

Crawford & Company®

# Cyber Loss Management Program



**Crawford®**

# About Crawford & Company®

For over 80 years, Crawford has solved the world's claims handling challenges and helped businesses keep their focus where it belongs – on people.



Loss  
Adjusting



Third Party  
Administration



Managed  
Repair



Medical  
Management



On-Demand  
Services



Edjuster Contents,  
Services & Technology



Catastrophe  
Response

**9,000** employees | **50,000** field resources | **70** countries | **\$18B+** claims managed annually

# Understanding the Risk

The threat of cyber-crime extends across all industries and impacts organizations of all sizes. Cybersecurity incidents damage customer or stakeholder confidence and tarnish a company's finances and reputation. This ever-growing threat can be quite costly:

- Cybercrime extracts **15-20%** of the **\$3 trillion** global Internet economy<sup>1</sup>
- By **2019** data breaches will cost **US\$2.1 trillion** which is **2.2%** of the world's expected GDP for that year<sup>2</sup>
- Canada loses **0.17%** of its GDP to cybercrime, which is equal to **\$3.12 billion/year**<sup>3</sup>
- The average cost of a data breach to an organization is **\$6.03 million**<sup>4</sup>
- Within the last three years there has been a fairly even distribution between internal and external actors contributing to a cyber loss<sup>5</sup>

Cybercrime continues to evolve, becoming more sophisticated in nature. No longer are cyber incidents restricted to identity theft or privacy breaches, they may also include:<sup>6</sup>

- Ransomware
- Distributed denial of service (DDoS) or local denial of service (LDoS)
- Web defacement
- Physical or infrastructure harm (control devices harmed)
- Theft of trade secrets, intellectual property, insider information
- Loss of data integrity

Ensuring that proper measures are in place to prevent a cyber breach, or effectively manage a breach should one occur, is a key component to the overall health and longevity of an organization.

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<sup>1</sup> "Cyber Security in Canada: Practical Solutions to a Growing Problem." The Canadian Chamber of Commerce, April 2017, accessed February 1, 2018, [www.chamber.ca/advocacy/ten-ways/160218\\_Barrier2.pdf](http://www.chamber.ca/advocacy/ten-ways/160218_Barrier2.pdf)

<sup>2</sup> Moar, James, "The Future of Cybercrime & Security," Juniper Research, March 24, 2017, accessed February 1, 2018 <https://www.juniperresearch.com/researchstore/innovation-disruption/cybercrime-security/enterprise-threats-mitigation>

<sup>3</sup> "Cyber Security in Canada: Practical Solutions to a Growing Problem." The Canadian Chamber of Commerce, April 2017, accessed February 1, 2018, [www.chamber.ca/advocacy/ten-ways/160218\\_Barrier2.pdf](http://www.chamber.ca/advocacy/ten-ways/160218_Barrier2.pdf)

<sup>4</sup> Sagan, Aleksandra, "Average cost of data breach in Canada is \$6.03M: Study." Global News. June 29, 2016, accessed June 29, 2018 <https://globalnews.ca/news/2793414/average-cost-of-data-breach-in-canada-is-6-03m-study/>

<sup>5</sup> "Cyber Risk Trends: 2016 Year in Review," Advisen Ltd. January 24, 2017, accessed February 1, 2018, <http://www.advisenltd.com/wp-content/uploads/2016/12/cyber-risk-trends-year-end-review-slides-2017-01-24.pdf>

<sup>6</sup> Promislow, Ruth E., et al "Cybersecurity: 2017 Report & 2016 Reflections." Bennett Jones, February 2017, accessed February 1, 2018, <https://www.bennettjones.com/CybersecurityReport2017>

# The Solution

Cyber losses are quite complex in nature, as they can impact many aspects of the affected organization. As a leading provider of claims management solutions for over 50 years, Crawford has taken its expertise to the digital realm by creating an integrated cyber-response program to effectively manage cyber losses. Our modular service solution can be customized to provide our clients with an effective and proactive cyber program, addressing their unique cyber risk needs. From pre- and post-loss consultative services and breach response planning, to first notice of loss (FNOL), incident and loss management, Crawford offers a range of services to identify vulnerabilities, and manage and minimize damages.

Leveraging our technical expertise as loss adjusters, global reach and established network of partners specializing in forensic information technology, accounting review, legal counsel and public relations management, we are well equipped to address any and all loss exposures in a concise and effective fashion. Designed around the general framework of a cyber policy, our cyber incident response program, helmed by a highly qualified loss management professional, can effectively mitigate all loss exposures.

We will work alongside our clients to identify their cyber risk management needs and customize a service solution around loss management, as well as pre- and post-loss activities:



# Cyber Loss Management Program Features

As a unique, dynamic service offering that effectively addresses this emerging risk, our capabilities are far-reaching.

- An established global program with more than 100 accredited Crawford incident managers and adjusters across the globe
- Fully customizable modular program to address the unique and wide-ranging needs of each individual client
- Solid partnership with reputable partners that specialize in forensic information technology, legal counsel, public relations management, forensic accounting, regulatory and public notifications, cyber extortion and identity protection, all of whom have a global presence
- Single go-to incident manager to develop and coordinate the response plan
- Single first notice of loss (FNOL) service available through our contact center. This services is available 24/7/365 and is offered in over 200 languages
- Critical first 48-hour performance and communication metrics

## Consultative Services (Loss Preparedness)

Engaging in effective cyber loss prevention practices is key to minimizing an organization's risk in the event of a breach. As part of our cyber program, Crawford will work closely with our client's team to prepare a strategy before a data breach arises by creating a customized and practical response plan and provide necessary training.

### **Our team can:**

- Develop a data breach plan that identifies the appropriate internal and external teams, tasks and operating procedures
- Test the plan (including business continuity plan) to ensure employee understanding and compliance
- Train personnel to spot data breaches
- Develop processes to modify and evolve the plan according to lessons learned
- Provide guidance on legislative compliance, minimizing the risk of penalties or punitive damages



# Loss Management

Crawford's integrated cyber-response program is a multi-prong approach to address and manage all aspects of a cyber incident. As a leading provider of claims management solutions, we understand the distinct needs of our clients and are equipped to respond to any claims situation at any time. As part of our loss management offering, Crawford can offer a full third party administration program or isolated loss management services as needed:

- Third Party Administration / Claims Management
- 24/7 First Notice of Loss (FNOL)
- Incident Response
- Loss Adjusting
- Public Notifications

## Third Party Administration / Claims Management

Crawford offers third party administration (claims management services) designed to meet the specific cyber loss management needs of our clients. We provide our clients with complete third party administration services, including claims intake and triage, incident management with the oversight of our network of specialized experts, file supervision, and data management / bordereaux maintenance. Our dedicated team of client service managers and adjusters have extensive insurance experience and can provide you with a single window of contact to manage every detail of the cyber loss program. Equipped to respond to any claims situation at any time.

## First Notice of Loss

Reporting an incident to Crawford is easy and straightforward. Our ClaimsALERT® contact centre is open 24 hours a day, 7 days a week. A contact centre representative is available during or after regular business hours to provide assistance and route the claim electronically to the appropriate Crawford and client contact.

### **Service features include:**

- Around the clock claim intake and customer service support, nationwide
- Dedicated phone number(s) and scripting
- Efficient management of call volumes, call distribution and call history data
- Customizable programs to meet the specific needs of our clients
- Bilingual French call Centre Representatives
- Service provided in over 150 languages

# Incident Management

You have just experienced a cyber breach and do not know what to do. A Crawford incident manager can take charge of the situation and effectively manage the crisis. Alongside our cyber loss adjusting service, Crawford has an international network of in-house, fully accredited incident managers to handle complex cyber incidents that require the use of multiple specialists.

The Crawford incident managers are the single point of contact for our clients, delivering 24/7 response and any coordination requirements needed for event response and loss adjustment. The incident manager can provide consulting services to any client at the early stages of loss adjustment, creating a foundation and adjustment process based on real-world experience. Crawford has an established global network of experts in forensic information technology, legal counsel, public relations management, forensic accounting, regulatory and public notifications, cyber extortion and identity protection that can be easily leveraged as needed in the event of a cyber incident. Our partners combine their expertise with industry-leading threat intelligence and endpoint technology to help you with all aspects of incident response. Whether you have 1,000 or 100,000 endpoints, our partners can be up and running in a matter of hours, analyzing your networks for malicious activity.



## Crawford Forensic Accounting Services

Apart from our network of specialists in our cyber program, Crawford's in-house forensic accountants can be utilized to assist in the financial mitigation of a cyber loss and to quantify the extent of the loss. Experiencing a cyber event that renders an insured's computers and systems useless for a period of time, resulting in a shut down in operations or a reduction in business activities, can be frustrating and costly. A Crawford forensic accountant can assist in identifying any losses that might have occurred as a result of the cyber incident and quantify the loss amount to further expedite the indemnification process.

From determining the extent of the business interruption loss, and quantifying any resulting losses including repair, replacement or enhancements to existing equipment and systems, our professionals are skilled at sifting through vast volumes of financial data and conducting thorough calculations in a prompt and effective fashion. With knowledge and experience in the insurance industry, these experts are up-to-date on the latest cyber policies and procedures, and can easily navigate through them to determine the amount the insured is entitled to.

### **Our forensic accountants can also assist in the following ways:**

- Provide loss estimates with various scenario options to ensure appropriate action is taken
- Supply loss calculations and supporting reports to substantiate an insurance claim
- Serve as an expert and witness testimony, if necessary



# Loss Adjusting

Crawford cyber loss professionals are seasoned claims adjustors who have been accredited as cyber experts through our internal training program. With years of professional experience handling all manner of losses, they possess the depth of knowledge and skill to respond quickly to a myriad of cyber events. From investigation and reporting to determining causation and providing settlement recommendations, our loss professionals are well equipped to manage all facets of a cyber loss.

**Our experienced teams assess and introduce immediate measures to effectively mitigate any cyber breach claim, including but not limited to the following:**

- Viruses / malware
- Negligent / accidental act of an employee
- Deliberate in-house staff activity
- Theft / loss of mobile devices
- Malicious attack or unauthorized access to a network by a third party
- Data issues created by involving third parties (e.g., cloud, web services)
- Hacking of webpages and applications
- Network, system or process errors

The **first 48 hours** after an incident are the most critical in terms of response. That is why our cyber loss professionals adhere to meticulous key performance indicators (KPIs) to ensure that prompt and effective action is taken within the early hours of a loss, as outlined below:



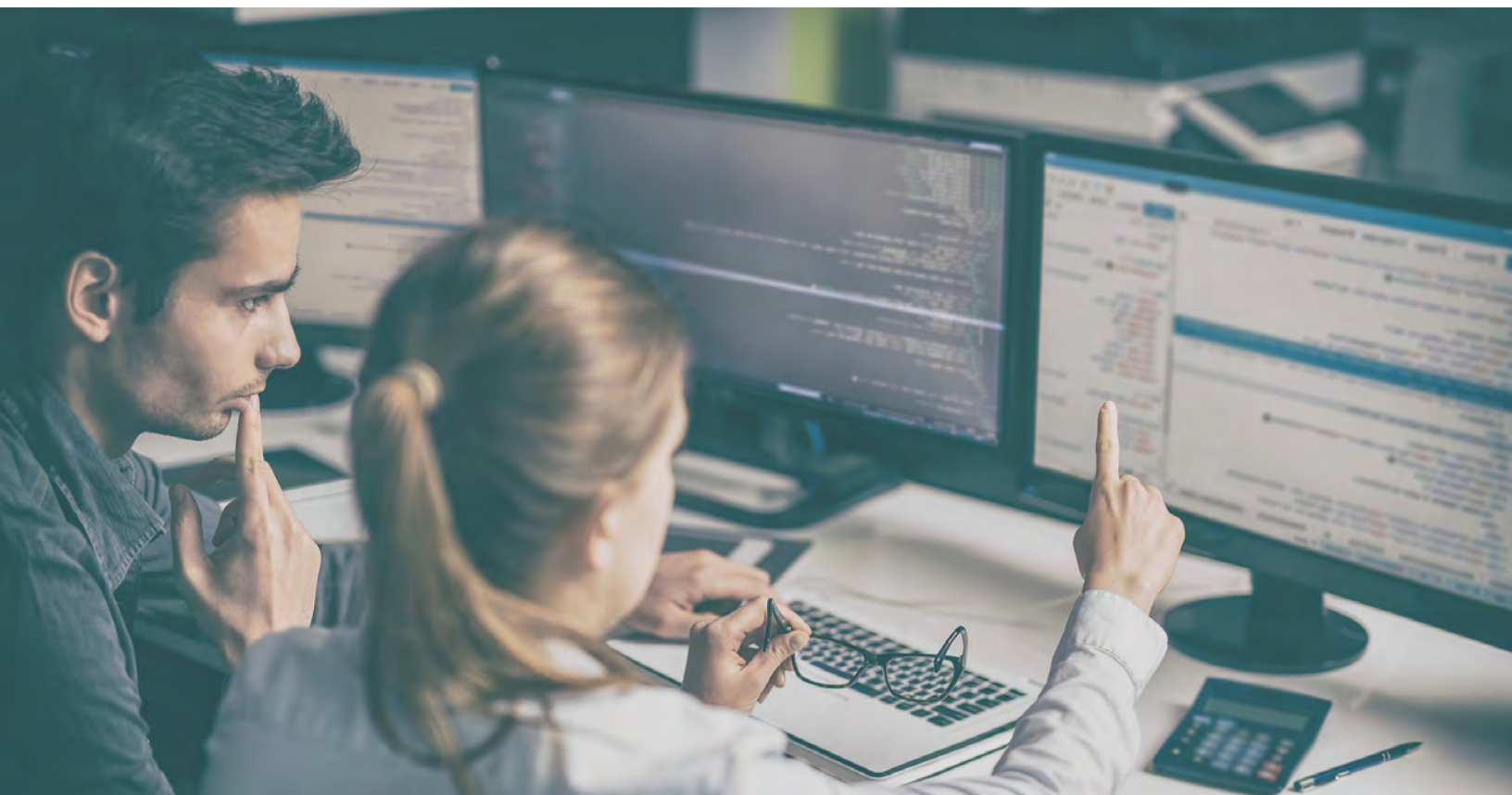
## Public Notifications

Crawford provides first response services to all affected parties in a breach situation. We are ready at a moment's notice to help prevent further damage by providing a variety of services, including:

- Establishing a toll-free contact number within 45 minutes of the breach, staffed by dedicated customer service representatives
- Representatives specially trained to handle highly sensitive matters who will advise claimants on what they should be monitoring (i.e., bank statements, credit scores, etc.)
- Notifying all parties whose personal information has been compromised through email notices, letters and case-specific websites
- Leveraging our partnerships with media outlets and our partner public relation firm to get the most accurate messaging to the public
- Coordinating with credit reporting bureaus to track the breach, helping to identify and rectify any potential damage, and assisting with credit report corrections
- Employing cutting-edge technology to confirm and assure all parties that their information is not being appropriated by thieves to open new lines of credit
- Providing daily customized reporting on the status of the notification and damage mitigation plan

## Consultative Services (Post-loss)

Understanding why and how a cyber incident occurred is key to taking the necessary steps to prevent future incidents from occurring. Whether or not a Crawford professional was hired to manage the incident and determine causation, our experts can be called upon to work with assigned internal or external parties to validate causation and conduct a thorough GAP analysis to identify weakness and exposures. Based on our findings we can work with our clients to develop an effective plan to minimize and even eliminate the identified risk exposures, implement effective response protocol and provide employee training and workshops to mitigate future risk.





**Paul Hancock, B.Sc., CIP**  
Vice President, GTS Canada  
Crawford & Company (Canada) Inc.  
**D:** 416.957.5043  
**M:** 416.388.9327  
**E:** Paul.Hancock@crawco.ca

Paul is a seasoned insurance professional who has been in the industry for over 37 years. Within the independent adjusting realm, Paul has enjoyed a progressive 11-year career at Crawford. As acting Vice President of Global Technical Services® (GTS™), Paul is responsible for overseeing the operational excellence and program development of GTS.

As a claims professional, Paul specializes in commercial property, municipal liability, marine and transportation, cyber risk and retail. His passion for and expertise in specialty lines has propelled the success of Crawford's GTS division, both internally within Crawford and externally within the insurance marketplace.



**Jason Ponton, FCIP, CRM**  
Cyber Practice Leader, Canada  
Crawford & Company (Canada) Inc.  
**D:** 416.453.7245  
**E:** Jason.Ponton@crawco.ca

Jason Ponton is Crawford & Company's Cyber Practice Leader for Canada. Based out of our Global Technical Services division in Toronto, Jason has over a decade of experience handling a variety of complex cyber and specialty lines claims in the capacity of a senior adjuster, national claims specialist and regional claims manager. Jason also serves as a mentor to several industry participants and Crawford colleagues.



**Steve DelGreco, FCIP, CRM**  
Branch Manager –  
Global Technical Services  
Crawford & Company (Canada) Inc.  
**D:** 416.957.5054  
**M:** 647.970.5619  
**E:** Steve.DelGreco@crawco.ca

Steve began his career in insurance in 1988. He has significant experience in both the Independent Adjusting field and the Insurer Markets. Throughout his career he has adjusted and managed sta in all business lines including Global Technical Services®. He has used his experience to become a key account manager for multiple clients including Captives. In addition he has been a trainer for many years to the industry.

Steve has shown a commitment to the industry through serving on the Senior Executive of Claims Associations and years of volunteer work in support of the industry.