



# Beyond Data Breach: Cyber Trends and Exposures

Vietnam  
7<sup>th</sup> May 2015



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# Agenda



- Why do companies need cyber protection
- Example of Cyber attack worldwide and in Vietnam
- Cyber Insurance
- AIG's experience
- Conclusion





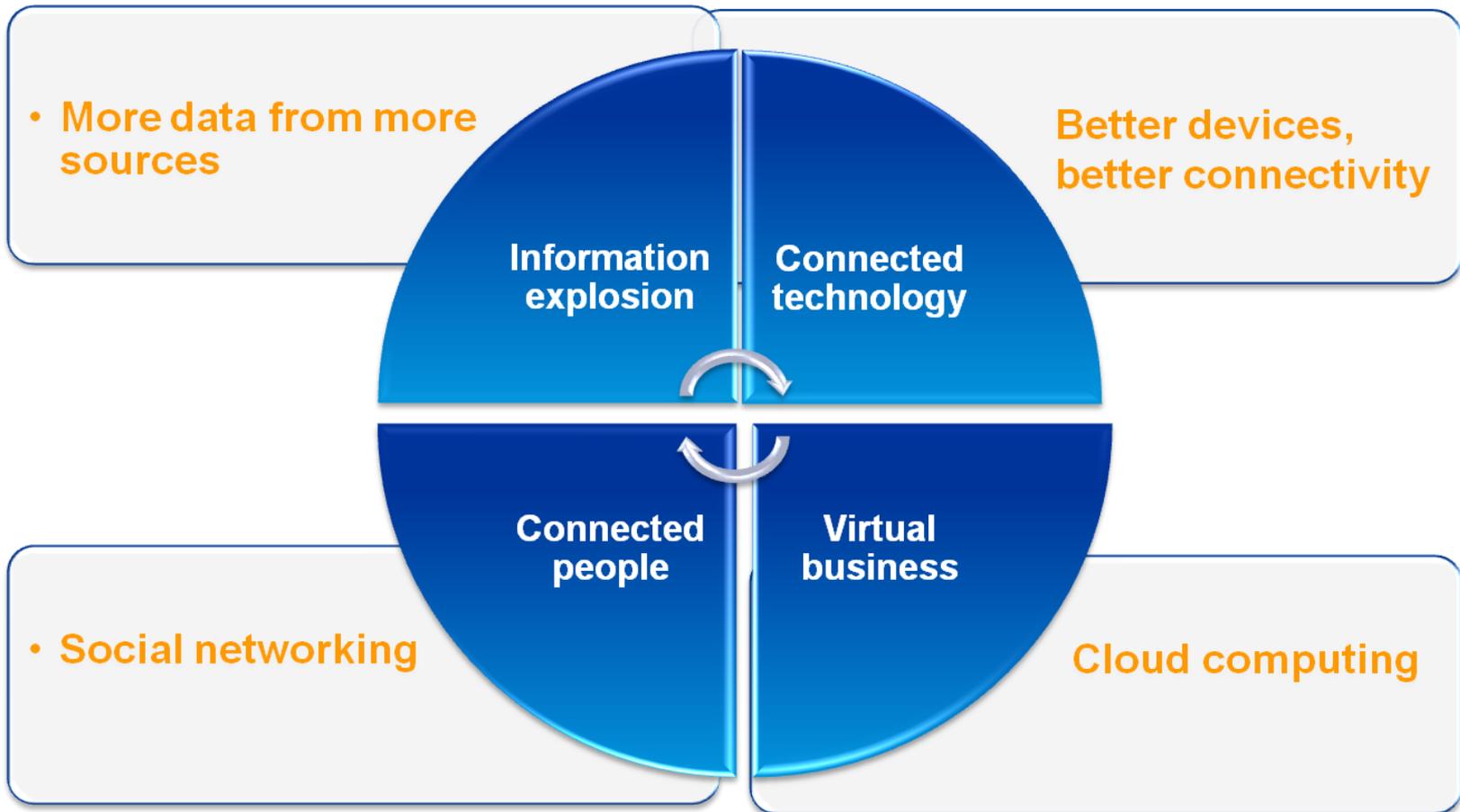
# Why do companies need Cyber protection

# Addressing Companies' Top Priority

A recent AIG survey found C-suite executives, risk managers, and IT decision makers ranked risks for their companies as follows:

- Cyber Risk: 86%
- Loss of Income: 82%
- Property Damage: 80%
- Workers' Compensation: 78%
- Utility Interruption: 76%
- Securities and Investment Risk: 76%
- Auto/Fleet Risk: 65%

# Dynamic but vulnerable IT environment



# Asia Pacific cyber threats are real, growing and varied

By sector: number of incidents as a % of total for 2010

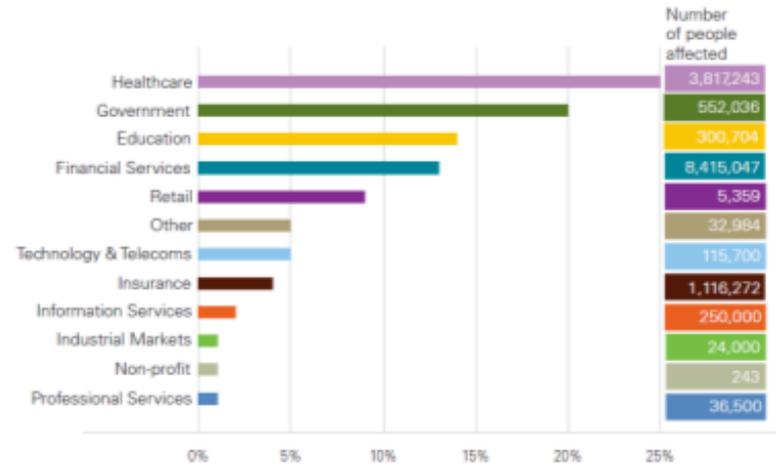
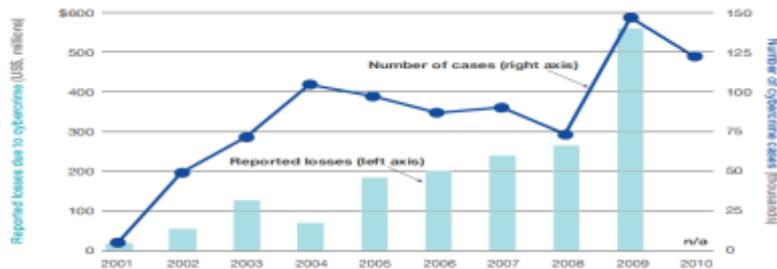


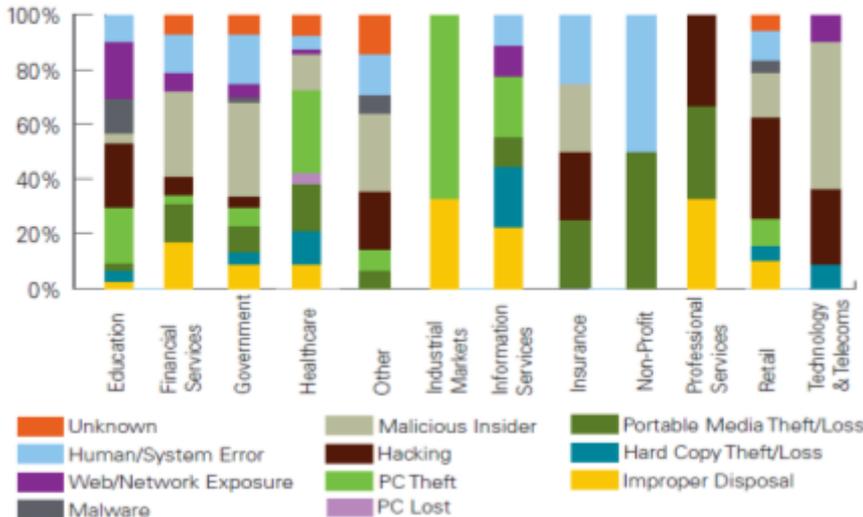
Figure 20: Cost and Incidence of Cybercrime in the US



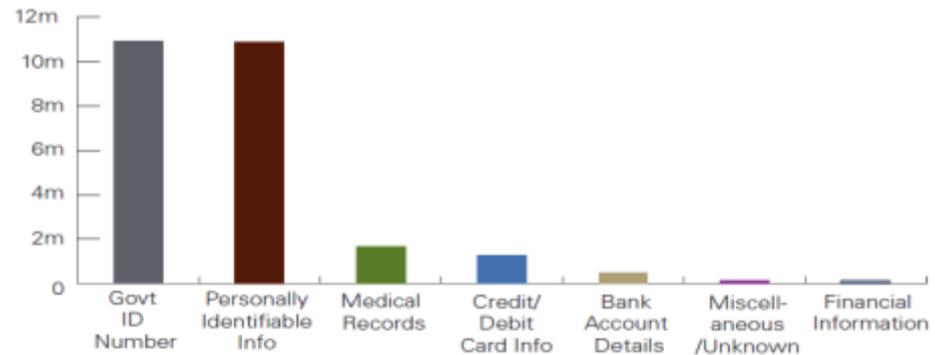
Note: Includes cybercrime complaints specifically referred to law enforcement

Source: PwC, 2011

Cause of data loss v Industry: number of incidents as % of total for 2010 (January-June)

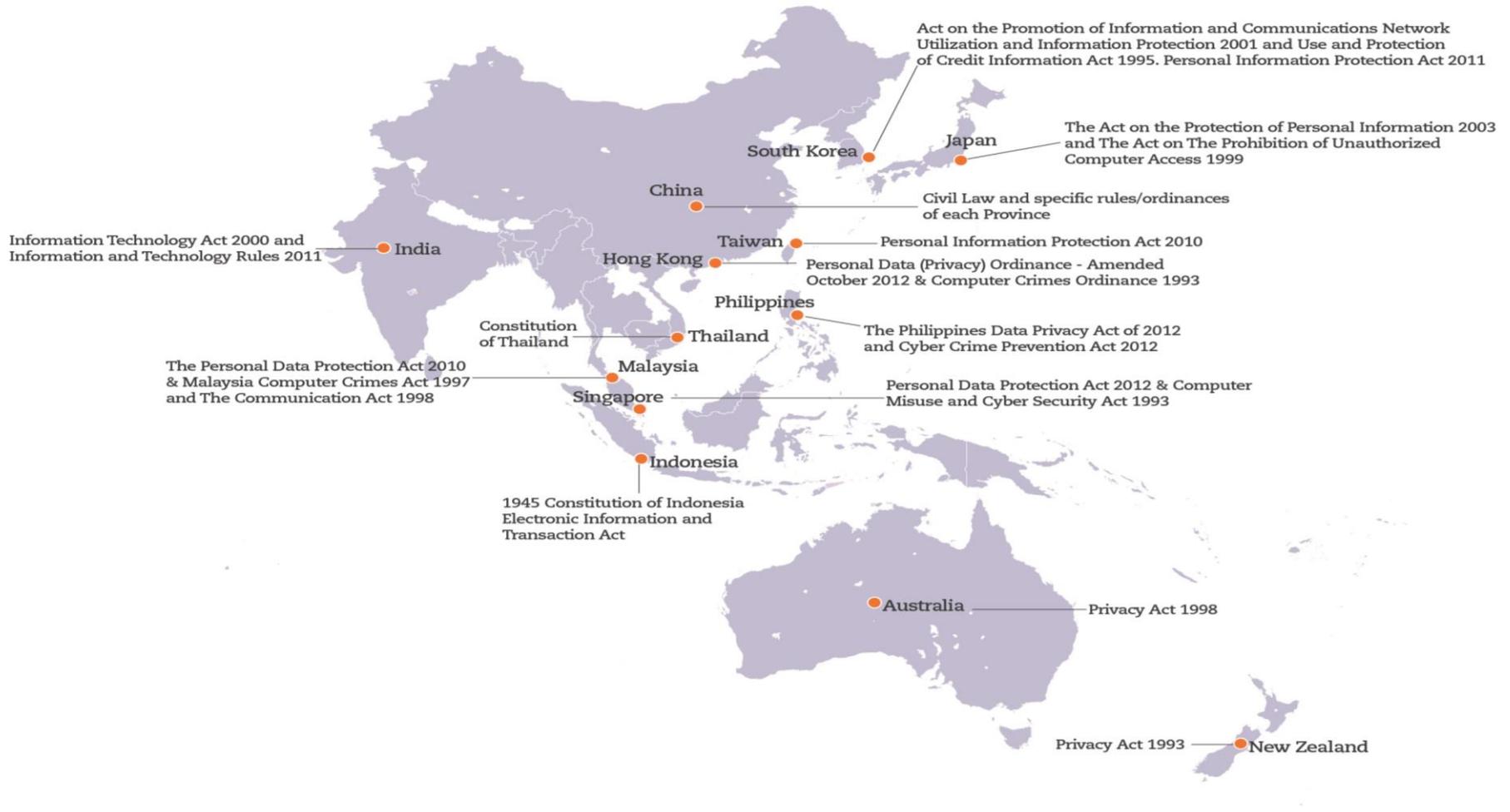


By type: number of records/people affected in 2010 (January-June)



NB. This graph shows the number of records exposed per data type. Note that some records lost/stolen may expose one or more data type.

# Law and Regulation on the increase



# Vietnam and Cyber threats

Let numbers talk...

- Vietnam ranks **12<sup>th</sup>** in the list of countries facing maximum Cyber Attack
- Vietnam ranks **3<sup>rd</sup>** out of 10 countries with the most virus-infected applications downloaded for Android operating system
- Attacks on Vietnamese websites doubled from **2,250** in 2011 to **3,520** in the first 7 months of 2014
- Vietnam suffers loss of **VND8Trillion** (\$379,15 mil) yearly from Cyber Attacks due to inadequate information security protection

# Vietnam and Cyber threats

- Surveyed by the Vietnam Information Security Association (VNISA):
  - **55%** of Vietnamese firms and institutions, failed to establish procedures on information security
  - **45%** of them are infected with self-spreading malicious codes.
- Surveyed by EY market research institution:
  - **49%** of Vietnam's firms did not see privacy as a top priority while **40%** failed to research security issues
- Surveyed by BKAV – the leading internet security firm in Vietnam:
  - **40%** of Vietnamese websites risk insecurity with **151** critical vulnerabilities
  - **4.7 mil** computers in Vietnam have been attacked by **2,852** new viruses in Feb
  - **347** websites of Vietnamese state agencies and enterprises were attacked by hackers in the period

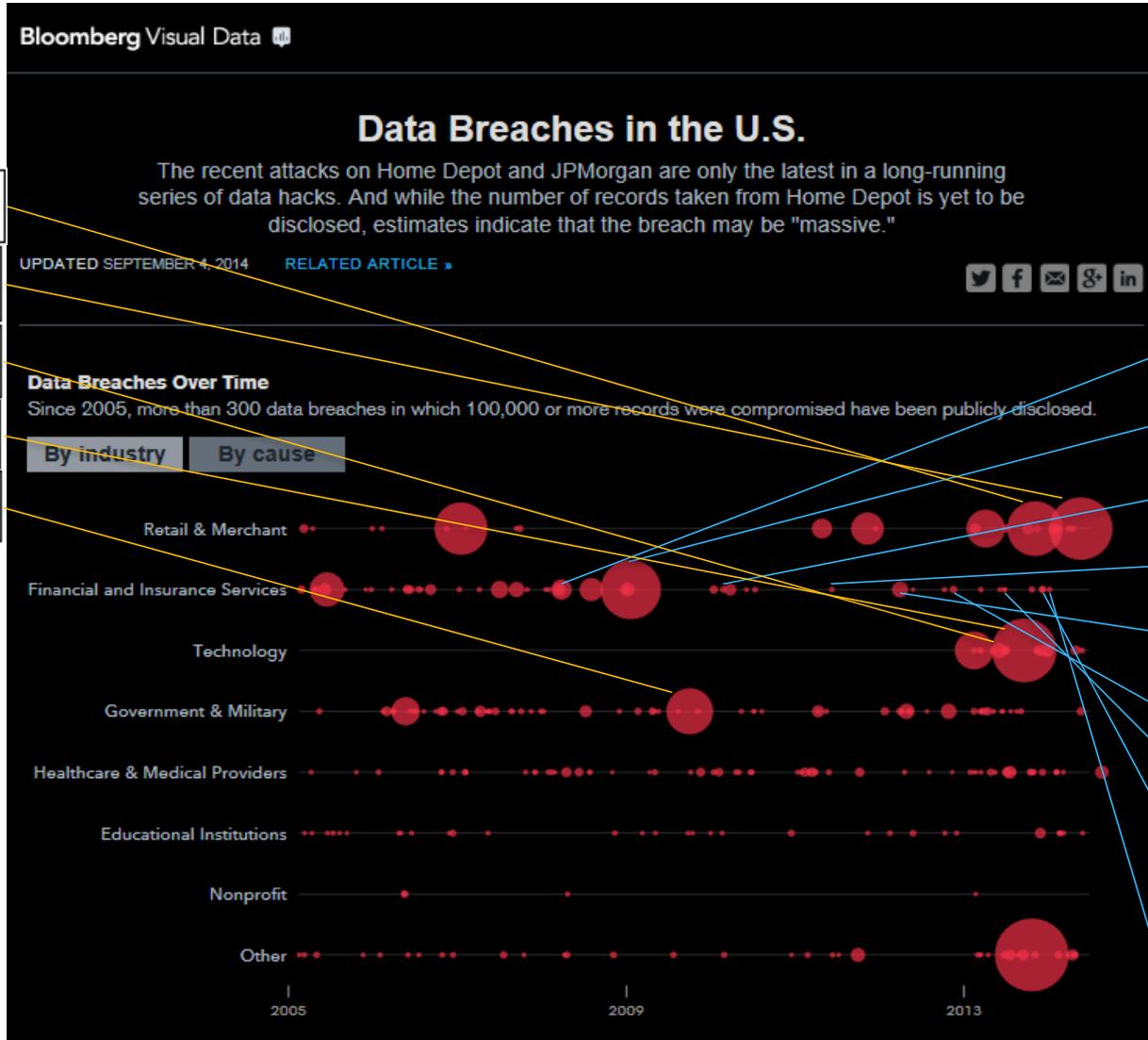
# Regulation governed data privacy in Vietnam

- **Article 73 of the Constitution** : ensures the safety and privacy of “mails, phone calls and telegrams” of Vietnamese citizens
- **Article 38 of the Civil Code** : the collection and publication of “*information and materials in relation to the private life of an individual*” are subject to the consent of that individual
- **Article 46 of the Law on E-Transactions** : prohibits agencies, organizations and individuals from using, providing or disclosing “*information on private life and information of other agencies, organizations and/or individuals which is accessible by them or under their control in a transaction implemented by electronic means*” without the latter’s consent
- **Article 72 of the Law on Information Technology** : organizations and individuals may collect, process and use “*personal information of other individuals in the network environment*” but must obtain the consent of such individual. This law also ensures the confidentiality of individuals’ and organizations’ personal information which is exchanged, transmitted or stored in the network environment, confidentiality of private information of organizations (and individuals) in the network environment. Specifically, organizations and individuals are prevented from performing acts that disclose confidential information of other organizations and individuals which is exchanged and transmitted or stored in the network environment.



# Example of Cyber attack worldwide and in Vietnam

# Data Breaches in the U.S



Source: <http://www.bloomberg.com/infographics/2014-08-21/top-data-breaches.html>

# Cyber attacks on the increase

**South China Morning Post**

News Video Events Careers Blogs Community

MEMBERS AREA JOIN NOW ABOUT THE COMMUNITY HELP

15 November, 2011 - 10:09

## Another US firm sues bank after cyber-attack

**A US title insurance firm that lost more than \$200,000 after cybercrooks using the Zeus Trojan accessed its online account, is suing its bank, accusing it of lax security.**

4862 views 1 comment

In a case picked up by security blogger Brian Krebs, Virginia-based Global Title Services had its computers infected with Zeus sometime before June last year.

This gave crooks access to the firm's passwords for their online accounts with Chevy Chase Bank (since rebranded by owner Capital One).

On the first of June the criminals began an eight day process of wiring money from the company's account to money mules. A total of 18 transfers, worth more than \$2 million, were made.

The bank managed to reverse all but the first three transfers, meaning that Global Title Services suffered actual losses of around \$200,000.

The company is suing Capital One, accusing it of failing to act in good faith and arguing that by not employing two-factor authentication it...

HKEx chief executive Charles Li Xiaojia (pictured) said Wednesday's attack affected only the...

# Cyber attacks on the increase

Thursday, 18 September 2014

Việt Nam THE NATIONAL ENGLISH

## Vietnam telecom giant VNPT sees 50,000 customer accounts hacked

MARCH 17, 2015 BY THANHNIENNEWS LEAVE A COMMENT

DIE Group, suspected to be a new group of hackers from Vietnam, has allegedly attacked a branch of state-owned telecom giant VNPT, stealing private information of more than 50,000 users.

A recent post on the group's Facebook page said it was having information including names, addresses, phone numbers and passwords used to sign in to VNPT services.

### Recommend stories

- Falsified apps the biggest source of mobile malware expansion
- Vietnam vulnerable to cyber attacks but agencies poorly equipped
- Information systems may die of neglect, experts warn
- Information security index inches up
- Cyber attacks in Vietnam megacity up 300% from 2013: conference

It said it has sent a warning about the hack to VNPT, but the company failed to take any action. So it decided to publish the information of around 10,000 customers on mega.co.nz, an online sharing service.

The Facebook post also said that the link was only shared between the group's members, who were recommended not to spread the information further.

Bui Quoc Viet, a spokesman of VNPT, said there has been an attack but it received no warning from DIE Group.

Viet said hackers stole the customers' information last week by penetrating into a search module at a branch of the group in the southern province of Soc Trang.

He said the data were secured on Saturday and that VNPT is working with authorities to make DIE Group legally responsible for the attack.

DIE Group removed the link on mega.co.nz that night.

Also according to Tan, through the process of decompiling the virus samples to learn about the programming codes, VC Corp's research team discovered it was a professionally programmed spyware, which could not be done by amateurs.

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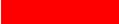
# Cyber Insurance

# What does cyber insurance cover?

1 <sup>st</sup> party	3 <sup>rd</sup> Party
<b>Network Interruption</b>	<b>Breach of Personal Information</b>
Cyber Extortion	<b>Breach of Corporate Information</b>
Data Restoration, Recollection, Recreation (Determination and Action) - Forensic	Outsourcing Liability / Vicarious Liability
Employee sabotage of Data	Contamination of Third Party Data by any unauthorized software, computer code or virus
Virus/ Hacker damage to Data	Denial of access to third party data
Denial of Service attack	Theft of an access code from the Company's premises
	Destruction, modification, corruption, damage or deletion of Data
	Physical theft of the Company's hardware
	Data disclosure due to a Breach of Data Security
	<b>Costs and expenses for legal advice and representation in connection with an Investigation</b>
	Data Administrative Fines
	<b>Repair of Company / Individuals Reputation</b>
	Media Content Liability (IP, Plagiarism, defamation, trespassing)
	<b>Notification Cost</b>

# Covering the gaps with CyberEdge

	Property	General Liability	Crime	K&R	PI	CyberEdge
<b>1st Party Data Protection Privacy Risks</b>						
<b>Network Interruption</b>						
Cyber Extortion						
<b>Data Restoration, Recollection, Recreation (Determination and Action)</b>						
Employee sabotage of Data						
<b>Virus/Hacker damage to Data</b>						
Denial of Service attack						
Physical damage to Data Only						
<b>3rd Party Data Protection Privacy Risks</b>						
<b>Breach of Personal Information</b>						
<b>Breach of Corporate Information</b>						
Outsourcing Liability/Vicarious Liability						
Contamination of Third Party Data by any unauthorized software, computer code or virus						
Denial of access to third party data						
Theft of an access code from the Company's premises						
<b>Destruction, modification, corruption, damage or deletion of Data</b>						
Physical theft of the Company's hardware						
Data disclosure due to a Breach of Data Security						
<b>Costs and expenses for legal advice and representation in connection with an Investigation</b>						
<b>Data Administrative Fines</b>						
<b>Repair of Company/Individuals Reputation</b>						
Media Content Liability (IP, Plagiarism, defamation, trespassing)						
<b>Notification Costs</b>						
Monitoring Costs (with identity theft education and credit file or identity monitoring)						

Coverage Provided   
 Coverage Possible   
 No Coverage 



For reference and discussion only: policy language and facts of claim will require further analysis

# Claims narrative

## Background

The insured accidentally published all their confidential customer information on their website, leading to a class action from their customers for violation of privacy rights

## Damage & Response

The company incurred notification costs to disclose the breach of the information to its customers to in accordance with the legal requirements.

Forensic expert was appointed to review the insured's computer system to determine the reason leading to the leak of information and to implement measures to prevent such incident from happening again.

Due to the class action from the disgruntled customers, the insured incurred significant defense costs to defend and eventually settle the claim

## Incident Costs

This incident resulted in over US\$700,000 paid for notification to the customers, forensic investigation into the company's computer system and also legal costs and settlement in relation to the lawsuit



# AIG's experience



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đầu năm 2014, Nam bị tin tặc đú. Nhưng đây là 55% doanh lập các thủ tục nghiệp bị nhiễm rường EY thì có g tư như là một liên cứu các vấn ay chọn những o nhất vì dễ tấn c doanh nghiệp

áp thông tin. o cáo tử cuộc Verizon cho liệu xảy ra tại rõ xuống. Do ic và thực tế, in ninh CNTT p cho bọn tội iệt với để kiểm DN, nhất là các iểu rõ về IT, về nờ "bên thứ ba". chuyên về bảo có uy tín trong sát này cần có

Thông tin khách hàng liên tục được cảnh

"bảo mật

Không có ai lái xe trên đường mà không mua bảo hiểm ô tô,

- Ông đánh giá thế nào về các DN VN hiện nay?

Theo số liệu của PWC công bố thì khoảng 8.000 tỷ đồng là con số thiệt hại

thành nạn nhân của tin tặc.

Những DN nhỏ là một phần rất quan

ngành. Sự hợp tác giữa

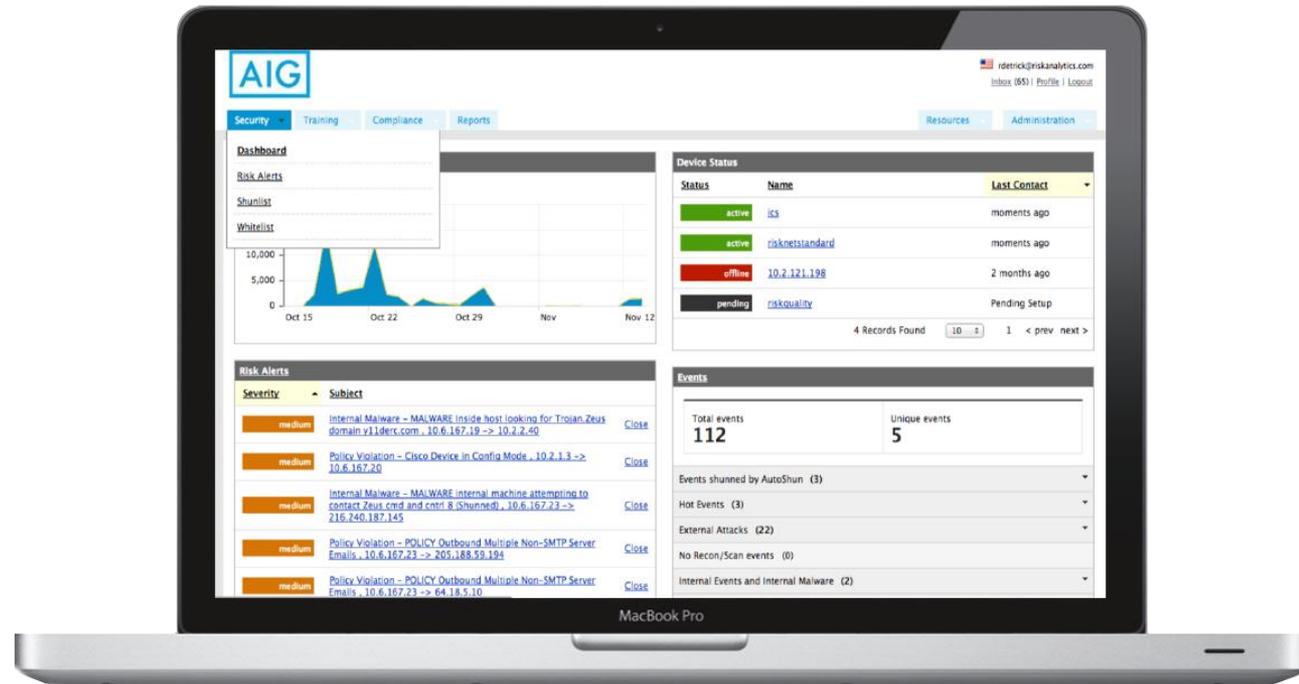


# CyberEdge Risk Tool

While AIG is here for clients when cyber attacks occur, the best way to protect against them is to prevent them in the first place. CyberEdge RiskTool helps companies stay ahead of the curve by managing and automating risk mitigation through a custom portal and a hardware device.

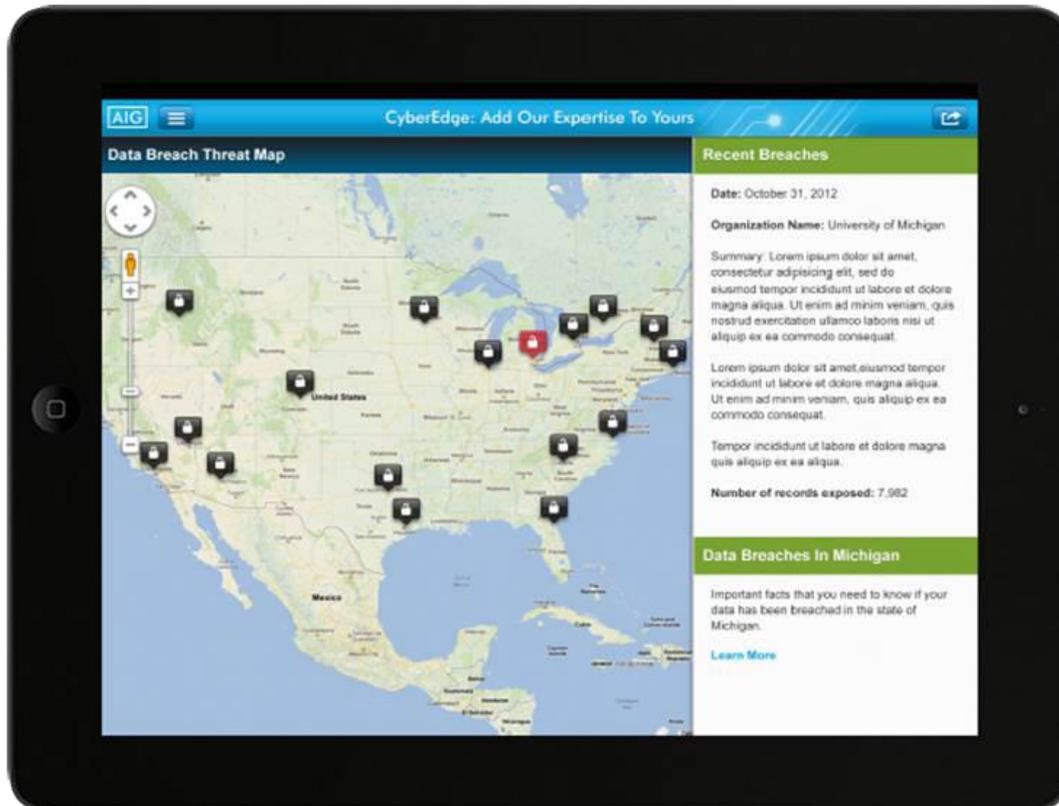
## CyberEdge RiskTool

CyberEdge RiskTool is an online website that simplifies the risk management process regardless of the size or complexity of the company. The portal offers a comprehensive solution to compliance and regulatory risk management through a single web-based platform. It also organizes and produces reports on a company's security policies, training and compliance in a way that greatly simplifies the process.



# CyberEdge<sup>®</sup> Mobile App

The CyberEdge Mobile App for iPads combines the latest cyber news, opinion and risk analysis with real-time updates on country-wide data breaches, to put the cyber information users want at their fingertips. The app is available for free on the App Store.



## User Benefits

- All the latest cyber news from industry-leading news providers
- Up-to-the-minute information on country-wide data breaches
- An extensive database of cyber resources
- Risk analysis tools to help determine potential liability costs
- Information on CyberEdge and contact details to learn more

# Conclusion



- **Cyber threats are a growing concern for all companies**
- **Good cyber risk management practices reduce the potential threats of Cyber attack; but does not eliminate the risk (even with an umbrella you can still get wet!)**
- **Once your company has been “hacked” cyber insurance steps in to mitigate your 1<sup>st</sup> party and 3<sup>rd</sup> party exposures. Cyber insurance protection keeps you in business when all other security protocols have failed.**
- **Traditional insurance policies are not the best risk transfer vehicles**
- **The need for cyber insurance should be driven by the board of directors**



**To learn more about Cyber Exposures:**

Asia

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Vietnam

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