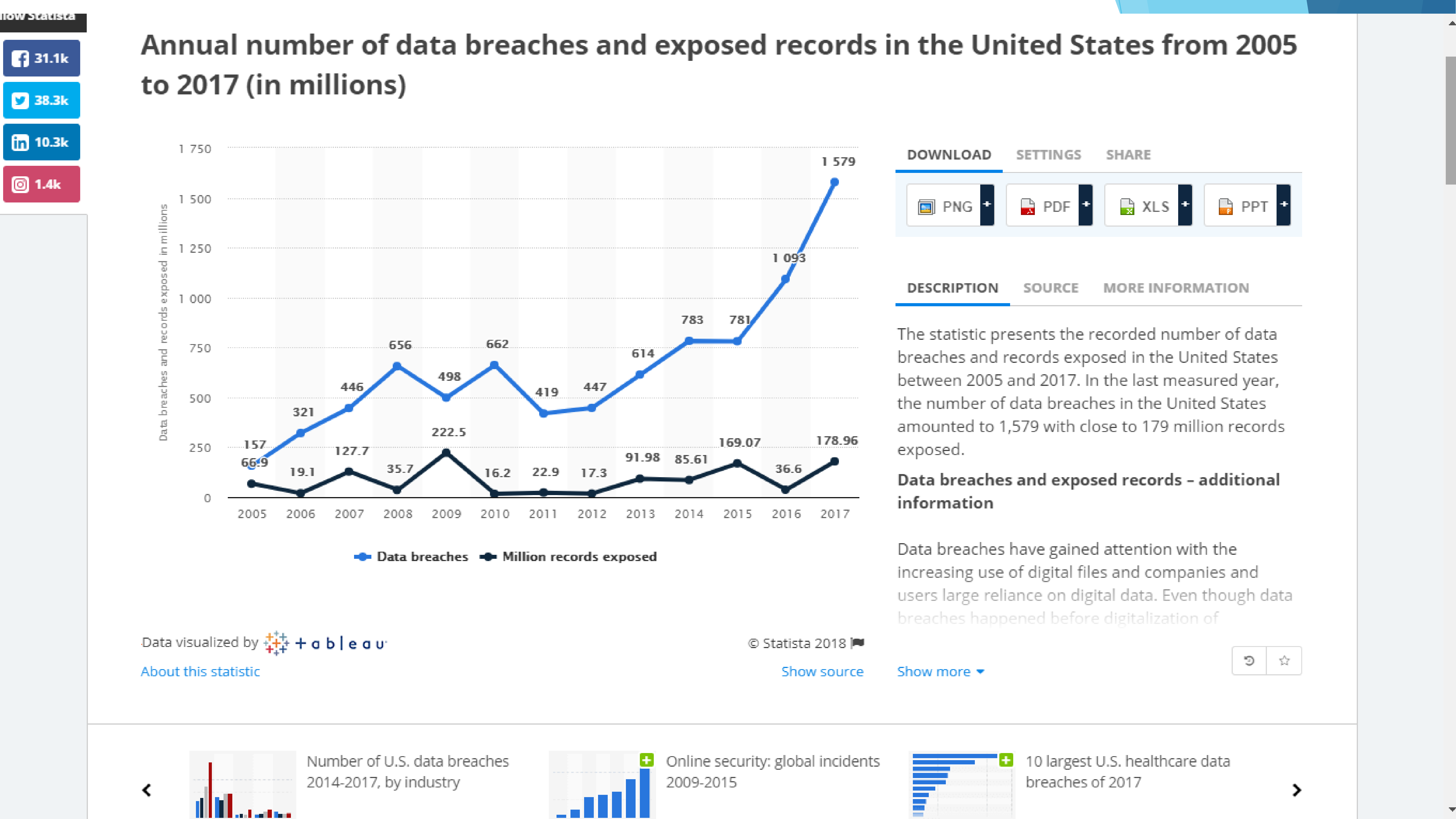
# Houston – We Have A Problem

## My Real-Life Experience Dealing With A Data Breach

AMERICAN FRATERNAL ALLIANCE

Executive Summit – Washington, DC
April 25, 2018

Catholic United Financial
Every step, every journey, we're there for life



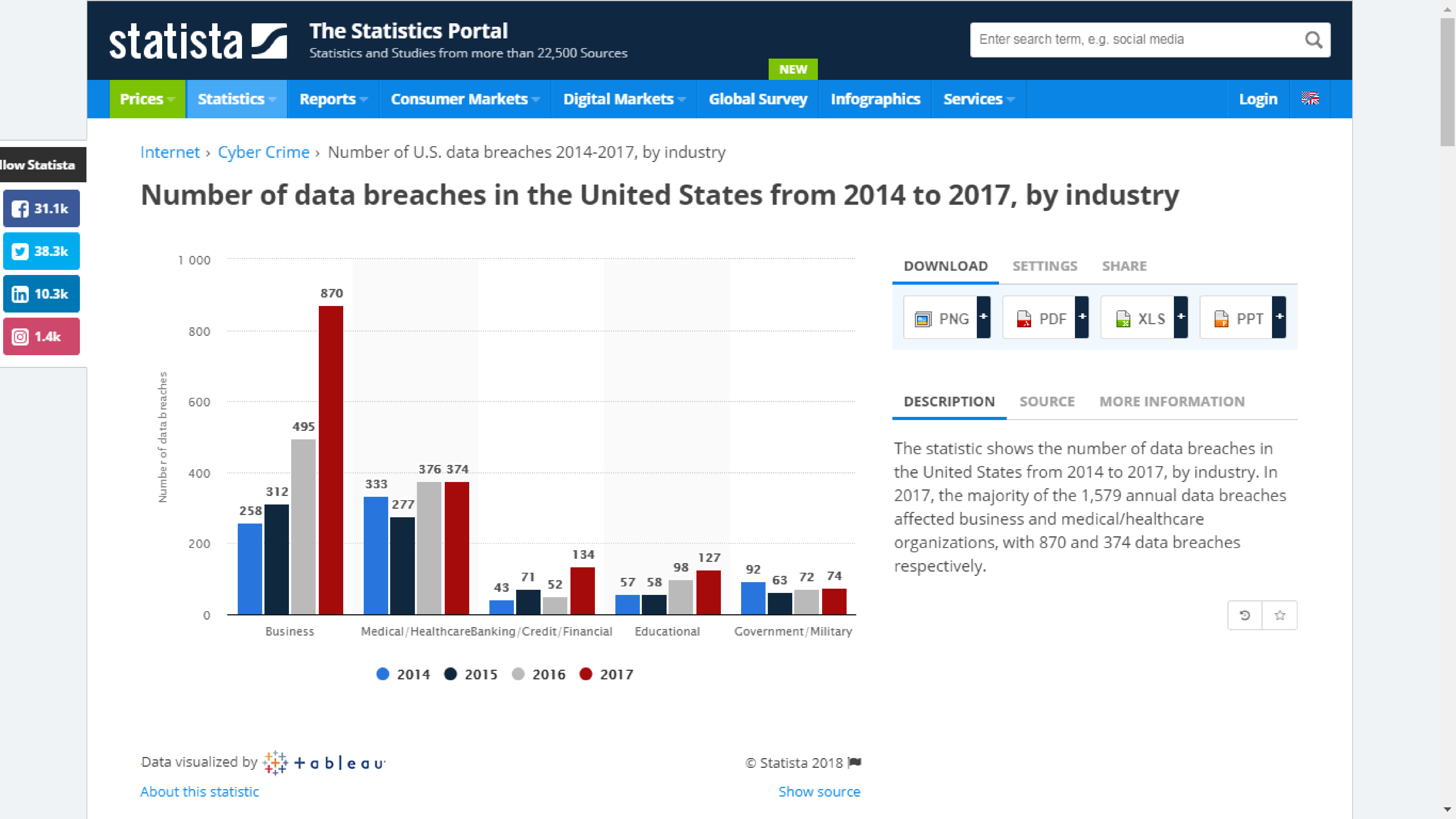
# Annual number of data breaches and exposed records in the United States from 2005 to 2017 (in millions)

The statistic presents the recorded number of data breaches and records exposed in the United States between 2005 and 2017. In the last measured year, the number of data breaches in the United States amounted to 1,579 with close to 179 million records exposed.

**Data breaches and exposed records – additional information**

Data breaches have gained attention with the increasing use of digital files and companies and users large reliance on digital data. Even though data breaches happened before digitalization of

About this statistic
Show source
Show more
Number of U.S. data breaches 2014-2017, by industry
Online security: global incidents 2009-2015
10 largest U.S. healthcare data breaches of 2017



Internet › Cyber Crime › Number of U.S. data breaches 2014-2017, by industry

# Number of data breaches in the United States from 2014 to 2017, by industry

The statistic shows the number of data breaches in the United States from 2014 to 2017, by industry. In 2017, the majority of the 1,579 annual data breaches affected business and medical/healthcare organizations, with 870 and 374 data breaches respectively.

Data visualized by tableau

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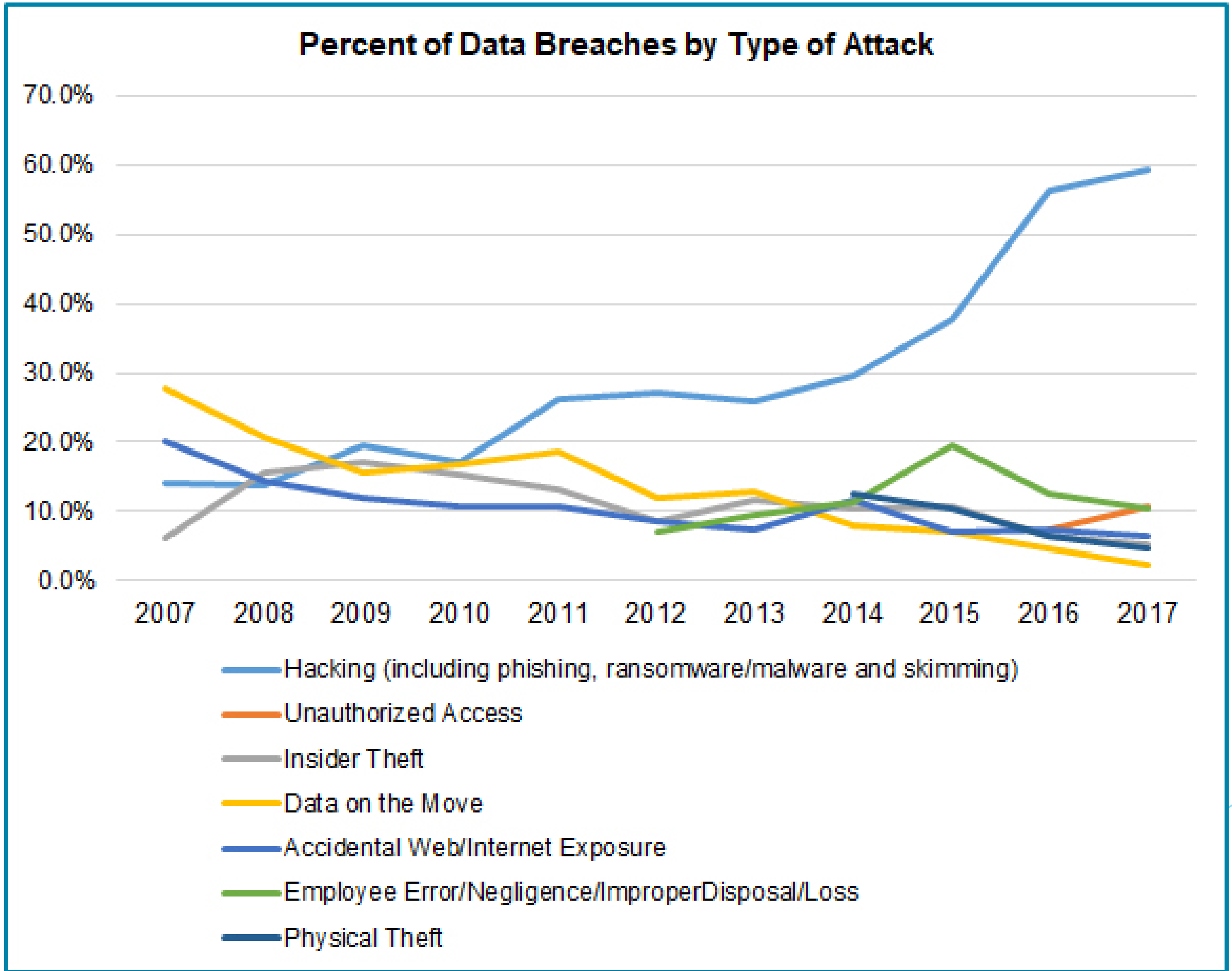
About this statistic

Show source

# “Hacking” – The Preferred Choice



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# The “Incident”

- What happened?
- When did it happen?
- How did it happen?
- Why did it happen?
- Who is affected?
- Who did it?

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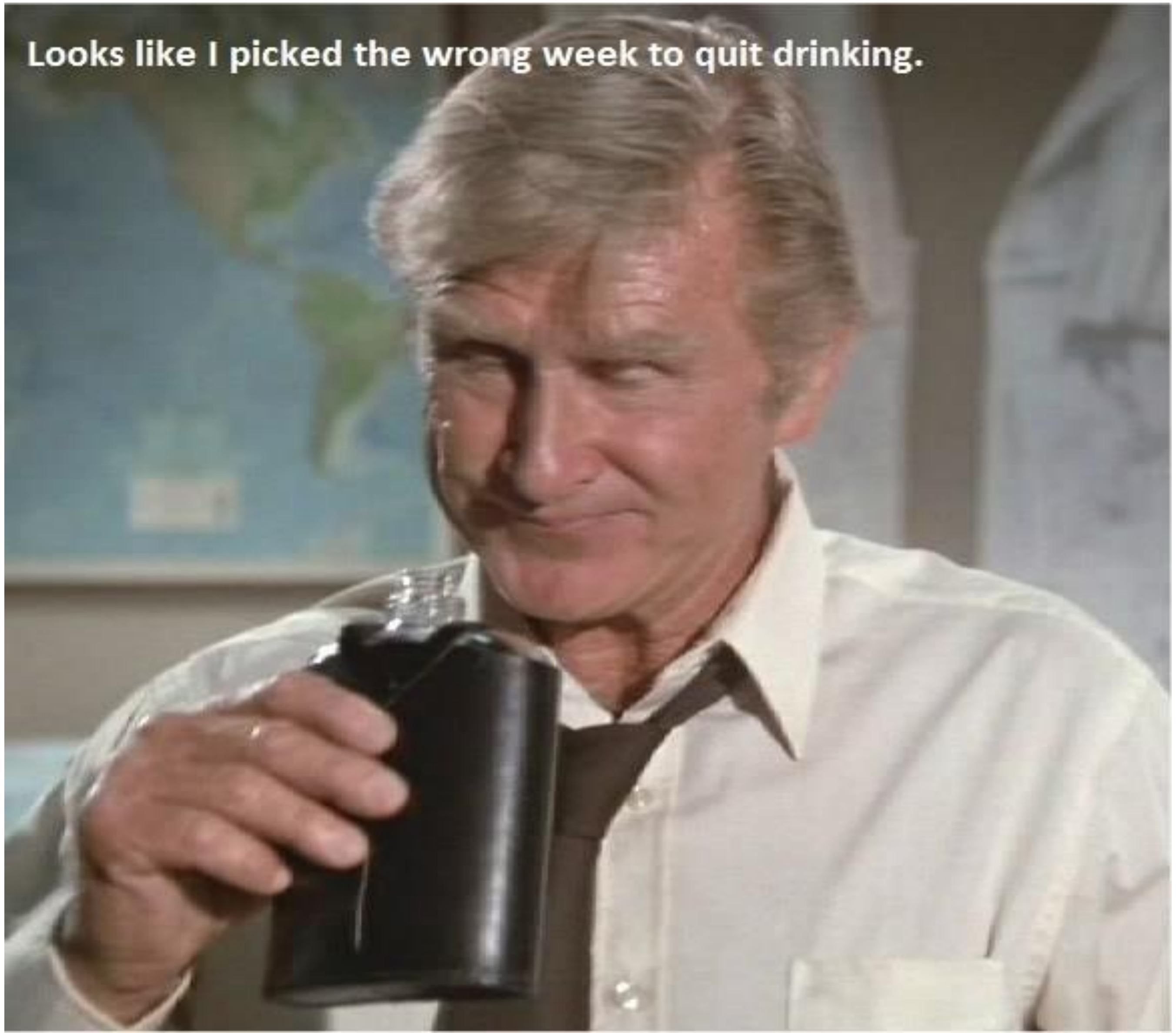
# Ok, So Now What Do We Do?



# Our Inside Team

- President and CEO – Harald Borrmann
- Senior Vice President – Mike Ahles
- Assistant Senior Vice President – Deb Gephart
- Director of IT – John Kolodziejczyk
- Board of Directors – Informed but do not participate unless…

## Secondary Inside Team

  - Director of Sales
  - Director of Marketing
  - Director of Member Engagement
  - Director of Operations
  - Director of Finance

- And….our spouses….dealing with this will eat you up and wrench your heart

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# Our Outside Team

- Retained Counsel
  - Stinson Leonard Street – Minneapolis, Pete Thrane & David Axtell
- Outside IT Forensics Experts
  - FR Secure – Minneapolis; already retained & engaged
  - If you don’t have this critical resource, get it!
- Public Relations
  - Padilla – Minneapolis, David Heinsch
- Insurance Broker and Cyber-liability Insurer
  - Marsh – Minneapolis; Travelers Insurance Company – since replaced
- Credit Monitoring and Identity Theft Coverage
  - Kroll

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# Establish The Plan

- With your Inside and Outside Teams, prepare a plan
  - What must happen, in what order, by whom and how soon
  - For most of your employees, focus on your job. For you, plan on sleeping less…
- Timing – Aggressive and realistic – thorough! Get it right the first time!
- Contact your Regulator – be proactive
- Communication – internal and external
- Public Relations – media plan
- Member relations
- Sales Force Impact
  - Get them “on your side”
- Your society is not the bad guy – you’re a victim, too

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# So What Did We Do Then?

- Legal:
  - Make sure your lawyers know and have experience with this complex and fast-changing scene
  - Contact law enforcement
  - Contact all appropriate Attorneys General, Insurance Commissioners, etc. where members currently live – not where the policy was issued
  - Check consumer notification guidelines in each such state/territory
  - What can and should you say, and to whom
  - What can and should you NOT say, and to whom
  - Who, and only who, is authorized to speak on behalf of your society

# Credit Monitoring: your new fiancè

- Plan what you will offer to your members
- Understand the coverages
- Obtaining and scrubbing name and address lists
- Preparing your message
- Timing the message
- Mailing and delivering the message
- Help center: online, phone and your home office
- Listen to their experience – they know more than you do!

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# So What Did We Do Then?

- Technology
  - What are the critical next steps to establish secure data viewing or movement?
  - Do you have the internal staff, talent and expertise?
  - Can we afford the best response? Can you afford any less than the best response?
  - Gotta move fast but thoroughly
  - Communicate in words people understand
  - Confidence in your IT trust
  - Every step of the way – what have we learned?

# Stuff You Gotta Have

- Single use of verbiage
- Frequently Asked Questions (FAQ’s)
  - Including the “tough questions”
  - Honest answers, not what you’d like them to be
- Regular (daily) updates with your team
- Regular (weekly?) updates with your employees, initially
- Talking points, highly scrutinized and vetted
- Scripts for media, employees, Board, etc.
- Support of your Board
- Courage and conviction

# Is This Stuff Really That Important?

# Key Takeaways

- Prepare, prepare, prepare as though it really will happen
  - No more excuses for not being fully prepared
  - Risk-focused exams
- Face up to reality, not what you'd like to see
- Put yourself in your members' shoes
  - *How'd you feel when you heard about the Equifax breach?*
  - *They're angry and they have a right to be…*
- Your response team will indeed be your lifeline through this
- Take full and unquestioned responsibility to respond – no matter what
  - *Sincerity, honesty and humility*
  - *Get ALL the facts, accurately and quickly*
  - *Data breaches are like fish – the older they get, the more they stink!*
- **Never let the breach define you – let your response define you!**

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# Thank You…

# Any Questions, Feel Free To Contact Me

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