

HOW CAPTIVES CAN DEVELOP CYBER STRATEGIES BY USING MPL LESSONS LEARNED

WEDNESDAY
NOVEMBER 28, 2018
3:00PM – 3:45PM



**CAYMAN
CAPTIVE
FORUM**
2018

PANELISTS

How Captives Can Develop Cyber Strategies by Using MPL Lessons Learned

Panelists

Charles Kolodkin | Cleveland Clinic

Rebecca Cady | Children's National

Moderator

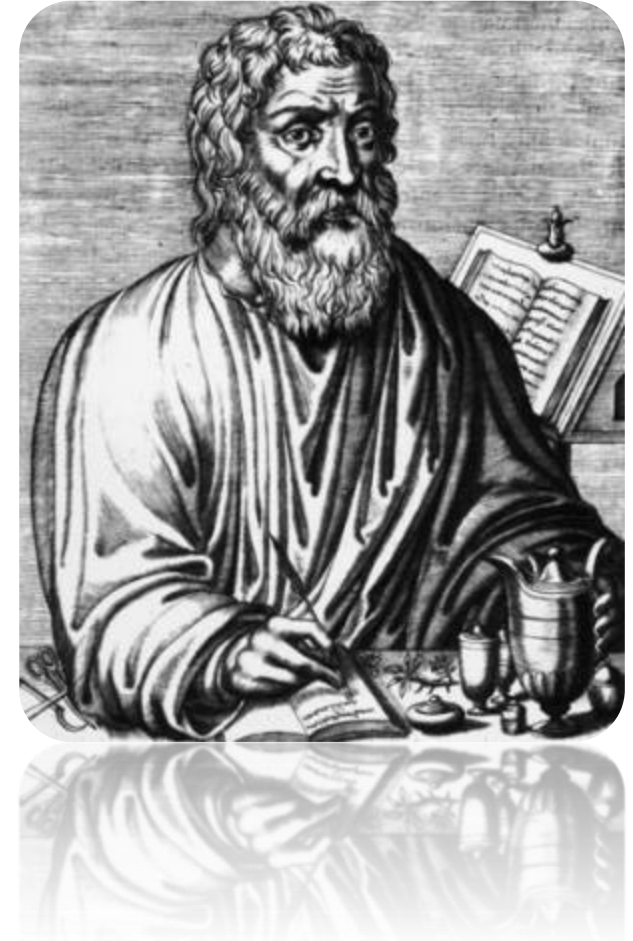
Bob Chaput | Clearwater Cyber Risk Services

FIRST HEALTHCARE RISK MANAGER

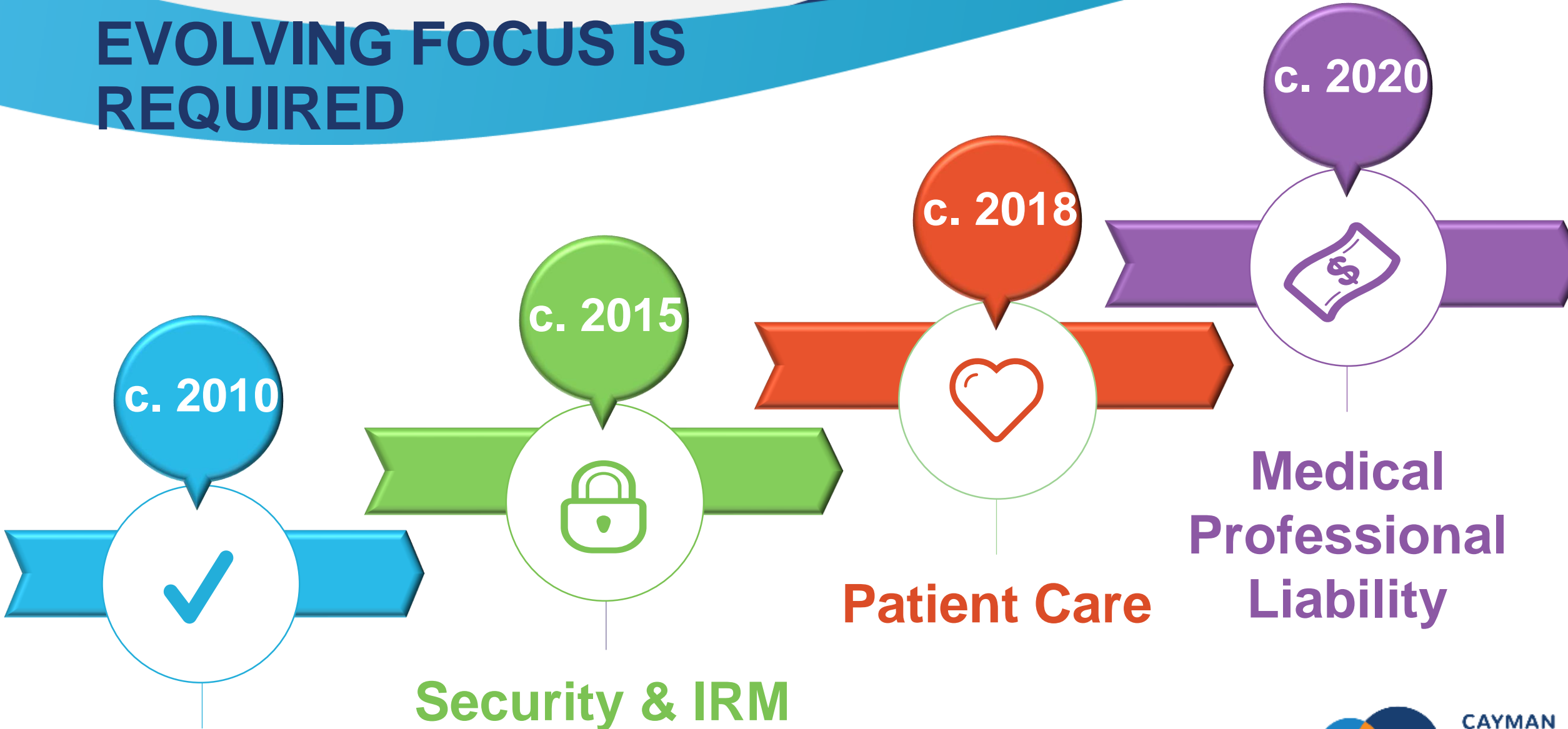
“First, Do No Harm.”

- Hippocrates, 4th Century, B.C.E.
- OR

**Digitization in Healthcare is Great ...
AND Now, We Can Create Harm from
New Threat Sources**



EVOLVING FOCUS IS REQUIRED



c. 2010



Compliance

c. 2015



Security & IRM

c. 2018



Patient Care

c. 2020



Medical Professional Liability



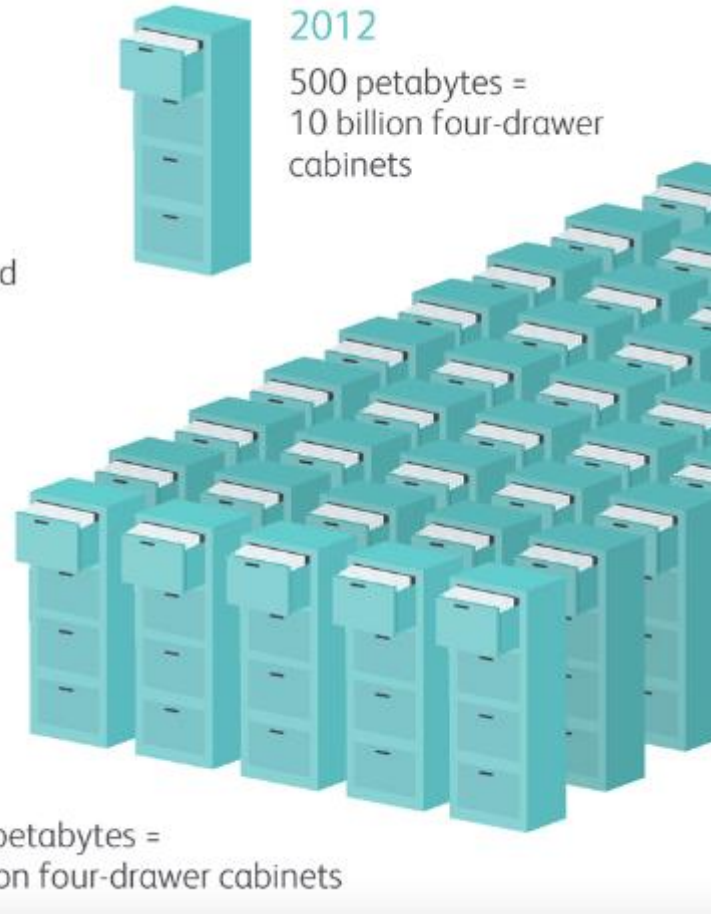
CAYMAN CAPTIVE FORUM 2018

EXPLOSION OF SENSITIVE INFORMATION

+ Big Data: Healthcare

The amount of worldwide healthcare data is expected to grow to 50 times the current total to

25,000 petabytes



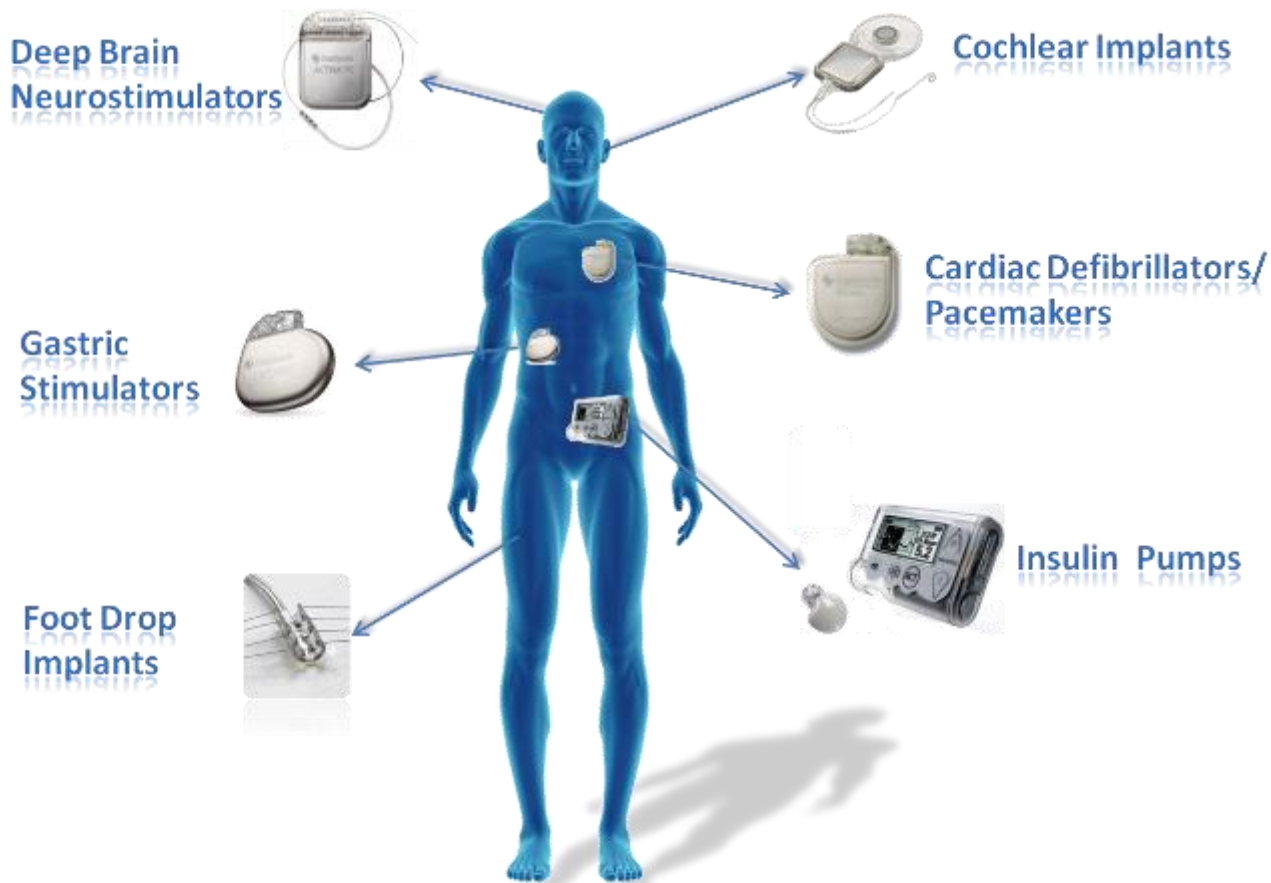
Enough 4-Drawer File Cabinets to Cover:

- Vermont
- New Hampshire
- Massachusetts
- New Jersey
- Hawaii
- Connecticut
- Rhode Island

44,743 square miles

EXPLOSION OF DEVICES

WIRELESS IMPLANTABLE MEDICAL DEVICES



Estimate:

- **>50B IoMT Devices by 2020-21**

Traditional IT Assets

Biomedical Devices

Other IoT Devices



TRIAGE

Event



Incident



Breach / Claim



LESSONS LEARNED FROM MPL

1. Demand to know and understand what the exposures are
2. Work with operational leadership and board
3. Fund smaller levels of risk (modest retentions): Learning Curve
4. Hone ability to manage and be transparent about the event
5. Hone ability to manage the claim
6. Create grant programs
7. Gain access to actual risk bearers
8. Leverage risk management work to reduce commercial rates



IDENTIFY AND UNDERSTAND EXPOSURES

1. Connect the dots between cyber/privacy and patient safety / MPL
2. Expand scope to include medical devices and IoT
3. Measure, manage, and mitigate
4. Use DHHS/OCR Resolution Agreements / Civil Money Penalties as a proxy for “closed claims”

WORK WITH LEADERSHIP AND BOARD

1. Raise operational awareness of cyber exposures
2. Set expectations for risk assessments and reporting
3. Build / Acquire information systems to support cyber risk management process
4. Require Mitigation Plans

FUND SMALLER LEVELS OF RISK

1. Assume manageable level of risk in the captive
 - a. 3rd Party Liability
 - b. 1st Party Property Damage and Business Interruption
2. Have captive insure the primary risk level
3. Use quota sharing to allow the captive to participate in the cyber risk program

HONE ABILITY TO MANAGE THE EVENT

1. Require an event notification process for the insured
2. Insist on data breach and incident response processes
3. Conduct Incident Response Simulations

HONE ABILITY TO MANAGE THE CLAIM

1. Establish a system for compiling data on events and claims
2. Formalize claims management procedures and responsibilities
3. Conduct Claims Management Simulations

CREATE GRANT PROGRAMS

1. Conduct formal risk assessments to learn key drivers
2. Seek grant programs around specific exposure areas
3. Establish robust cyber risk management program

GAIN ACCESS TO ACTUAL RISK BEARERS

1. Learn who the risk bearers are
2. Develop relationships with a number of key markets
3. Meet periodically, attend forums
4. Enable flexibility to respond to market changes

LEVERAGE WORK TO REDUCE RATES

1. Demonstrate completion of comprehensive cyber risk assessment
2. Demonstrate execution of cyber risk management plan
3. Prove risk reduction with tests of controls and safeguards

LESSONS LEARNED FROM MPL

1. Demand to know and understand what the exposures are
2. Work with operational leadership and board
3. Fund smaller levels of risk (modest retentions): Learning Curve
4. Hone ability to manage and be transparent about the event
5. Hone ability to manage the claim
6. Create grant programs
7. Gain access to actual risk bearers
8. Leverage risk management work to reduce commercial rates



THANK YOU

Rebecca Cady

RCady@childrensnational.org

Bob Chaput

Bob.Chaput@ClearwaterCompliance.com

Charles Kolodkin

kolodkc@ccf.org

www.caymancaptive.ky

