

Cyber Attack Simulation: We've Been Hacked! Now What?

Financial Executives International- Northeastern WI Chapter

Presented by Gallagher, Godfrey and Kahn and WIPFLI

Presenters



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Insurance | Risk Management | Consulting



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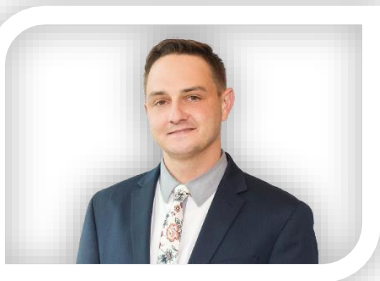
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Jeff Olejnik – WIPFLI – Principal

- Responsible for the leadership, growth, and development of WIPFLI cybersecurity services practice
- <https://www.wipfli.com/about-wipfli/partners-and-associates/olejnik-jeff>

WIPFLI



Justin Webb – Godfrey Kahn – Shareholder

- Chair of Godfrey and Khan privacy & Cybersecurity Practice Group
- [WebbJustin_Bio.pdf \(gklaw.com\)](#)

GODFREY KAHN S.C.



Agenda

- **The Cyber Risk Landscape**

What are the biggest cyber threats you should be aware of?

- **Ransomware in Action**

What does a ransomware attack look like? And how should you respond?

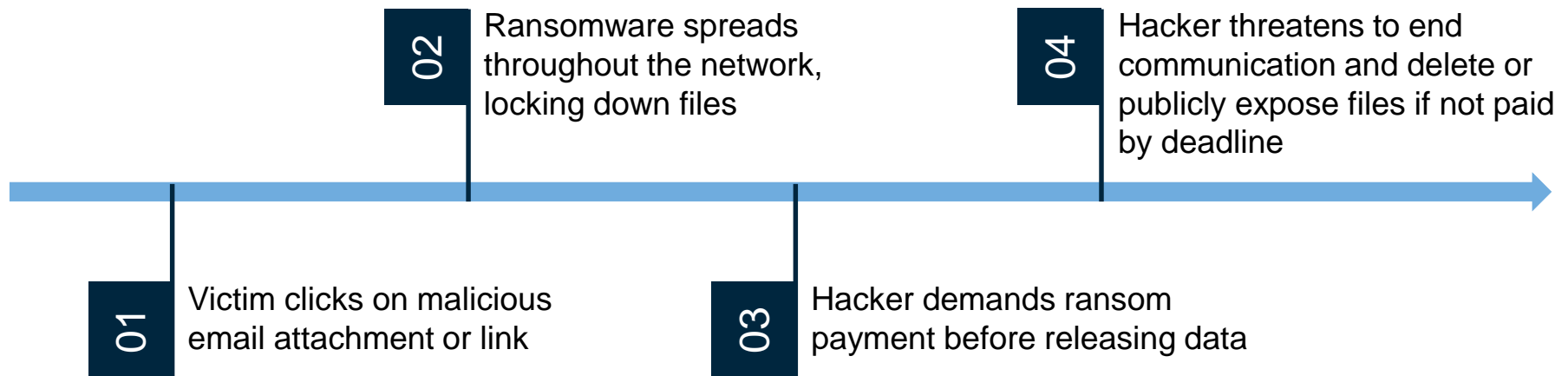
- **Protecting Your Organization**

How can you prevent, mitigate and transfer ransomware risk?

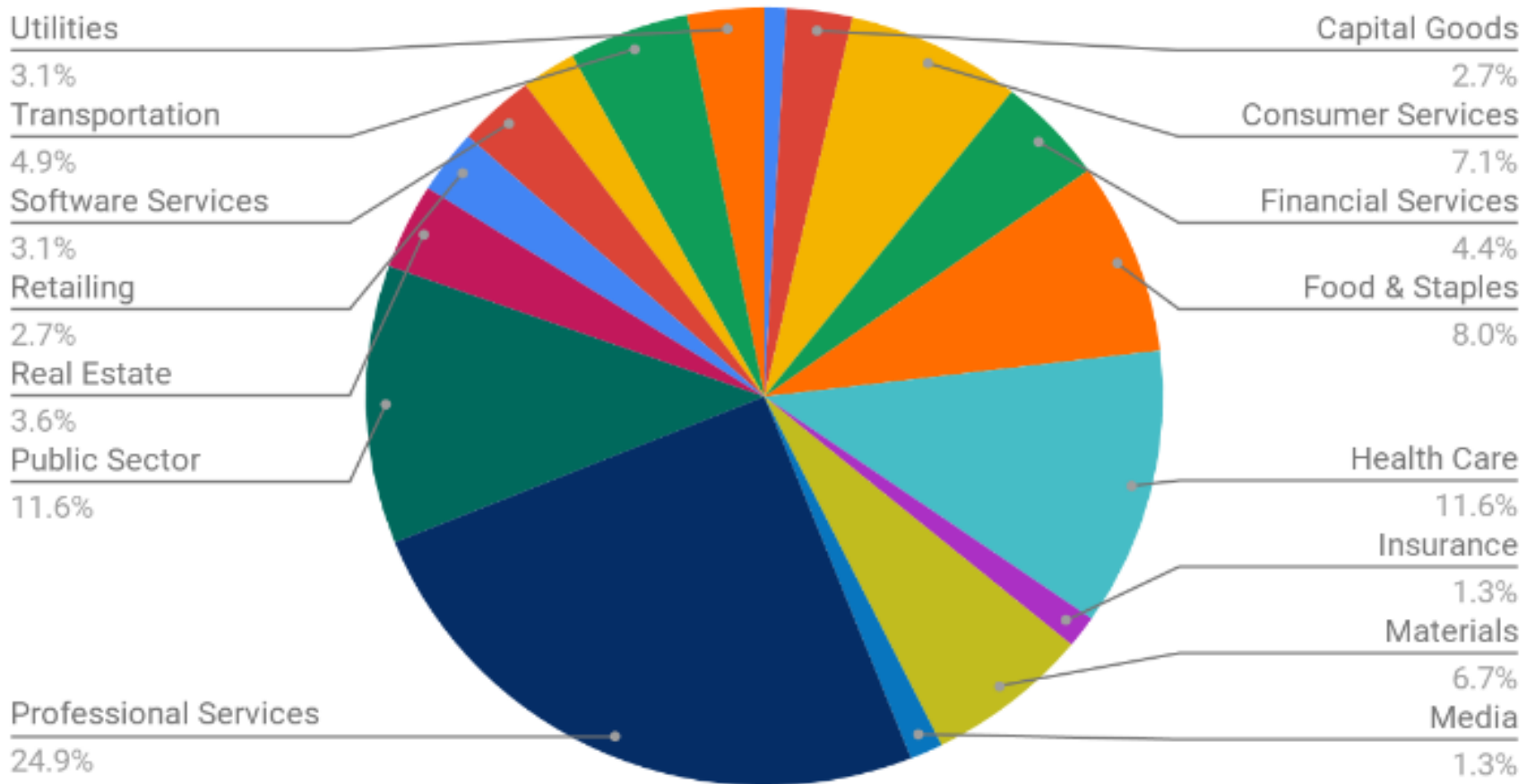


What is Ransomware?

Malicious software that encrypts a victim's data, making it inaccessible until ransom is paid



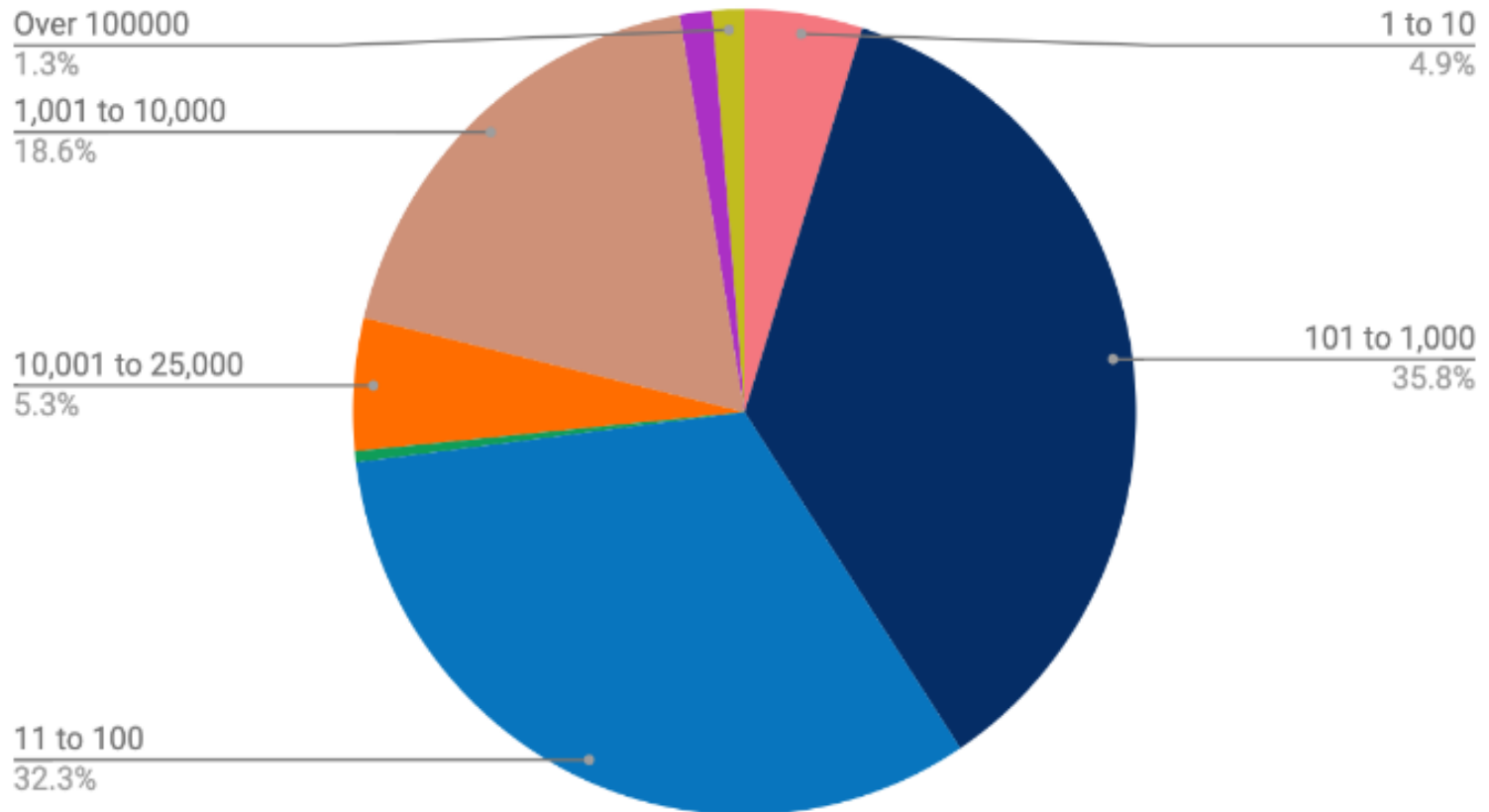
Common Industries Targeted by Ransomware Q1 2021



Common Industries Targeted by Ransomware in Q1 2021



Distribution by Company Size (Employee Count)



Source: Coveware Quarterly Ransomware Report Q1 2021



Ransomware Attack Costs

Costs Are Increasing

- Average ransom payment = **\$220,298** *
- Average downtime = **23 days**
– **Up 10% from Q4 2020** *
- Downtime costs are **5 X to 10 X ransom payments** **
- **77%** of ransomware cases contain threats to publicize data *



* Coveware's Q1 Ransomware Marketplace report 2021

** <https://www.coveware.com/blog/q4-2020-ransomware-marketplace-report>



Victims: Many Questions, No Easy Answers

- What type of ransomware is it?
- To pay or not to pay?
- Who negotiates?
- How do I get Bitcoin?
- How do I know if the hacker is still in my network?
- Do I have any legal obligations?



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Phase 1: You've been hacked. Now what?



The Solution: Managing Key Vendors

1	Privacy Attorney	<ul style="list-style-type: none">• Provide legal guidance (state, federal, international)• Draft notice letters to affected individuals• Act as representative for regulatory inquiries
2	IT Forensics Costs	<ul style="list-style-type: none">• Track the digital footprints of the hacker• Explain exactly what occurred• Coordinate investigation with law enforcement• Coordinate negotiation with hackers and expert negotiators
3	Notification Costs	<ul style="list-style-type: none">• Mailing and printing• Tracking return mail• Operating call centers
4	Credit/Identity Protection Services	<ul style="list-style-type: none">• Credit monitoring (1- or 3-bureau)• ID theft insurance and restoration services• Dark web monitoring
5	Public Relations	<ul style="list-style-type: none">• Media inquiries• Holding statements• Press releases
6	Data Asset Restoration	<ul style="list-style-type: none">• Costs to report or replace website intranet, network, computer system, programs, or data to the same standard it was before the breach event



The Solution: To Pay or Not to Pay



Law enforcement recommends never to pay.

Who are you paying? You may be funding a terrorist.

There are no guarantees.



Average network downtime is 21 days.

96% of companies that pay ransom receive a decryption tool.

Victims who pay ransom recover 92% of their data.

Source: Coveware Quarterly Ransomware Report Q4 2020



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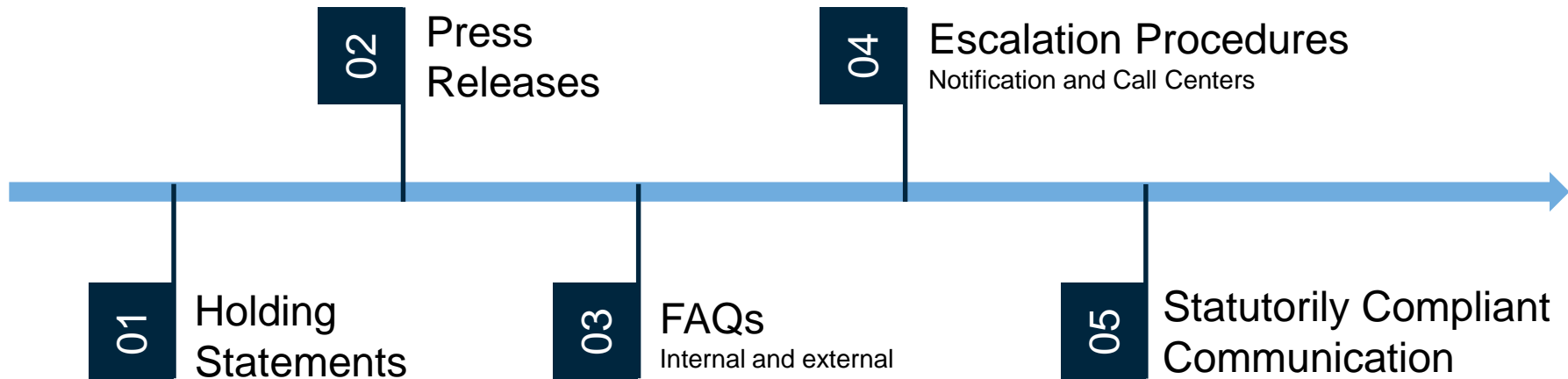
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Phase 3: Who communicates the breach?



The Solution: Communications Breakdown

Balancing the competing interests between your spokesperson and general counsel





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The Solution: Handling Escalation

Review statutory requirements

Manage regulators vs. individuals

Keep it consistent

1

2

3



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Protecting Your Organization



Prevention

- Invest in the latest technology (i.e. antivirus software, encryption, real-time intrusion detection systems)
- Back up data regularly and segregate from primary data set
- Implement multi-factor authentication and formal password protection program
- Configure data access limitation control
- Enforce mandatory employee training at all levels



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Mitigation

- Have an incident response plan
- Conduct table top exercises



Cyber Risk Transfer: Cyber Insurance



Crisis Management Costs

Attorneys, IT forensics, credit monitoring, mailing and call centers, public relations



Extortion Costs

Immediate access to Bitcoin and trained negotiators



Business Interruption

Lost income due to downtime



Data Asset Restoration

Restoring data that is damaged or destroyed



Third Party Liability

Coverage for lawsuits from regulators, business partners, and affected individuals



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Questions



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Thank you!



<https://www.youtube.com/watch?v=3XoTwOY0Kqc>

[Gallagher | Our Purpose - YouTube](#)

[Wipfli: From curiosity to clarity to results. \(60s\) - YouTube](#)