

WESCCON

October 22 - 23, 2020



Looking to the Future of Trade in a Virtual World

TransPacific Ocean Carrier and Freight Trends for importers and exporters

Cyber Risk: Don't Become a Statistic!

Presented by: Keith Sanchez, Partner/DVP Avalon Risk Management

TODAY'S PRESENTATION

TOPICS WE WILL COVER

- What's it going to be today?
- Just the facts ma'am
- The Cost of Cyber Risk
- Effect on transportation & logistics industries
- Risk Mitigation

CYBER RISK

What's it going to be today?

- Phone call from Agent Lee from the Social Security Dept?
- Text Pay Pal for activity of your account?
- Email from Amazon on undeliverable order?
- Dell service call to remote in to fix your Antivirus software?
- Or just the good old hack?

CYBER RISK

Just for facts ma'am Statistics Since COVID-19 Began

- There are between 20,000 and 30,000 COVID themed cyber attacks per day.*
- 71% of IT & Security Professionals have seen an increase in security threats or attacks since the start of COVID-19.
- Phishing is up 600% and online threats are 6x higher than normal.
- As my IT guy put it ... The attack factor has changed

Sources: *Microsoft, **Check Point & Dimensional Research ***PGH Networks

CYBER RISK

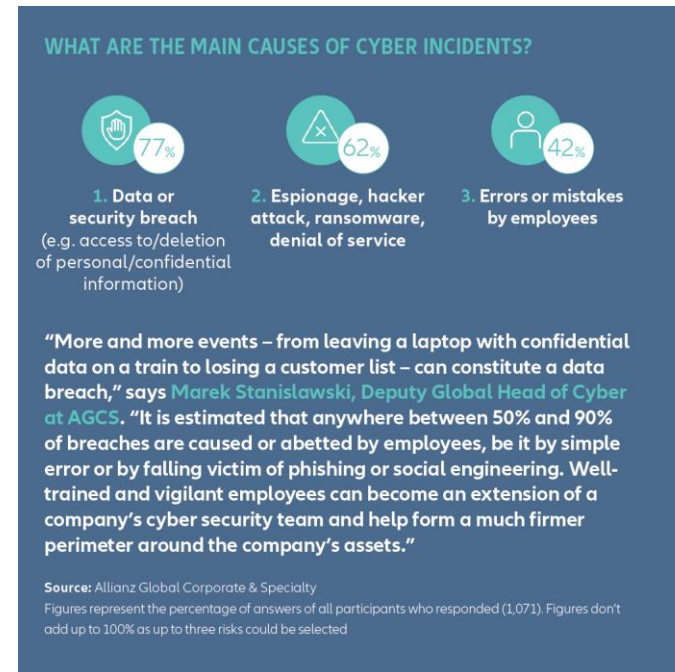
Different Types of Cyber Risk

- Data Breach
 - Identify Theft
 - Fraudulent Activities
- Ransomware (Cyber Extortion)
- Denial of Service Attacks
- Malicious Code/Virus Transmission

CYBER RISK

Top Global Business Risks in 2020

- Cyber Crime
- IT Failures
- Data Breach
- Fines & Penalties



Source: Allianz Risk Barometer 2020

THE COST OF CYBER RISK

- According to the Insurance Journal, cyber risk now costs the global economy \$445 billion each year.
- \$108 billion of those dollars comes from U.S. company losses.
 - The Hall of Fame:
 - Capital One - 100 million
 - Marriott - 300 million (twice)
 - Equifax – 140 million

THE COST OF CYBER RISK

The Ponemon Institute estimates:

- Avg. breach life cycle is 279 days
- Avg. cost Worldwide is \$3.9 million
- Avg. cost in U.S. is \$8.9 million
- Avg. size of a data breach is 25,575 records
- Avg. cost per single lost or stolen record cost **\$150.**

Do the Math:

A small business with 3,200 customer records at \$150 is **\$480,000** in expenses. **How many records do you hold?**

THE COST OF CYBER RISK

What are the expenses:

- Cost of lawsuits from clients or other vendors
- Cost for Customer notification, Customer support and credit monitoring
- Cost of restoring, replacing and updating business assets
- Business Interruption and extra expense
- Liability for libel, slander, copyright infringement
- Cyber extortion and Cyber Terrorism
- Cost for IT forensics
- Cost for fines and penalties from government agencies

Do you really think you can cover all this alone????

CYBER THEFT IN TRANSPORTATION AND LOGISTICS INDUSTRIES

FRANK AND ERNEST

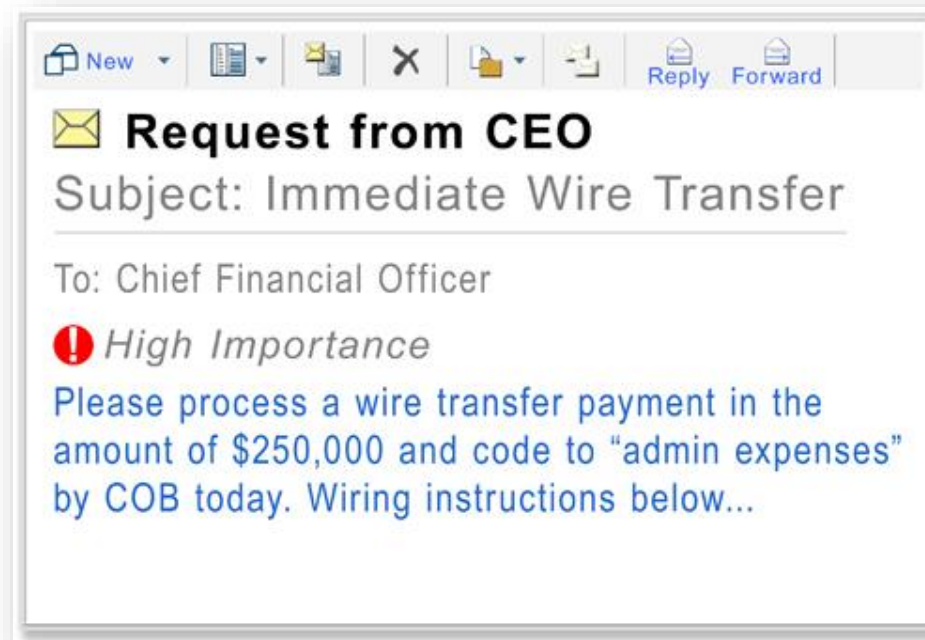
TOM THAVES



INDUSTRY CYBER RISKS

Fraud

Phishing scam/Business Email Compromise (BEC) scams.
Dwelling



INDUSTRY CYBER RISKS

Identity Theft & Carrier Qualifications

Thieves pretend to represent a legitimate cargo carrier.

- Documentation can be forged.
- This can lead to fictitious pickups – they know the commodity and pick up times
- They pick up the load before you get there

INDUSTRY CYBER RISKS

Fictitious Invoices

- Hackers infiltrate your system and send out fictitious invoices with your logos with different wiring instructions or payable instruction
- Your client's payable department misses it
- Your client pays the \$250,000
- **THE MONEY IS GONE!!**

INDUSTRY CYBER RISKS

Ransom

CMA CGM

- Hit with a ransomware attack on September 28th
- Hacker's message to them: "If you are reading this, it's mean your data was encrypted and your sensitive private information was stolen! Read carefully the whole instruction notes to avoid difficulties with your data... There is ONLY ONE possible way to get back your files — contact us via LIVE CHAT and pay for the special DECRYPTION KEY! For your GUARANTEE we will decrypt 2 of your files FOR FREE to show that it works."
- Cyber attack impacted their peripheral servers
- They now suspect a data breach and are investigating
- As of 10/7, they advised that their back offices and agency network are almost fully reconnected. All communication to and from the CMA CGM Group are secure including emails, attachments and EDI.
- 10/22, FMC grant temporary Relief

MAERSK NIGHTMARE

- Wanna Cry, Petya or Not Petya virus
- \$300 million
 - Rotterdam, New York and Buenos Aires
 - APM Terminals
 - “The WannaCry ransomware managed to spread to more than 150 countries in less than a day, using a computer exploit discovered by the NSA and leaked by a suspected Russian hacking group called The Shadow Brokers to bounce from machine to machine. When it was installed on a computer, it proceeded to encrypt the hard drive, stopping it from being used and preventing the recovery of any data. “
 - theguardian.com

RISK MITIGATION



RISK MITIGATION

More than ever companies need to protect themselves against the threat of cyber security. Some suggestions to help safeguard your systems

- Preparation and Training
- Hire a 3rd party or insurance company program
- Employee awareness, education & Anti-phishing campaigns
- Create a cyber security strategy
- System monitoring and audits
- Manage user privileges
- Install malware and anti-virus software – update frequently
- Monitor removable data
- Control devices and remote access
- Vet carriers and other third parties
- Add Cyber Security requirements to your contracts
- Get a 3rd party to help
- Get the right insurance in place

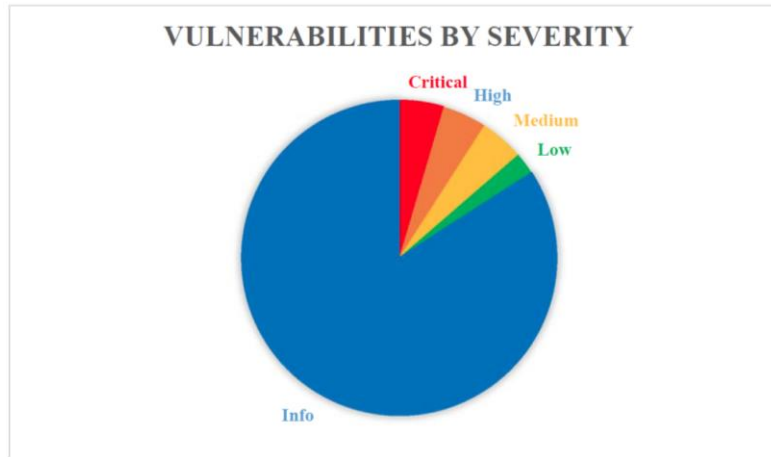
RISK MITIGATION

Vulnerability Scan

- Avalon uses Nessus Cloud software
- Report shows summary report of vulnerabilities detected and their perceived severity
- Provides a brief analysis on the security of your public facing networks.
- Provides a detailed report to network specialists for review

RISK MITIGATION

Critical	High	Medium	Low	Info	Total
2	2	2	1	37	44



DETAILS

www.hackthissite.org

Summary

Critical	High	Medium	Low	Info	Total
0	0	6	1	37	44

Details

Severity	Plugin Id	Name
Medium (5.0)	57640	Web Application Information Disclosure
Medium (4.3)	10815	Web Server Generic XSS
Medium (4.3)	49067	CGI Generic HTML Injections (quick test)
Medium (4.3)	51972	CGI Generic XSS (Parameters Names)
Medium (4.3)	58751	SSL/TLS Protocol Initialization Vector Implementation Information Disclosure Vulnerability (BEAST)
Medium (4.3)	85582	Web Application Potentially Vulnerable to Clickjacking
Low (2.9)	26194	Web Server Transmits Cleartext Credentials
Info	10107	HTTP Server Type and Version
Info	10267	SSH Server Type and Version Information
Info	10287	Traceroute Information
Info	10302	Web Server robots.txt Information Disclosure
Info	10662	Web mirroring
Info	10863	SSL Certificate Information
Info	11032	Web Server Directory Enumeration
Info	11219	Nessus SYN scanner
Info	11936	OS Identification
Info	12053	Host Fully Qualified Domain Name (FQDN) Resolution
Info	15779	phpBB Detection
Info	16506	Nessus Scan Information
Info	21643	SSL Cipher Suites Supported
Info	22694	Service Detection
Info	24280	HyperText Transfer Protocol (HTTP) Information
Info	25220	TCP/IP Timestamps Supported
Info	33817	CGI Generic Tests Load Estimation (all tests)
Info	39470	CGI Generic Tests Timeout
Info	39520	Backported Security Patch Detection (SSH)

4

RISK MITIGATION

So where are you going to get hit from:

- The Hackers
- Your Employees
- Your Vendors
- Your Clients
- Your State - CA & MA are the first and worst
- Other Counties – GDPR
- U.S. Treasury – 10/1/20 paying ransom
- CBP – 111 or CTPAT - requirements

THE ROLE OF INSURANCE

If you are unsure of your cyber security preparedness, ask yourself these questions:

- What would you do if your customer data was compromised?
- Many states require companies to notify their customers in the event of a security breach. How much would you be forced to pay in notification expenses?
- What if your customers or vendors initiated a lawsuit against you?
- Can you afford it and manage it alone?
- It's budget time. Is it in your budget?

**THANK
YOU!**



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