

Cyber Security: Lessons from the Premera Attack

March 1, 2018 | Seattle, WA

Submitted by: Liane Pelletier, NACDNW Board & Program Captain & Moderator

Panelists: Kitti Cramer, executive vice president, chief legal and risk officer of Premera Blue Cross; Andrea Kaltsounis, partner in the privacy and data security practice at Baker & Hostetler LLP; and Kathy Munro, chairman of the board for Premera Blue Cross.

The case for robust *advance* planning was made clear in this panel's discussion of a nation state's cyberattack of a health insurance company. In this case, advanced planning included 1) securing cyber insurance (both liability and response expense coverage), 2) establishing relationships with a full panel of advisory firms (often part of a cyber insurance engagement): legal, forensic, communications and even tactical solution firms that provide direct mail and call center services, and 3) conducting table top exercises on a recurring basis. In this case, the firm had years of experience under its belt before the cyberattack occurred. Without such advanced planning, the case was clear: There would have been very different handling of the attack, and reputation recovery --- inevitably challenged --- would have faced even greater challenges.

Once the attack discovered, management and the board felt tremendous pressure to provide timely disclosure. The panelists characterized this pressure to disclose as a genuine desire to be transparent and trustworthy with its many stakeholders; the panel emphasized that outside advisors were *critical* to guiding everyone to the 'right' timing for disclosure. The expert legal panelist reinforced that there is no single answer as to when, but rather the right answer is very much case-specific and in fact, expectations are very likely to evolve.

Re: the critical role of advisors, the firm's board and management representatives noted that not all outside legal counsel should be assumed to be equally experienced in the many nuances of how to navigate a cyberattack, so they advised the audience to investigate capabilities thoroughly, and to expect that the best firm will project manage the firm and its panel of advisors on a minute by minute, hour by hour, daily basis. Further, the panel shared that the right law firm will have deep experience negotiating the rules of engagement with law enforcement such as at the FBI.

The panel shared that staffing a crisis response team takes much care. In particular, to pay attention not only to the knowledge of each member, but also to the personality / disposition of the employee leaders. What makes for a great employee in an ordinary course role may not translate to a great employee who must handle crisis response under duress.