



**Kamini Patel, MBA, CIC, CPCU, AIDA ®  
Deputy Executive Director**

# Cyber Risk Initiatives

- MEL Cyber Risk Management Plan
- Cyber JIF
- Employee Cyber Hygiene Training
- Phishing Campaign
- External Network Vulnerability Scanning
- External Network Penetration Testing
- Technology Risk Services Director

# MEL Cyber Risk Management Plan

- ▶ **Version 1.0 - Released in December 2017 - Two Compliance Tiers**
  - ▶ Tiers Security standards based upon current loss trends
  - ▶ Compliance with Tier 1 - \$5,000 Reimbursement of deductible
  - ▶ Compliance with Tier 2 - \$7,500 Reimbursement of deductible
- ▶ **Version 2.0 - Released in September 2020 - Three Compliance Tiers**
  - ▶ Tiers Security standards updated based upon current loss trends
  - ▶ Deductible Reimbursement
    - ▶ Tier 1- \$10,000
    - ▶ Tiers 1 & 2- \$20,000
    - ▶ Tiers 1, 2 & 3 - \$25,000

The MEL Cyber Risk Management Plan has matured as the cyber risks have become more sophisticated

# MEL Cyber Risk Management Plan

- ▶ Compliance Status as of December 31, 2022 for BURLCO JIF Members
  - ▶ Tier 1- 96%
  - ▶ Tier 2- 89%
  - ▶ Tier 3 - 82%



# Cyber Risk Management JIF

- ▶ Cyber is very unique peril
- ▶ The program is more about managing the risk of the use of technology by the members than coverage for a loss
- ▶ Easier to secure coverage for the entire membership
- ▶ Greater flexibility in changing programs & coverage
- ▶ The MEL's positive experience with the E-JIF



# MEL CYBER TASK FORCE UPDATE

## **Member Coverage**

All members will receive full limits of \$3m Each Claim / \$6m Aggregate (separate Aggregate for each JIF).

Members will be subject to the following deductibles based on their level of compliance.

- **Non-Compliant:** \$50k deductible, plus 20% coinsurance of the first \$350k
- **Minimum Security:** \$25k deductible, 0% coinsurance
- **Advanced Security:** \$0 deductible, 0% coinsurance

As always, your compliance will be determined at the time of loss.

## **Grandfathering**

- Current Tier 1 or Tiers 1 and 2 give one year of grandfathering in "Minimum Security".
- Current Tiers 1, 2 and 3 gives one year of grandfathering in "Advanced Security".

## **Cybersecurity Framework**

Following are the security control categories within each group.

### **Minimum Security**

- This category is for members not meeting all the controls of "Minimum Security".

### **Minimum Security**

- Data Protection – *Back-up strategy and data security*
- Policies – *Incident Response Plan and Technology Practices Policy (provided by the Cyber JIF)*
- Remote Access – *MFA and VPN*
- Vulnerability Scanning (*reimbursed up to a set rate by the Cyber JIF*)
- Asset Management – *Inventory of software and hardware assets, plus managing user accounts*
- Patch Management
- Cyber Hygiene Training (*reimbursed up to a set rate by the Cyber JIF*)
- Defense – *Software and security settings to protect the network*
- Credential Management

### **Advanced Security**

- Advanced items for "Minimum Security" categories
- Logging Practices
- Business Continuity Plan
- Network Segmentation
- Endpoint Detection and Response

For details, contact the MEL Underwriting  
Manager or your local JIF Executive Director



# How Does This Impact Me?

Your municipality experiences a cyber incident which results in a \$500,000 loss. How much will it cost your municipality?

## MEL Program

Not in compliance	\$25,000 Deductible
Tier 1	\$25,000 Deductible - <u>\$10,000 reimbursement</u> \$15,000 Member's responsibility
Tier 2	\$25,000 Deductible <u>\$20,000 reimbursement</u> \$5,000 Member's responsibility
Tier 3	\$25,000 Deductible <u>\$25,000 reimbursement</u> \$0 Member's responsibility

## Cyber JIF

Not in compliance	Member pays \$50,000 deductible plus \$60,000 (20% of next \$300,000) in co-insurance Total: \$110,000
Basic	Member pays \$25,000
Advanced	\$0



# Cyber Security Initiatives - BURLCO JIF

- ▶ Member Cyber Security Audits - 2016-2017
- ▶ In conjunction with ACM & TRICO JIFs
- ▶ 107 Audits - Identified the common needs of our members

- RFP for Cyber Security Services - 2018 - 2021
- Employee Cyber Hygiene Training, Phishing, Policy Development, External Network Scanning



# Cyber Security Initiatives - BURLCO JIF

- RFP for Cyber Security Services - 2022 - Present
- Awarded contracts to Wizer & D2
- Employee Cyber Hygiene Training, Phishing, External Network Scanning, Annual Network Penetration Testing

The Goal - Make the services needed to comply with the Cyber JIF Program requirement available to all Members in a consistent and cost effective manner



# Employee Cyber Hygiene Training as of March 30, 2023

- ▶ Two 30 minute training sessions each year
- ▶ First training released in February 2023
- ▶ 1,145 employees registered
- ▶ 82% of employees completed the training



# Phishing Campaign

- ▶ Whitelisting must be completed
- ▶ 24 members are actively participating
- ▶ 3 members waiting confirmation of test email
- ▶ 1 member is not participating
- ▶ Randomly tests your employee's knowledge
- ▶ **Current Statistics as of March 30, 2023:**
  - ▶ 1,488 Phishing emails sent
  - ▶ 330 Phishing emails were opened
  - ▶ 35 links were clicked
  - ▶ 2.35% Click rate

# External Network Scanning & Penetration Testing

- ▶ Verification of IP addresses and points of contacts started in January 2023
- ▶ As of March 30, 2023:
  - ▶ 24 out of 28 members are participating in monthly external network vulnerability scanning.
  - ▶ 24 out of 28 members are participating in annual external network penetration testing.



# Technology Risk Services Director

- ▶ Contract awarded to Wintsec Consulting effective February 01, 2023.

Goal:

Assist Members and/or their IT vendors in understanding & complying with cyber security initiatives



# Help Us Help You

- ▶ Share the new Cyber Security Program with your IT vendor
- ▶ Make a plan for compliance with the new standards that meets the Cyber JIF requirements prior to **01/01/2024**
- ▶ Utilize the \$725 EPL/Technology Risk Management Budget to help offset compliance costs
- ▶ Reach out to the Technology Risk Services Director for assistance

## Special Mentions:

Thank You

To all the Members that have embraced the cyber security initiatives and have shown continuous commitment and improvement to your cyber security profile!







**Kamini Patel, MBA, CIC, CPCU, AIDA ®  
Deputy Executive Director**



**Technical Risk Services Director**

**aka "JIF Geek"**

## Background:

### F. Gerald Caruso

- Citicorp
- Federal Reserve Bank Philadelphia
- Advertising Firm/Law Firm NYC
- Networks Plus 2003
- Wintsec 2018
- JIF 2023
- Property Casualty Insurance Agent 1977-1990

## Duties of the "JIF Geek"

- **Town Ambassador**
  - Responsibilities vs Authorities
- **Technical Translator**
  - I speak fluent geek
- **Manage Cyber Programs**
  - Wizer approx. 6000 municipal employees across three JIFs
  - D2 over 300 IP addresses across 106 Towns
  - "Cat herder"

## Three P's of Cyber Protection

### People

- Represents 80% of the exposure to Cyber intrusion

### Places

- Represents 10% of the exposure to Cyber intrusion

### Procedures

- Represents 10% of the exposure to Cyber intrusion

- How can I help you?
- How can you help me?

Burlington County  
Municipal Joint  
Insurance  
Fund



South Jersey Communities Securing Their Future

Questions?