CONNER STRONG & BUCKELEW

CLAIM CONSULTING & ADVOCACY

CONNER STRONG & BUCKELEW HAS ASSISTED CLIENTS WITH 215 CYBER INCIDENTS TOTALING $18M OVER THE PAST 4 YEARS

Here Is What We Have Learned

Where are we when our clients have a cyber-incident? We are right by their side assisting them when they need us most.

Over the past four years, the Claim Advocacy and Consulting Department has assisted clients with 215 cyber incidents totaling $18,007,775. Claims ranged from inadvertent disclosures of legally protected information to ransomware events that crippled clients' entire operations. Our robust experienced claims team and our unique partnership with key vendors, enabled us to assist our clients through-out the life of the claim by:

- Immediately notifying the appropriate insurance carriers
- Coordinating scoping calls with Breach Coach, and due to our unique relationship with Mullen Coughlin, we are able to schedule a call within a couple hours and in emergency situations even sooner
- Coordinating engagement of professionals with approved providers
- Assisting with rapid recovery and reimbursements with insurance carrier
- Providing professional advice on issues that arise
- Answering questions from underwriters on renewal

No matter what the incident involves, having the right professionals by your side is important!

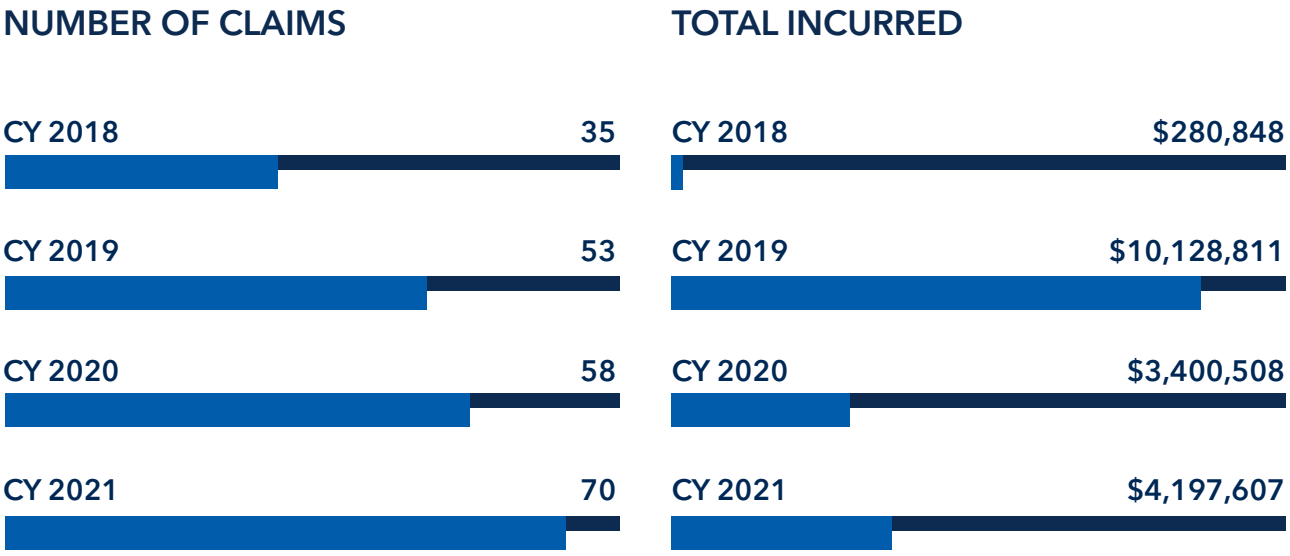
There is no doubt that cyber claims will continue to be on the rise, and therefore clients should continue to be prepared and take steps to prevent them by considering the following:

- Ensure you are investing in the right controls and protections as part of your annual capital technology investment, including Endpoint Detection and Response tools and other cyber controls required or recommend by your carrier

- Be prepared by having an incident response plan in place that includes engaging your insurance broker early on and test the plan regularly through a tabletop exercise
- Train your employees as they are the first line of defense
- Ensure your IT department is updating software and implementing the appropriate patches in a timely manner
- Institute multi-factor authentication ("MFA")
- Institute extra protections for administrator credentials and back-up systems

Lastly, it is equally important to vet your vendors. A vendor breach can impact your operations, your reputation and require you to take certain legal steps. A vendor's incident can be "your breach" so be sure to notify your insurance carrier to ensure you are meeting your legal obligations.

Summary of Cyber Related Claims Managed by CSB*



Note: The total incurred amount may not include the costs paid by the client within a large self-insured retention as we do not capture that data. Therefore, the costs can be significantly higher.

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CY 2021**

70 CLAIMS; TOTAL INCURRED $4,197,607

Incident Type	No. of Claims	No. of Claims that Incurred Dollars	Incurred Amount
Suspected/ Compromised of System	16	4	$63,790
Disclosure of Information	2	0	$0
Phishing Email	6	2	$223,784
Ransomware Events	9	6	$3,599,789
Theft	4	0	0
Vendor	24	1	$21,000
Wire Transfer/ Fraudulent Transfer	8	2	$289,244
Privacy Lawsuit	1		
Total:	**70**	**14**	**$4,197,607**

CY 2020

58 CLAIMS; TOTAL INCURRED $3,400,508

Incident Type	No. of Claims	No. of Claims that Incurred Dollars	Incurred Amount
Suspected/ Compromised of System	12	2	$51,999
Disclosure of Information	4	0	$0
Phishing Email	10	5	$220,608
Ransomware Events	14	11	$2,996,032
Theft	2	0	$0
Vendor	14	4	$68,119
Wire Transfer/ Fraudulent Transfer	2	1	$63,750
Total:	**58**	**24**	**$3,400,508**

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CY 2019

53 CLAIMS; TOTAL INCURRED $10,128,811

Incident Type	No. of Claims	No. of Claims that Incurred Dollars	Incurred Amount
Suspected/ Compromised of System	17	8	$486,541
Disclosure of Information	8	2	$69,511
Phishing Email	7	5	$322,831
Ransomware Events	5	5	$7,778,397
Theft	4	0	$0
Vendor	4	2	$19,401
Wire Transfer/ Fraudulent Transfer	8	4	$1,452,130
Total:	**53**	**26**	**$10,128,811**

CY 2018

35 CLAIMS; TOTAL INCURRED $280,848

Incident Type	No. of Claims	No. of Claims that Incurred Dollars	Incurred Amount
Suspected/ Compromised of System	10	3	$132,254
Disclosure of Information	3	0	$0
Phishing Email	8	4	$135,085
Ransomware Events	1	1	$10,509
Theft	4	0	$0
Vendor	4	0	$0
Wire Transfer/ Fraudulent Transfer	4	0	$0
Total:	**34**	**8**	**$280,848**

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Conclusion

Based upon our own data and widely reported public information, cyber security and claims will continue to plague many businesses. The complexity and the costs will continue to rise. We continue to expand our expertise in this area and constantly look for additional ways to assist our clients with today's challenges.

Our Cyber Practice Group, including our Cyber Advocates, Laura Kerns and Brad Barron, are ready to help. Please contact us at 1-877-861-3220.

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Claim Advocate & Consulting Leader

Bradford Barron
Partner, Deputy General Counsel
Cyber Claim Advocate & Consultant

Laura Kerns
Claim Consultant
Cyber Claim Advocate & Consultant

* This report does not include the claims managed by our affiliate PERMA, which includes over 100 other cyber claims.

** The Total Incurred will increase as the claims are still developing.

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Description of Incidents

Suspected/ Compromised of System
Includes situations that the system was compromised or suspected, including the discovery of malware; does not include if otherwise identified as ransomware

Disclosure of Information
Information is disclosed through human error

Phishing Email
Involves matters that solely involve a "phishing" email that did not result in ransomware or wire transfer/ fraudulent transfer

Ransomware
Involves an incident in which some aspect of the system or data is encrypted and held for ransom

Theft
Involves stolen equipment etc.

Vendor
Incident occurred on vendor's system

Wire Transfer/ Fraudulent Transfer
Something occurred that resulted in someone sending funds to the wrong place