Beyond Data Breach: Cyber Trends and Exposures

Vietnam
7th May 2015
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

- More data from more sources
- Social networking
- Better devices, better connectivity
- Virtual business
- Connected people
- Information explosion
- Cloud computing
Asia Pacific cyber threats are real, growing and varied.
Law and Regulation on the increase

- Civil Law and specific rules/ordinances of each Province
- Personal Data (Privacy) Ordinance - Amended October 2012 & Computer Crimes Ordinance 1993
- Personal Data Protection Act 2012 & Computer Misuse and Cyber Security Act 1993
- 1945 Constitution of Indonesia Electronic Information and Transaction Act
- Privacy Act 1998
- Privacy Act 1993
- Information Technology Act 2000 and Information and Technology Rules 2011
Vietnam and Cyber threats

Let numbers talk...

- Vietnam ranks 12th in the list of countries facing maximum Cyber Attack
- Vietnam ranks 3rd 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 VND8 Trillion ($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
Cyber attacks on the increase

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.

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 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 on the account, it allowed access to a well-known vulnerability.

HKEx chief executive Charles Li Xiaojia (pictured) said Wednesday's attack affected only the
Cyber attacks on the increase

Vietnam telecom giant VNPT sees 50,000 customer accounts hacked

AIE 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

- Fatalfed apps the biggest source of mobile malware expansion
- Vietnam vulnerable to cyber attacks but agencies poorly equipped
- Information systems may die if 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 AIE 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 AIE Group legally responsible for the attack.

AIE 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.
Cyber Insurance
### What does cyber insurance cover?

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<td>Breach of Corporate Information</td>
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<td>Employee sabotage of Data</td>
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<td>Notification Cost</td>
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<td>Monitoring Costs (with identity theft education and credit file or identity monitoring)</td>
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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
báo cáo

Viet Nam la gi?

Năm 2014, Đức đã công bố L Assistance của người nước ngoài có vốn

Đâu khi được nhìn thấy?

- Những con số đã nói lên sự phát triển của công nghệ thông tin trong công ty.

Đồng thời, giúp đỡ doanh nghiệp

- Việc tài trợ cho các dự án

Đề cập đến việc xây dựng mô hình

Đầu tư tin

cung cấp

Vấn đề

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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® 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 1st party and 3rd 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
American International Group, Inc. (AIG) is a leading international insurance organisation serving customers in more than 130 countries and jurisdictions. AIG companies serve commercial, institutional, and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition, AIG companies are leading providers of life insurance and retirement services in the United States. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange. AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc. Products and services are written or provided by subsidiaries or affiliates of American International Group, Inc. Not all products and services are available in every jurisdiction, and insurance coverage is governed by actual policy language. Certain products and services may be provided by independent third parties. Insurance products may be distributed through affiliated or unaffiliated entities. Certain property-casualty coverages may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds.