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Digital and Cyber Risk: Beyond 2020

Proudly sponsored by:  **Marsh**

5 August 2021

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Cyber: State of the insurance market

FinTechNZ & DINZ - Digital and Cyber Risk: Beyond 2020

Introduction



Jono Soo

Head of Cyber Specialty

Marsh New Zealand

Agenda

Tech Landscape

1

2

3

Going Forward

Market Update

Tech Landscape

The background features a gradient from dark blue on the left to teal on the right. A diagonal line separates a dark blue triangular area in the bottom-left from a light blue area in the bottom-right.

Tech Landscape

Continued change in 2021

Increased and institutionalised **remote working**.

Accelerated migration to **cloud infrastructure** and applications.

Growth in functionality and use of **online collaborative tools**.

Explosive rise in **e-commerce**.

New cyber-attack surfaces due to **increased technology adoption**.

Across the board acceleration in connectivity and **digital transformation**.

Ransomware is King

Bad actors are 'following the money'

70% Ransomware Attacks Cause Data Exfiltration; Phishing Top Entry Point

Kaseya ransomware attack: 1,500 companies affected, company confirms

NEW ZEALAND | Crime

Waikato DHB cyber attack 'biggest in New Zealand history'

21 May, 2021 05:37 PM

🕒 3 minutes to read

Source:

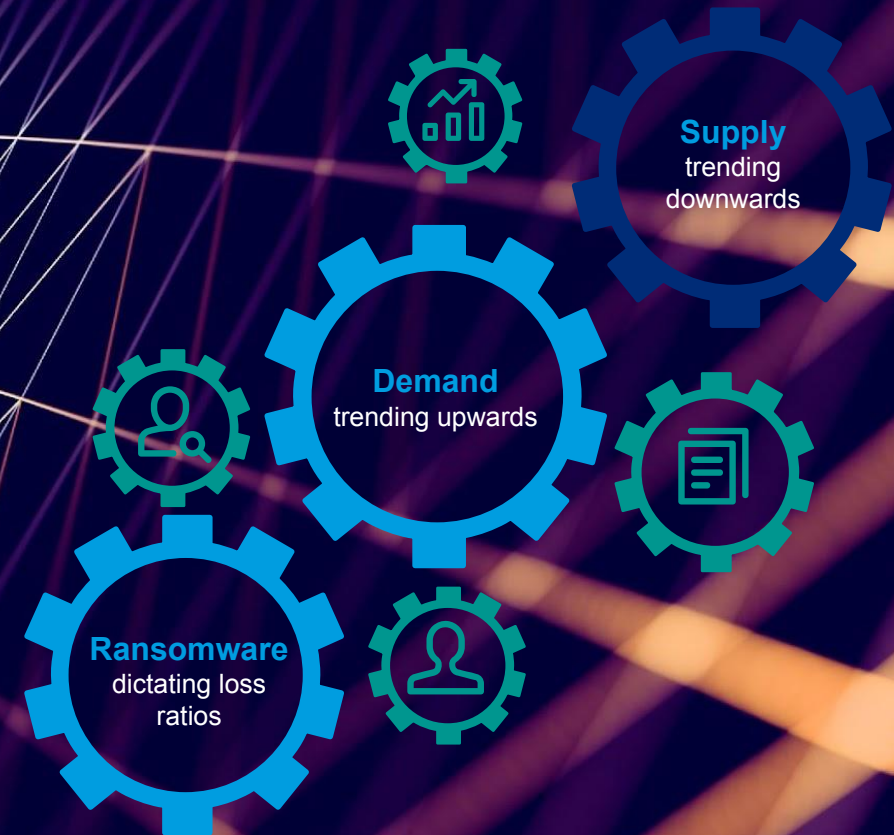
<https://www.businessinsurance.com/article/20210305/STORY/912340256/Ransomware-attacks-up-by-150-in-2020>
<https://arstechnica.com/gadgets/2021/03/tens-of-thousands-of-us-organizations-hit-in-ongoing-microsoft-exchange-hack/>
Waikato DHB cyber attack 'biggest in New Zealand history' - NZ Herald

Cyber Insurance Market Update

2021 Market Update

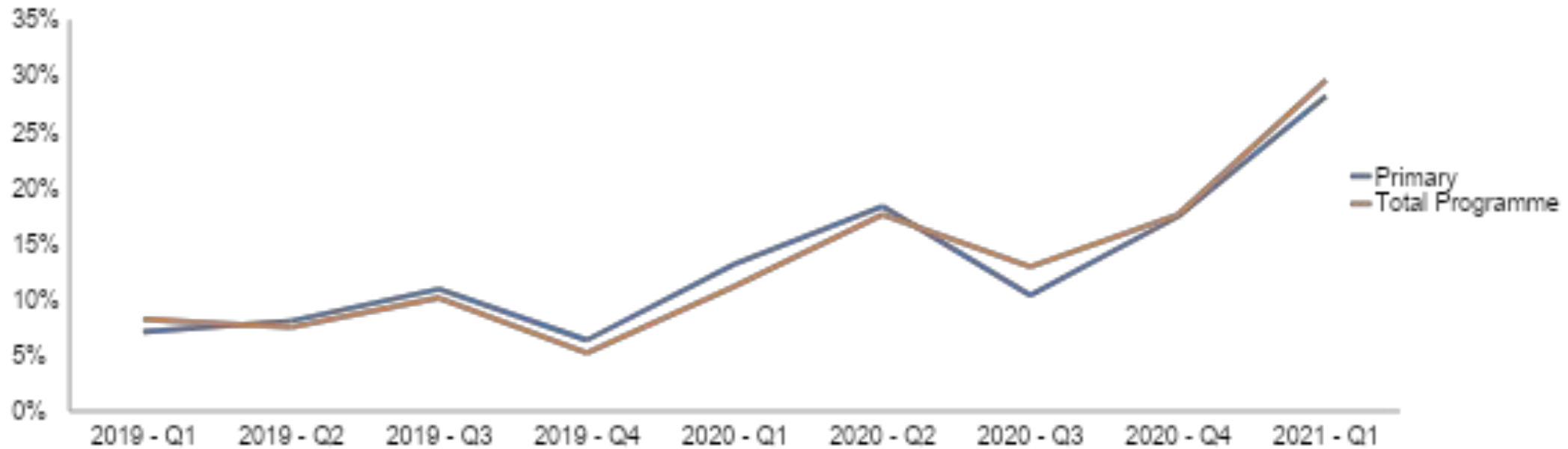
Highlights H1 2021

- **Demand** is up, **Supply** is very much down
- **Frequency and severity of ransomware claims** continue to dictate loss ratios and premium.
- Continued implementation of **capacity management** plans by insurers.



On the Up

Cyber Insurance Price Change (Percentage)



	Q1-2019	Q2-2019	Q3-2019	Q4-2019	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Q1-2021
Total Price Change	8%	8%	10%	5%	11%	18%	13%	18%	30%
Primary Price Change	7%	8%	11%	6%	13%	18%	10%	17%	28%

Source: Marsh UK data.

Going Forward

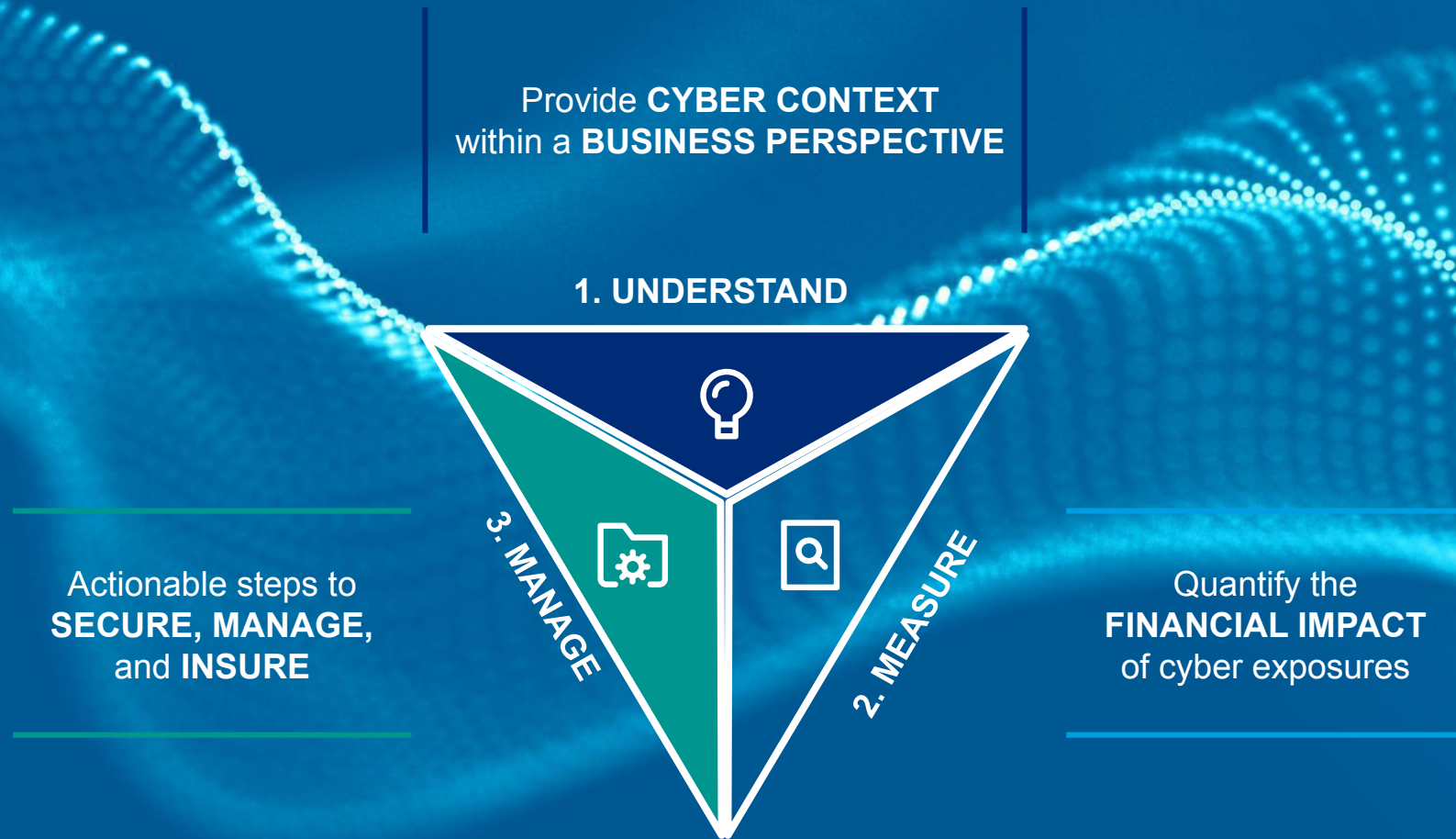
The background features a dark teal gradient at the top, transitioning into a dark blue triangular shape on the left side. A diagonal line separates this from a light blue area at the bottom right. A soft, out-of-focus light green circular shape is visible on the right side of the image.

Expectations for Q3-Q4 2021



Marsh Specialty's approach to Cyber Risk

What we do in a challenging market



Signs of Hope

Turning the Tides

INSIDER NEWS ANALYSIS

Australia moving closer to mandatory ransomware disclosure

Ukraine arrests ransomware gang in global cyber criminal crackdown

PowerPost • Analysis

The Cybersecurity 202: The Biden administration is stepping up the fight against ransomware



Thank You

A business of Marsh McLennan



INPHYSEC

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Cyber risks and responses
Jonathon Berry, Consulting Partner

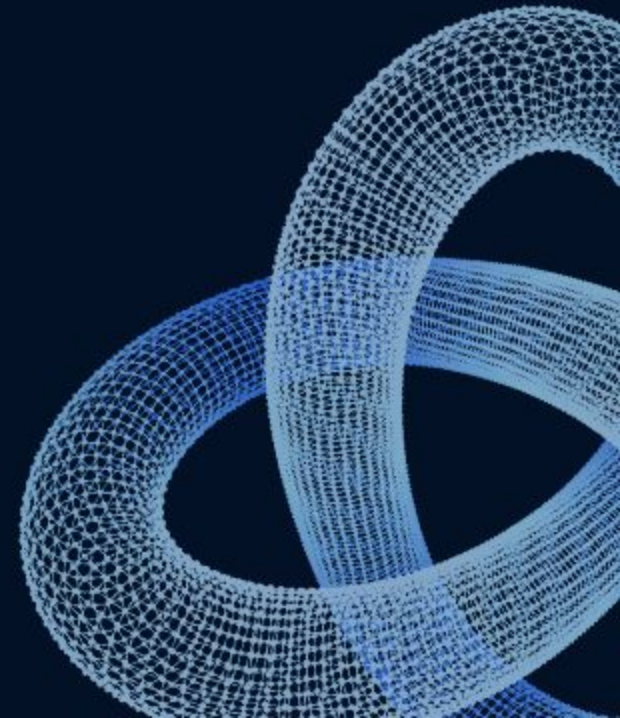


INPHYSEC

Threat actors and methods

- Cyber criminals
- Everyone else

- Ransom motivated attacks
 - Cryptoware
 - DoS
 - Hostage data
- Open ports and vulnerabilities
- All other malware present on the Internet





INPHYSEC

Fundamentals

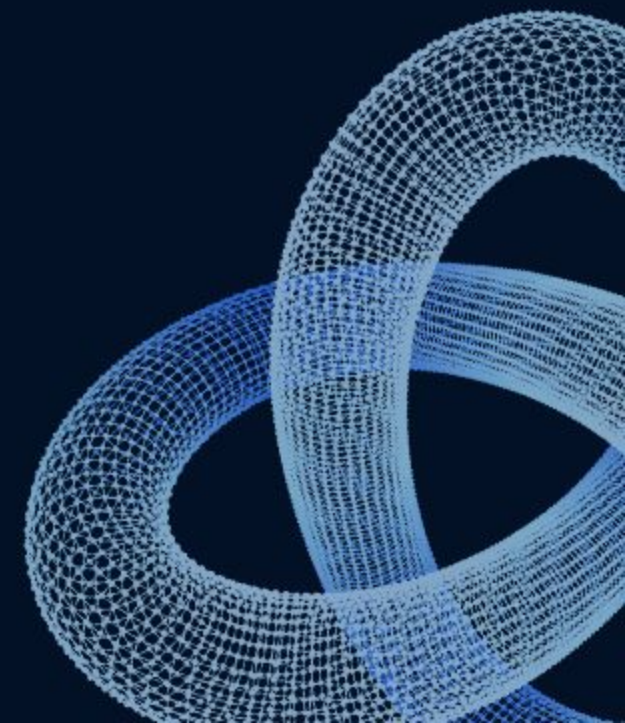
- Information valuation
 - Confidentiality
 - Integrity
 - Availability
- Staff awareness
- Data flows & 'security container'
- Access control
- Network hygiene
- Validation of controls
- Incident management
- Supply chain / service providers



Don't forget physical security or personnel security

- DC security
- Server rooms
- Mobile devices
- Hard copy

- Recruitment processes
- Confidentiality agreements



NZ CERT :: 11 Top tips

certnz



INPHYSEC

Back up your data



Using an external hard drive or a cloud-based service, copy your data to another separate location so you can retrieve it if necessary.

Keep your operating system up to date



Updates often fix vulnerabilities that attackers can find and use to access your system. It's an effective way to help keep them out.

Install antivirus software



Free online antivirus software can be fake. Purchase antivirus software from a reputable company and run it regularly.

Choose unique passwords



Create unique passwords for each account – that way if an attacker gets hold of one of your passwords, they can't get access to all of your other accounts.

Set up two-factor authentication (2FA)



Choose to get a code sent to another device like your phone when logging in online – it helps stop hackers getting into your accounts.

Use creative recovery answers



Common security answers like your pets name or your school can be easy for an attacker to find out. Choose novel answers that aren't necessarily real.

Be cautious of free WiFi networks



Be careful using free Wifi and hot spots – they are untrusted networks so others could see what you are doing.

Be smart with social media



What you post on social media can give cyber criminals information that they can use against you. Set your privacy so only friends and family can see your details.

Don't give out personal info



Legitimate-looking emails are very clever at trying to trick us into giving away personal or financial information. Stop and check if you know who the email is from.

Check bank statements regularly



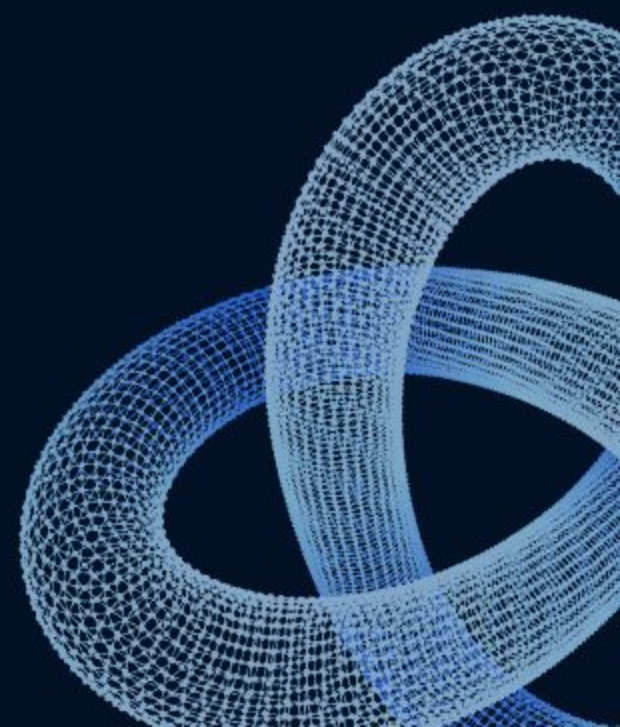
Keeping an eye on your bank statements could be the first tip-off that someone has accessed your accounts. Ring your bank immediately if you see something suspicious.

Get a regular credit check



An annual credit check will alert you if someone else is using your details to get loans or credit.

To report a cyber security problem, visit www.cert.govt.nz



Questions?



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No compromises.**



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How the pandemic has increased reliance on digital identities

Paul Platen,
Public Key Infrastructure and Identity
Management Principal Consultant

SSS
IT SECURITY
SPECIALISTS

THE WORLD AS WE KNOW IT HAS FUNDAMENTALLY CHANGED...



Top Global Risks by Likelihood



THE PERFECT STORM



- Most forms of corporate attack now involves some form of cyber security failure, from phishing scams to synthetic ID fraud

A growing digital footprint requires better cyber security

- The failure to understand that simple premise is what's behind the eruption of data theft, systemic compromise and fraud.



Re-Think our approach to cyber security

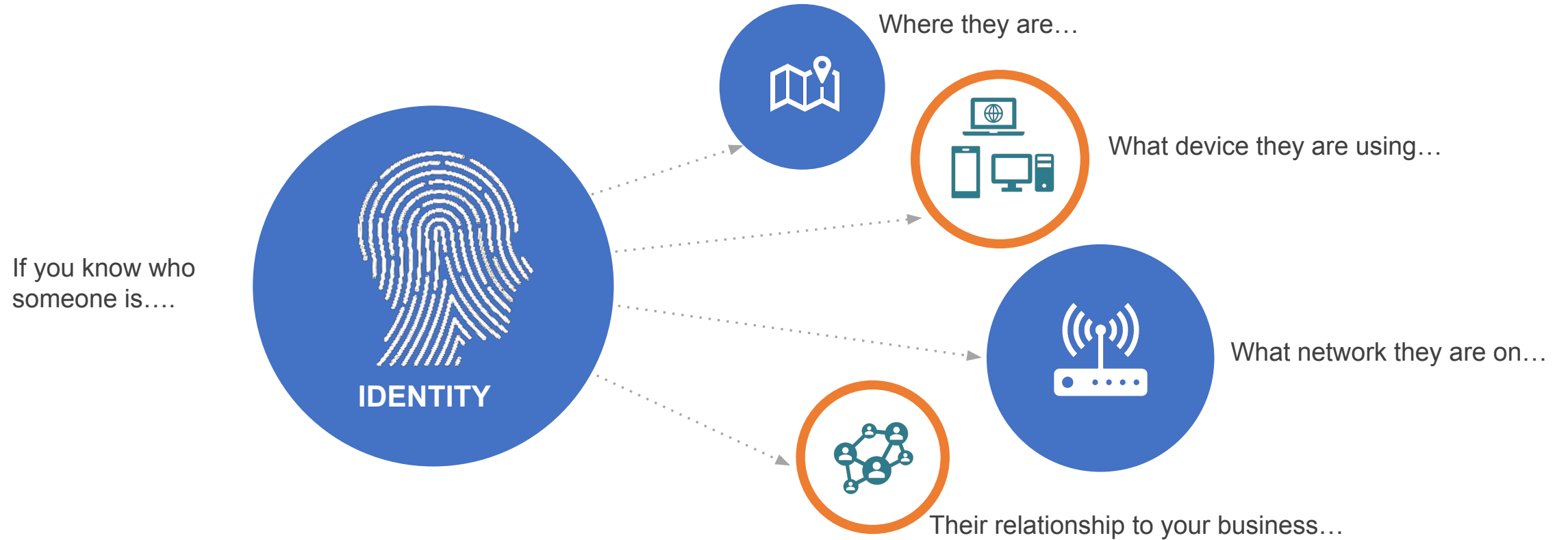
- The answer to problems is **NOT** more technology

2021

THE YEAR OF DIGITAL IDENTITY



Identity is at the heart...of your CX/UX/EX/TX



And how this changes, they can have a

- PRODUCTIVE
- PERSONALISED
- FRICTIONLESS
- SECURE

EXPERIENCE

COVID impact on digital transactions...



COVID-19 Accelerating Digital Banking Adoptions

Bank of America Corp.

23% of first-time digital users during April were seniors or boomers.

BAC

South State Corp.

65% increase in mobile deposits, 90% more digital deposits during March 2020 than March 2019.

SSB

F.N.B. Corp.

40% increase in mobile deposits in last two weeks of March compared to year-ago period.

FNB

M&T Bank Corp.

Digital banking enrollment up 40% from 60 days prior to pandemic.

MTB

South State Corp.

Logins to digital and mobile platforms since mid-March up 25% compared to last year, while branch transactions are down 20% for same period.

CFG

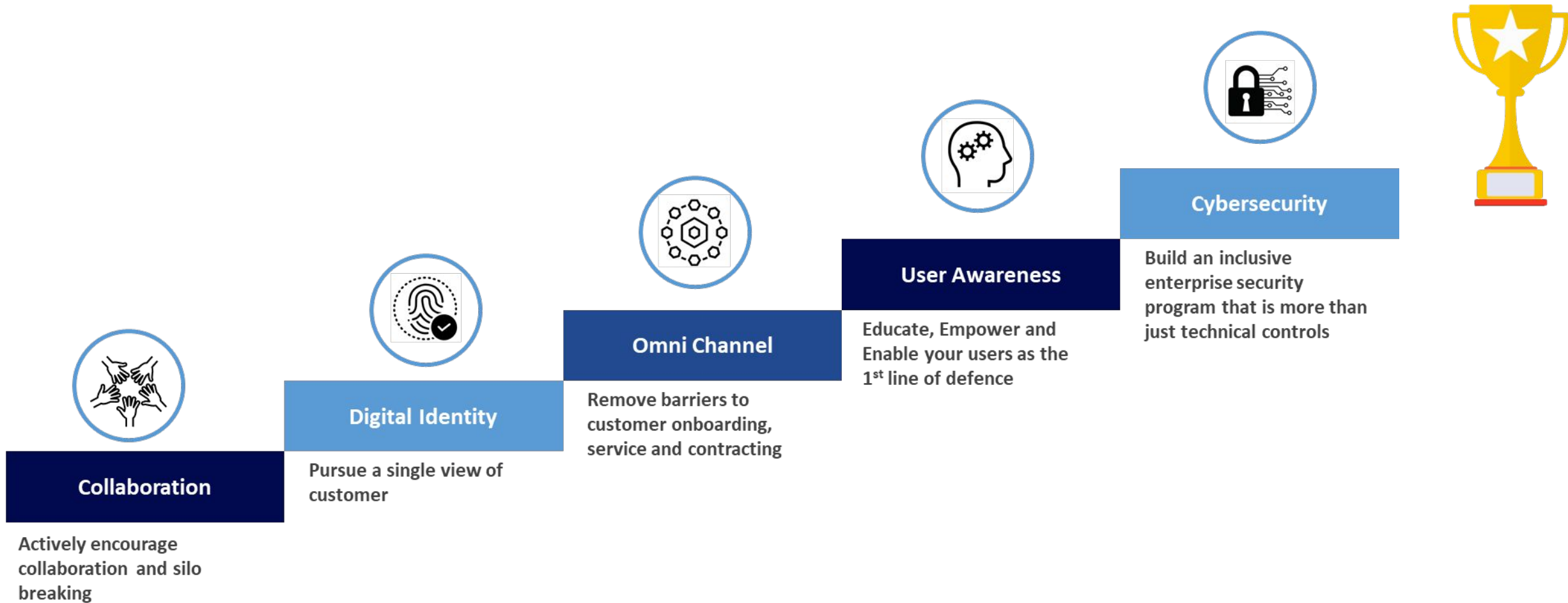
F.N.B. Corp.

Mobile deposits up more than 25% compared to pre-COVID.

KEY

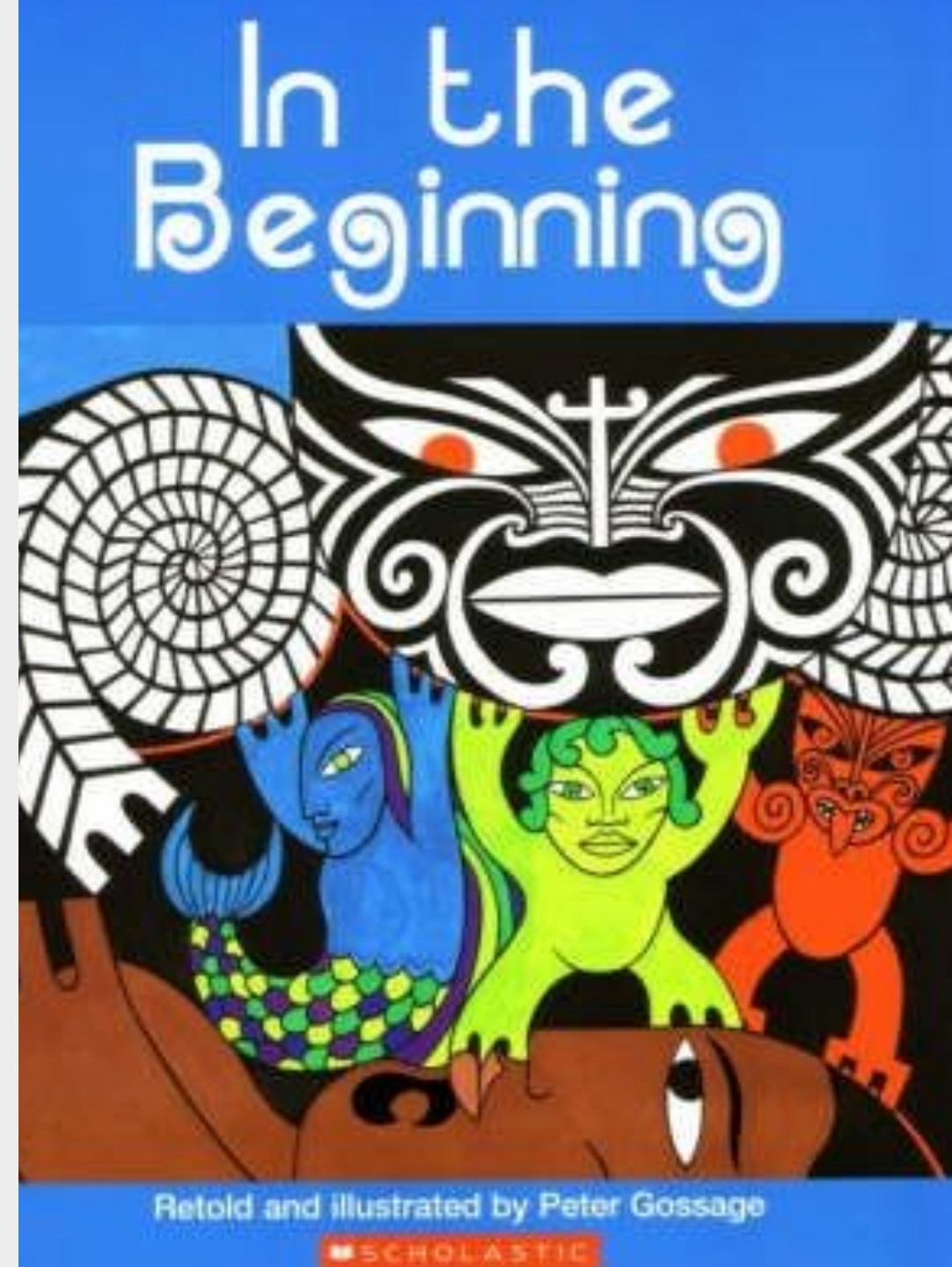
Source: S&P Global Market Intelligence¹⁰

So....the FUTURE?



THANK YOU


- He pai te tirohanga ki ngā mahara mō ngā rā pahemo engari ka puta te māramatanga i runga i te titiro whakamua.
- It's fine to have recollections of the past, but wisdom comes from being able to prepare opportunities for the future.





Digital and Cyber Risk Beyond 2020





the world is entering a global, cybersecurity
crisis

A black and white photograph showing a pair of hands holding a smartphone. The hands are positioned as if interacting with the device. The background is blurred, suggesting an indoor setting. Overlaid on the image is the text "and the people will pay the price" in a white, sans-serif font.

and the people will pay the price

So what's the problem?

43% of all breaches result from **exploited web application vulnerabilities**
according to the Verizon Data Breach Investigations Report

6 of 10 organizations have unpatched vulnerabilities more than **2 years old**

Gartner continues to conclude that **90% of breaches** will continue to occur through issues organizations **know about** but have **not yet addressed**

McKinsey Research states we've done **10 years** worth of **Digital Transformation**
in the last **12 months...**



Web-Apps (+APIs) are EVERYWHERE

Digital Transformation (DX)

is pushing the Enterprise's CORE apps to the Cloud

IoT
is putting WebApps and APIs
in EVERYTHING

Mobile Apps

run our lives, and business,
all with Web and API
back-ends.

5G
core comms are now over
web protocols.





“

...More human interactivity now happens at the digital layer, than the human layer.”

Central Intelligence Agency Director, John O. Brennan

But...

New Zealand Defence Force

Total budget for 2019/20
\$4,291,152,000
Percent of GDP 1.1%

NZ CERT

2016: set up a new national
CERT
\$22,152,000
For first 4 years...



Beyond...

- Victims are just that.**
- We need to take the protection of the digital realm seriously.**
- This is an issue for business, Government and all NZers.**
- Cyber-Physical convergence is way more impactful.**





Andy Prow, Founder, RedShield

<https://linkedin.com/in/andyprow>





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