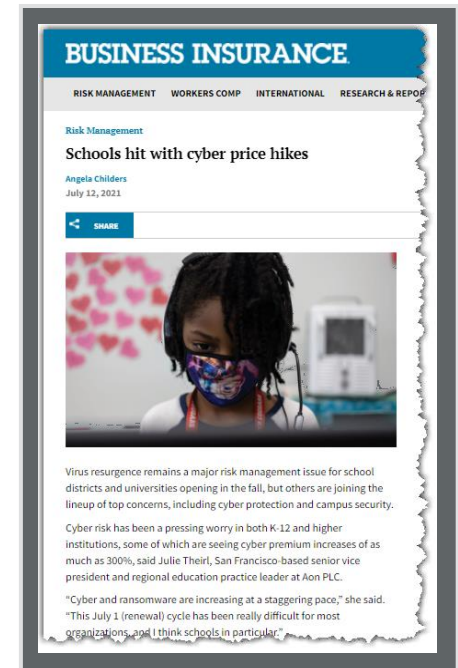
IN THE NEWS



(I know of 8 in Wisconsin in the last 18 months.)

CYBER STATISTICS FROM THE BI ARTICLE

- More than **400 cyber incidents** were publicly disclosed by school districts in 2020.
- **75%+ of all data breach incidents** affecting U.S. public K-12 school districts were the result of security incidents involving school district vendors and other partners.
- Data compromised in breaches has included **grades, bullying reports and SSNs.**
- School districts in **cities and large suburbs** and those with a larger proportions of **higher-income students** are the most likely to experience a cyber incident.

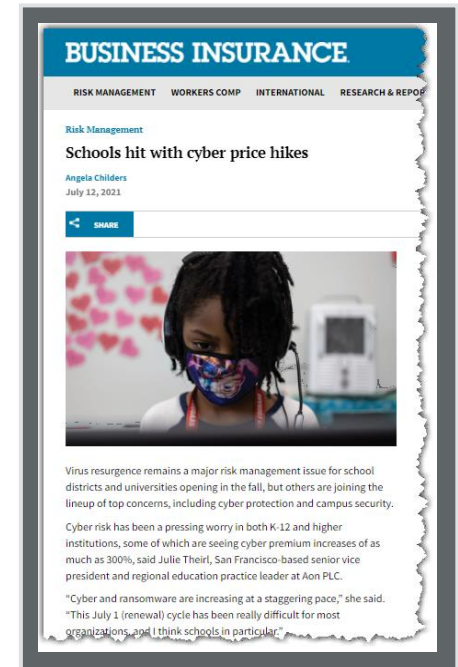


Source: K-12 Cybersecurity Resource Center

FROM THE BI ARTICLE

Cyber underwriters are looking for institutions that have “stepped up their game” and devoted the resources to provide sufficient protection.

Those that haven't are facing non-renewal.



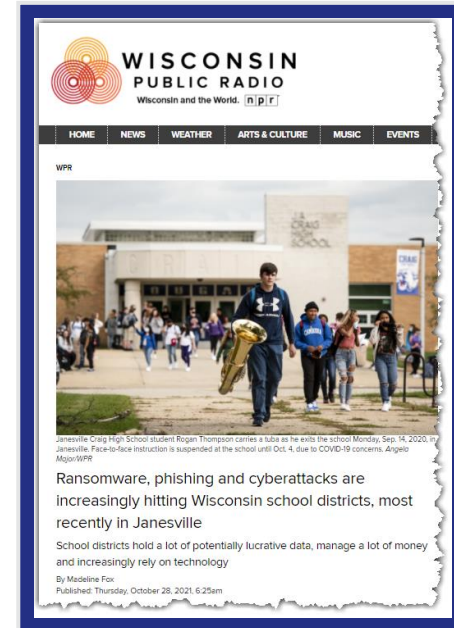
FROM THE WPR ARTICLE

Doug Levin, national director of the school cybersecurity organization K-12 Security Information Exchange, said districts are appealing targets for several reasons.

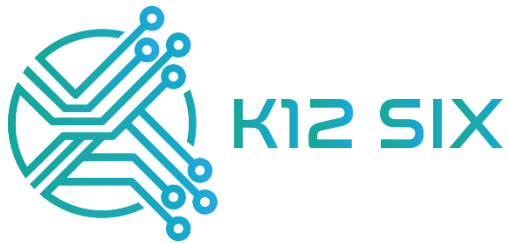


*They are often **financially under-resourced**, meaning their technology might not have all the latest updates to prevent incidents.*

*They also have an **incentive to pay** so they're up and running again quickly.*



ASSISTANCE IS AVAILABLE



A nonprofit, threat intelligence sharing community for school districts to prevent and respond to cyber threats, together.

<https://www.k12six.org/>

Through a secure communications portal, school IT and security teams can share warning about cyber threats and help each other mitigate successful attacks, with support from K12 SIX staff leveraging dozens of data sources and analytic tools.



ASSISTANCE IS AVAILABLE



The National Institute of Standards and Technology

<https://www.nist.gov/cybersecurity>

NIST develops cybersecurity standards, guidelines, best practices, and other resources to meet the needs of U.S. industry, federal agencies and the broader public.



ASSISTANCE IS AVAILABLE

- Center for Internet Security

<https://www.cisecurity.org/>



**Center for
Internet Security®**

Creating Confidence in the Connected World.™

ASSISTANCE IS AVAILABLE



Cyber Security & Infrastructure Security Agency

<https://www.cisa.gov/stopransomware/k-12-resources>

StopRansomware.gov is the U.S. government's official one-stop location for resources to tackle ransomware more effectively.



ASSISTANCE IS AVAILABLE

 **ESSER Funds (I, II, and III)**
Guidance on Public Allowable Costs

(Page 10) *“With the increased reliance on the internet, the LEA may need to implement systems that improve upon cybersecurity and data security....This could include updates to the infrastructure or to processes that monitor the data.”*





CYBERSCOOP

POLICY

Biden signs infrastructure bill that provides nearly \$2 billion for cybersecurity

WHY SCHOOLS?

Your Information is Valuable

-  Student Information
-  Student IEP/IDEA
-  Employee Information
-  Payment Information

WHY SCHOOLS?

You Are Vulnerable



Young internet users without knowledge of current methods for data breaches
(i.e. phishing, ransomware, etc.)



Personal devices connecting to school network



Schools less likely than businesses to have cyber loss prevention plans



Small IT staff / Lack of funding

LONG-TERM CYBER INSURANCE MARKETPLACE

- Difficult
- Unstable
- Coming to end?



CYBER UNDERWRITERS LOOK FOR:

- Multi Factor Authentication (MFA)
 - For access to: RDP, privileged accounts, and email
 - Can be: biological, systematic questions, or code access
- Anti-virus/malware software
- Regular employee training on cyber safety and social engineering
- Email security
 - External Email Warning, Spam Quarantine Notification



CYBER UNDERWRITERS LOOK FOR:



Email Screening and Quarantine Examples:

EXTERNAL EMAIL: Click links or open attachments with caution.

SPAM QUARANTINE NOTICE

The message(s) below have been blocked by your administrator as suspected spam. There are 34 new messages in your Email Quarantine since you received your last Spam Quarantine Notification. If the messages below are spam, you do not need to take any action. Messages will be automatically removed from the quarantine after 14 day(s).

CYBER UNDERWRITERS LOOK FOR:

- End-Point detection & protection response tools
 - Technology that monitors and responds to cyber threats
 - Costly technology
- Robust patching policy
 - Software up-to-date
- A documented operational continuity plan
 - Must be in writing
 - Be prepared to share with the underwriter



CYBER UNDERWRITERS LOOK FOR:

- Encryption of sensitive data
- Regular backups (daily is best)
- Data backup stored in a separate location



RESPONDING TO AN INCIDENT

- Follow the district's written incident response protocols
- **No one should refer to a suspected incident as a “breach” in writing** – this could trigger statutes regarding the timing of legally required notifications
- Avoid emails as much as possible if incident is suspected



RESPONDING TO AN INCIDENT

Report the Incident ASAP

- Incident hotline/
insurance company
- Insurance agent
- Law enforcement



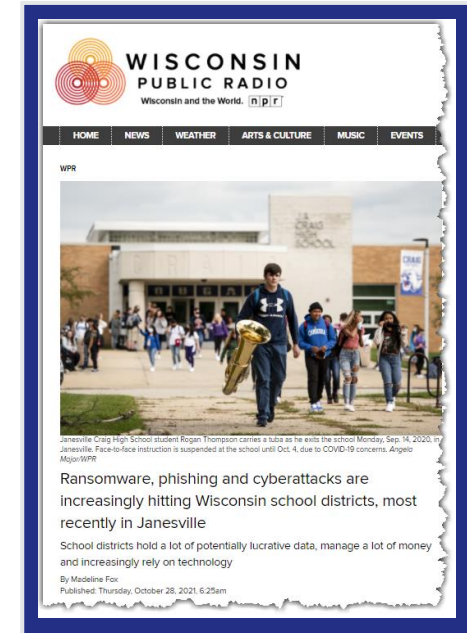
**INCIDENT
REPORTING**

RESPONDING TO AN INCIDENT

From the WPR Article

- “One of the first places Wisconsin districts turn to when their systems are compromised is the Wisconsin Division of Enterprise Technology Cyber Response Team, because the team has a lot of specialized cybersecurity expertise that they provide for free.”

<https://det.wi.gov/Pages/Cyber-Response-Teams.aspx>



RESPONDING TO AN INCIDENT

Why You Want To Be Insured

- Payment
- Legal representation
- Forensic IT
- Forensic accounting
- Ransomware negotiation

It's on you to do the above if you're not insured.

THE BOTTOM LINE

Cyber Insurance Is:

- More expensive
- Harder to obtain

Will it be available in 5 years at current loss rates?

- Current underwriting practices will be required to prevent losses

THERE IS STILL TIME TO GET AHEAD OF THIS

- Let's not add a cyber insurance crisis to our already full plate of crises at public schools

