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Incident Response Planning: How to Respond to a Cyber Breach

Presented to **Iowa Chapter of the Healthcare Financial Management Association (HFMA)** By:

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Agenda

- Incident Response
- Overall Incident Response Statistics
- Healthcare and Life Sciences Industry Group Incident Response Statistics
- Overall Litigation Statistics
- Incident Response: Cyber Liability Insurance
- Questions & Contact



Incident Response

Incident Response Stakeholders



The Victim Organization



Cyber Insurance Carrier/Broker



Incident Response Counsel/Breach Coach



Other Insurance Policy Carriers/Brokers, Such As K&R, Property, Crime, Etc.



Law Enforcement



Forensic Investigation and System Restoration Firm(s)



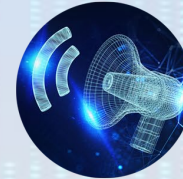
Extortion Negotiation and Payment Firm(s)



Data Mining Firm(s)



Other Legal Counsel (Depending on Specific Data Impacted and Applicable Regulatory Framework)



Public Relations Firm(s)



Notice Mailing and Call Center Provider(s)

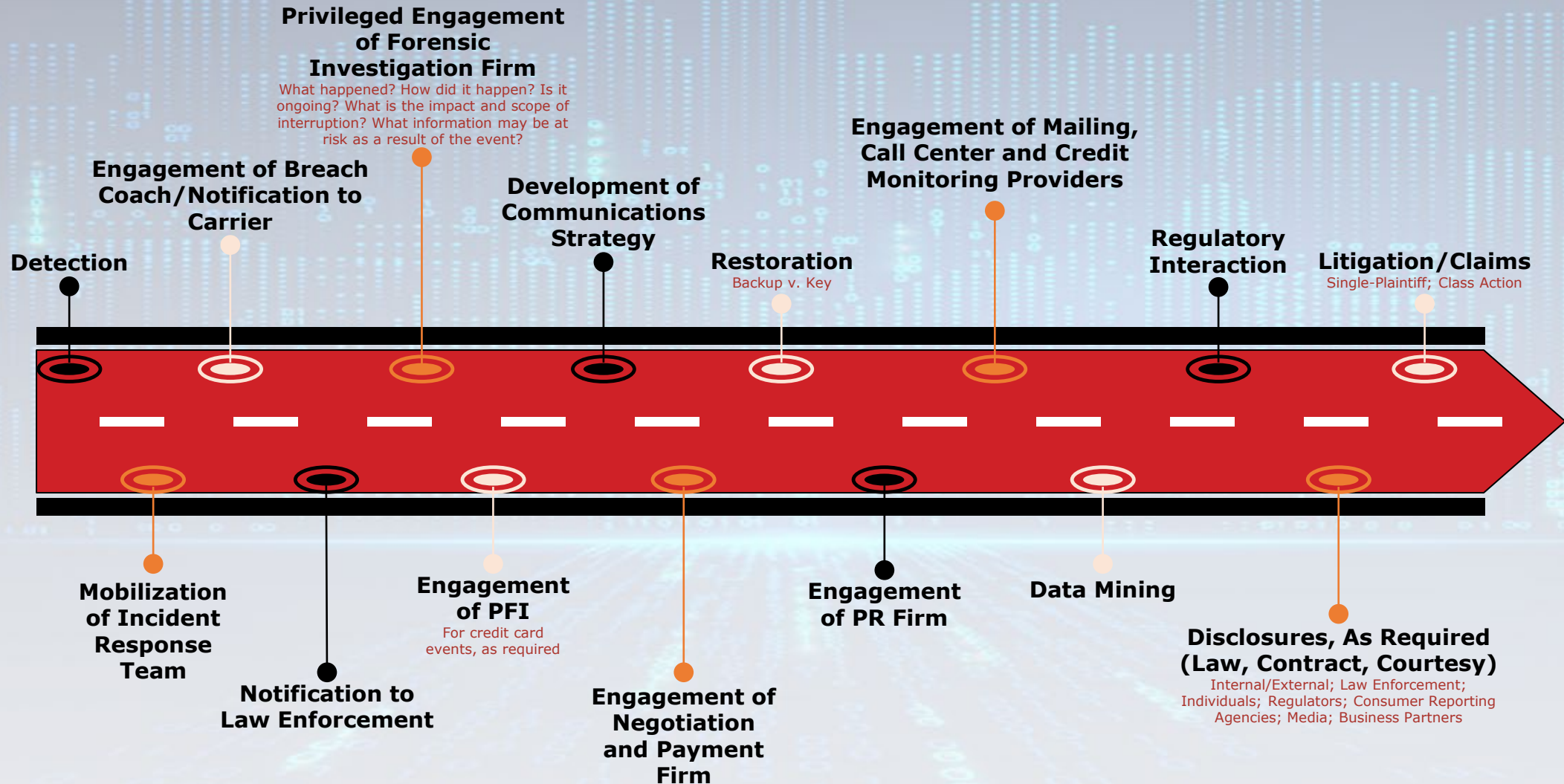


Credit/Identity Monitoring Services



Insured Business Partner(s)

The (Potential) Incident Response Roadmap





Overall Incident Response Statistics

Incident Type

2020

Incident Type	Count
Ransomware	1,006 (29%)
Business Email Compromise (BEC) – Total	794 (23%)
BEC – Other	607
BEC – Wire Fraud	187
Third-Party Breach	583 (17%)
Network Intrusion	450 (13%)
Other/Unknown	381 (11%)
Inadvertent Disclosure	214 (7%)
Total	3,428 (100%)

2021

Incident Type	Count
Ransomware	1,153 (29%)
Business Email Compromise (BEC) – Total	1,059 (27%)
BEC – Other	698
BEC – Wire Fraud	361
Third-Party Breach	623 (16%)
Network Intrusion	559 (14%)
Other/Unknown	367 (9%)
Inadvertent Disclosure	209 (5%)
Total	3,970 (100%)

2022

Incident Type	Count
Business Email Compromise (BEC) – Total	1,077 (36%)
BEC – Other	733
BEC – Wire Fraud	344
Ransomware	732 (25%)
Network Intrusion	382 (13%)
Third-Party Breach	316 (11%)
Other/Unknown	245 (8%)
Inadvertent Disclosure	207 (7%)
Total	2,959 (100%)

Industry Sector

2020

Industry Sector	Count
Professional Services	800 (23%)
Manufacturing and Distribution	496 (14%)
Healthcare and Life Sciences	414 (12%)
Education	390 (11%)
Non-Profit	303 (9%)
Financial Services	296 (9%)
Technology	277 (8%)
Government	182 (5%)
Hospitality and Entertainment	160 (5%)
Retail/e-Commerce	60 (2%)
Energy	49 (1%)
Other	1 (1%)
Total	3,428 (100%)

2021

Industry Sector	Count
Professional Services	1,024 (26%)
Manufacturing and Distribution	704 (18%)
Healthcare and Life Sciences	520 (13%)
Financial Services	461 (12%)
Technology	372 (9%)
Education	215 (5%)
Non-Profit	205 (5%)
Government	200 (5%)
Hospitality and Entertainment	152 (4%)
Retail/e-Commerce	73 (2%)
Energy	37 (1%)
Other	7 (<1%)
Total	3,970 (100%)

2022

Industry Sector	Count
Professional Services	773 (26%)
Manufacturing and Distribution	448 (15%)
Healthcare and Life Sciences	376 (13%)
Financial Services	350 (12%)
Technology	333 (11%)
Non-Profit	157 (5%)
Education	142 (5%)
Hospitality and Entertainment	139 (5%)
Government	122 (4%)
Retail/e-Commerce	84 (3%)
Energy	34 (1%)
Other	1 (<1%)
Total	2,959 (100%)



Healthcare and Life Sciences Industry Group

Incident Response Statistics

Incident Type

2020

Incident Type	Count
Other/Unknown	150 (36%)
Ransomware	96 (23%)
Business Email Compromise (BEC) – Total	70 (17%)
BEC – Other	60
BEC – Wire Fraud	10
Network Intrusion	46 (11%)
Third-Party Breach	32 (8%)
Inadvertent Disclosure	20 (5%)
Total	414 (100%)

2021

Incident Type	Count
Third-Party Breach	109 (21%)
Ransomware	107 (20%)
Other/Unknown	91 (18%)
Business Email Compromise (BEC) – Total	89 (17%)
BEC – Other	57
BEC – Wire Fraud	32
Network Intrusion	68 (13%)
Inadvertent Disclosure	56 (11%)
Total	520 (100%)

2022

Incident Type	Count
Business Email Compromise (BEC) – Total	102 (27%)
BEC – Other	80
BEC – Wire Fraud	22
Ransomware	67 (18%)
Third-Party Breach	58 (15%)
Inadvertent Disclosure	52 (14%)
Network Intrusion	51 (14%)
Other/Unknown	46 (12%)
Total	376 (100%)

Ransomware-Specific

2020		2021		2022	
Number of RW Incidents	96 (23%)	Number of RW Incidents	110 (21%)	Number of RW Incidents	67 (18%)
Number of RW Incidents Paid	33 (34%)	Number of RW Incidents Paid	23 (21%)	Number of RW Incidents Paid	6 (9%)
Ransom Payment Reason	Delete Only – 2 (6%) Key and Delete – 2 (6%) Key Only – 29 (88%)	Ransom Payment Reason	Delete Only – 3 (13%) Key and Delete – 13 (57%) Key Only – 7 (30%)	Ransom Payment Reason	Delete Only – 0 (0%) Key and Delete – 3 (50%) Key Only – 3 (50%)
Average Ransom Demand	\$2,696,326	Average Ransom Demand	\$1,402,405	Average Ransom Demand	\$3,259,287
Average Ransom Payment	\$680,350	Average Ransom Payment	\$295,286	Average Ransom Payment	\$217,333
Median Ransom Payment	\$86,000	Median Ransom Payment	\$184,500	Median Ransom Payment	\$22,500

Business Email Compromise-Specific

2020		2021		2022	
Number of BEC Incidents	70 (17%)	Number of BEC Incidents	93 (18%)	Number of BEC Incidents	102 (27%)
Number of BEC-WF Incidents	10 (14%)	Number of BEC-WF Incidents	32 (34%)	Number of BEC-WF Incidents	22 (22%)
Average Amount Fraudulently Wired	\$446,188	Average Amount Fraudulently Wired	\$600,000	Average Amount Fraudulently Wired	\$181,039
Median Amount Fraudulently Wired	\$109,000	Median Amount Fraudulently Wired	\$600,000	Median Amount Fraudulently Wired	\$81,459



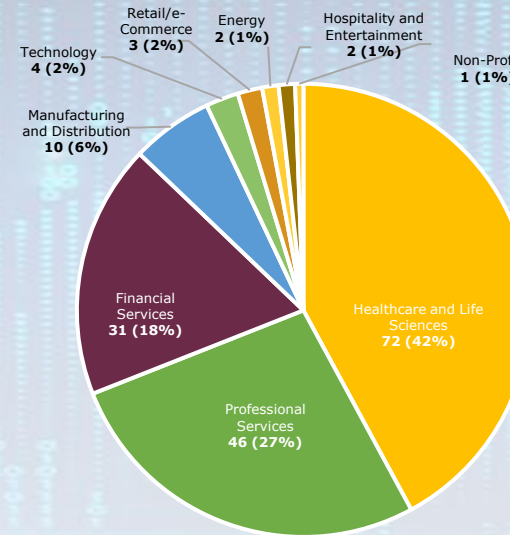
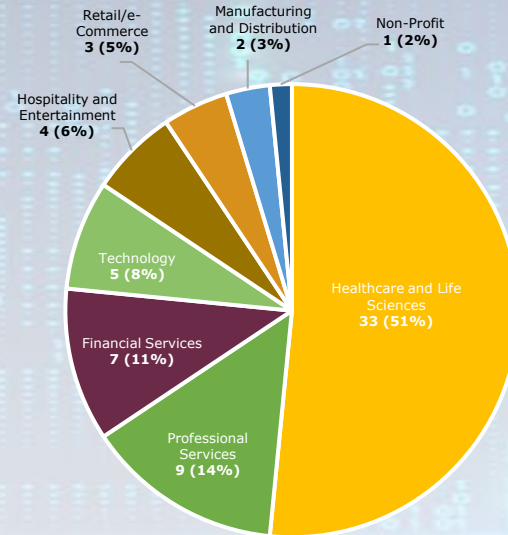
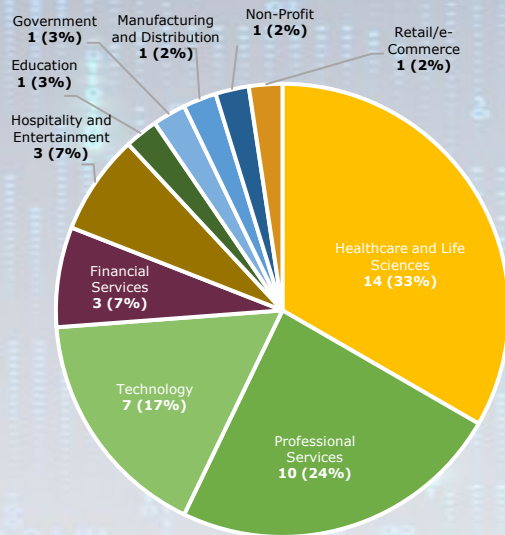
Overall Litigation Statistics

Litigation: Overall

2020	
Number of Litigation Matters	42

2021	
Number of Litigation Matters	64

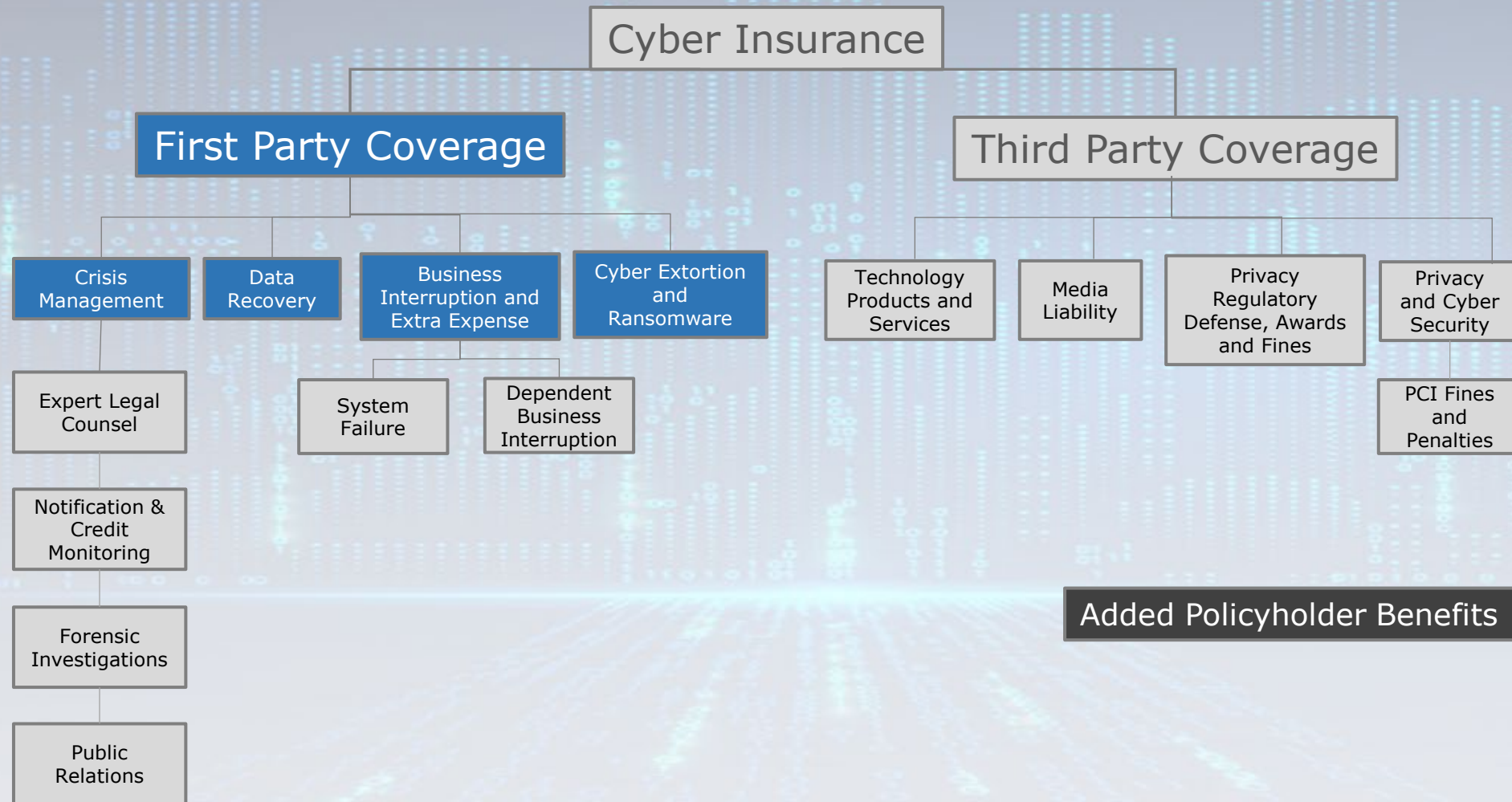
2022	
Number of Litigation Matters	171



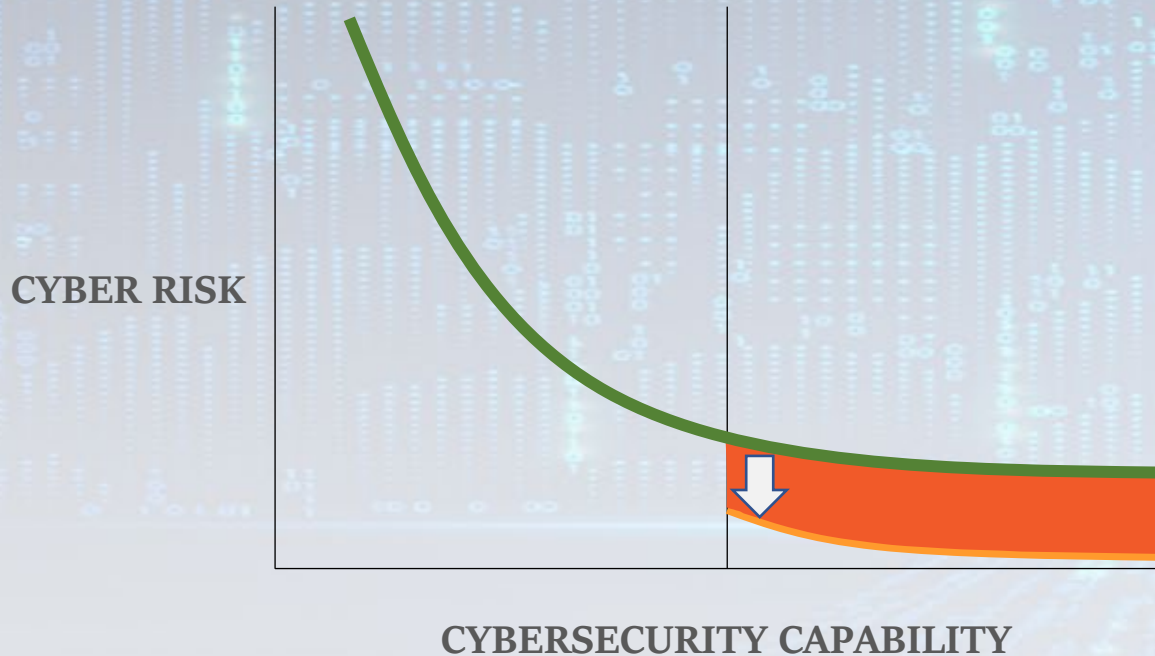


Incident Response: Cyber Liability Insurance

Policy Breakdown



Cyber Risk Transfer Strategy



- Initial investments should be in cyber capability development
- As risk curve flattens, cyber insurance becomes a more efficient means to reduce your total cost risk
- Coordinating investments and strategy to manage risk effectively requires a plan



Questions & Contact

Contact Information



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24/7/365 Incident Response Hotline

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