

# Getting Started With The MEL's Cyber Risk Management Program 2<sup>nd</sup> Edition

Step-By-Step



The availability of Cyber Insurance is becoming very restrictive, and insurers are cancelling coverage for entities that do not implement safeguards to protect themselves from cyber-attacks.

We may actually find ourselves in a position where insurers require compliance with these standards to be eligible for coverage.



## **Introduction**

## **Differences**

- ✓ Tier 1
- ✓ Tier 2
- ✓ Tier 3

## **Certification**

## **Financial Impact**

## **Deductible Reimbursement Certification**

## **Program Rollout**

- ✓ Documents
- ✓ Process
- ✓ Gap Assessment & Actionable Report

## **Financial Assistance**

## **Questions**

# Introduction

- The MEL has revised its Cyber Risk Management Program to reduce the potential risk of a cyber incident and improve the overall security posture of its member.
- The new program consist of 3 Tiers



Tier 1	Tier 2	Tier 3
Information Backups	Server Security	Network Segmentation
Security Patches and Updates	Access Privilege Controls	Remote Access Policy - MFA
Defensive Software	Technology Support	Password Integrity
Security Awareness Training	System and Event Logging	System and Event Logging - Review
Password Management	Protected Information	Third-Party Risk Management
Email Warning Label	Remote Access - VPN	
Cyber Incident Response Plan	Leadership Expertise	
Technology Practice Policy	IT Business Continuity Planning	
Government Cyber Membership	Banking Controls	

# Differences – Tier 1



- New
- New
- New
- New

Tier 1	
Information Backups	Same
Security Patches and Updates	Same
Defensive Software	Same
Security Awareness Training	Same
Password Management	Two password options – MEL’s Requirements or NIST Standards
Email Warning Label	Email banner to identify external incoming emails
Cyber Incident Response Plan	Same
Technology Practice Policy	Adoption of Tier 1 Technology Policy
Government Cyber Membership	Register with NJCCIC and MS-ISAC

NJCCIC – New Jersey Cybersecurity & Communications Integration Cell  
 MS-ISAC – Multi-State Information Sharing & Analysis Center

# Differences – Password Management



## Two Flavors



### MEL's Minimal Requirements

#### Change Frequency

Network users' passwords are updated every three (3) months.

#### Construction

- ✓ Passwords must be a minimum of ten (10) characters.
- ✓ Passwords must be unique from passwords used on all other programs, websites, devices, etc., both personal and work.
- ✓ Sequential or repetitive characters of more than two in succession are not to be permitted.
  - Example: "123", "AAA", etc.
- ✓ Commonly used passwords are not to be permitted.
  - Example, "password", "123456789", "abc123", etc.
- ✓ Context-specific words are not to be permitted.
  - Example, the name of the application or website being logged into.

#### Failed Login Lockout

- ✓ The user account shall be locked out after five (5) failed attempts for a period of no less than 30 minutes.

### NIST Standard 800-63B

#### Change Frequency

Only change if there is evidence of compromise

#### Construction

- ✓ Length - 8 characters minimum to at least 64 characters maximum
- ✓ Password
  - Suggest users use "memorized secrets" instead of passwords
  - Memorized Secrets are secret values intended to be chosen and memorized by the user; something you know.
- ✓ Screening - Screen passwords against a list of known compromised passwords
- ✓ Composition Restrictions – Do not allow
  - Dictionary words
  - Repetitive or sequential characters
  - Context-specific words (i.e. service name or username)
- ✓ Composition Minimums - Skip character composition rules
- ✓ Hints - Disable password hints and knowledge-based security questions
- ✓ Copy & Paste - Allow copying and pasting passwords from a password manager
- ✓ Other Characters - Allow ASCII and UNICODE, including emojis

#### Failed Login Lockout

- ✓ Limit the number of failed authentication attempts

# Differences – Email Warning Label

Email warning labels, reduces the possibility of a spoofed email and social engineering scams by identifying emails that are coming from outside the organization.

Easy and cheap to implement - No Brainer !



Example

**CAUTION:**

This email originated from outside of our email domain. Do not click on links or open attachments unless you recognize the sender and know the content is safe. If unsure, do not reply to this email and call the sender directly.

# Differences – Technology Practice Policy

Ensures that management/governing bodies adopt a Technology Practice Policy that includes all the subject items outlined in the MEL Cyber Risk Management Program.

This can be done via a resolution –

Resolution templates have been developed for the JIF.

There are three resolutions for adoption:

- ✓ Tier 1
- ✓ Tier 2
- ✓ Tier 3

## Sample Tier 1 Resolution

**City of Xyz**

*Resolution 2021-*

**A RESOLUTION ADOPTING TECHNOLOGY RISK MANAGEMENT STANDARDS IN COMPLIANCE WITH THE NEW JERSEY MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND'S CYBER RISK MANAGEMENT PLAN'S TIER ONE REQUIREMENTS**

**Whereas**, the **City of Xyz** is a member of the BURLCO JIF which secures insurance protection through the New Jersey Municipal Excess Liability Joint Insurance Fund (NJ MEL); and

**Whereas**, through its membership in the BURLCO JIF, the **City of Xyz** enjoys cyber liability insurance coverage to protect the **City of Xyz** from the potential devastating costs associated with a cyber related claim; and

**Whereas**, in an attempt to prevent as many cyber related claims as possible, the NJ MEL developed and released to its members the NJ MEL Cyber Risk Management Plan; and

**Whereas**, the NJ MEL Cyber Risk Management Plan outlines a set of best practices and standards broken out into Tier 1, Tier 2, and Tier 3 standards that if adopted and followed will reduce many of the risks associated with the use of technology by the **City of Xyz**; and

**Whereas**, in addition to the reduction of potential claims, implementing the following best practices and standards will enable the **City of Xyz** to claim a reimbursement of a paid insurance deductible in the event the member files a claim against **City of Xyz's** cyber insurance policy, administered through the BURLCO JIF and the Municipal Excess Liability Joint Insurance Fund;

**Now Therefore Be It Resolved** that the City of Xyz does hereby adopt the following best practices and standards, a copy of which is attached hereto and incorporated herein by reference, in accordance with Tier 1 of the NJ MEL Cyber Risk Management Plan;

**Information Backup**

**Security Patches and Updates**

**Defensive Software**

**Security Awareness Training**

**Password Management**

**Email Warning**

**Incident Response Plan**

**Technology Practice Policy**

**Government Cyber Membership**

# Differences – Government Cyber Membership

OFFICIAL SITE OF THE STATE OF NEW JERSEY

NJ's Current Cyber Alert Level: "Guarded"

**NJCCIC**

REPORT ▾ ABOUT THREAT CENTER ▾ LEARN ▾ NEWS & EVENTS ▾ JOIN ▾

Welcome to the  
New Jersey  
Cybersecurity &  
Communications  
Integration Cell

Event: JerseyCTF, April 10th & 11th, 2021

View the latest cybersecurity alerts and vulnerability advisories >

**Incident Reporting**  
Help us track cyber-related crime by reporting data breaches and other cyber incidents. This data helps us to create alerts and advisories that raise awareness and prevent future incidents.  
[FILE A REPORT](#)

**Weekly Bulletin**  
Each week we compile data on the current threat landscape. Check out our latest bulletin for insight into the threats and malicious activity directly targeting New Jersey networks.  
[VIEW NOW](#)

**Membership**  
An NJCCIC membership enables you to increase your knowledge and awareness, becoming the strongest defense against cyber-attacks. Join today at no cost and we'll deliver the latest cyber alerts and advisories to your inbox, along with our bulletins, training notifications, and other important updates.  
[SIGN UP](#)



Free & Easy!!

NJCCIC

<https://www.cyber.nj.gov/>

Ensures that member stays current with cyber threat notifications and relevant information.

# Differences – Government Cyber Membership



Free & Easy!!

MS-ISAC

<https://www.cisecurity.org/ms-isac/>

Ensures that member stays current with cyber threat notifications and relevant information.

The screenshot shows the CIS Center for Internet Security website. At the top left is the CIS logo. To the right are quick links for CIS Controls, CIS Benchmarks, CIS Hardened Images, and ISAC Info. Below this is a navigation bar with 'Cybersecurity Best Practices', 'Cybersecurity Tools', and 'Cybersecurity Threats'. A 'CIS SecureSuite Membership' banner offers 'Up to 20% Off' with 'Apply', 'Learn more', and 'Login' buttons. The main content area is titled 'Home • MS-ISAC'. On the left, the MS-ISAC logo is followed by the text: 'The mission of the MS-ISAC is to improve the overall cybersecurity posture of the nation's state, local, tribal and territorial governments through focused cyber threat prevention, protection, response, and recovery.' Below this are links for 'See Our FAQ' and 'Read the MS-ISAC Mission & Charter'. A section titled 'Services Included with Membership' lists various services in two columns. On the right, there are buttons for 'Join MS-ISAC', 'See list of members', 'Report an Incident', 'SolarWinds Cyber-Attack Updates', and 'Microsoft Exchange Zero-Day Updates'. Below these is a map of the United States with the text 'MS-ISAC Cyber Alert Level: ELEVATED' and a link to 'Learn More about the Alert Level'.

# Differences – Tier 2



New

New

New

New

Tier 2	
Server Security	Same
Access Privilege Controls	Same
Technology Support	Same
System and Event Logging	System activities, information security events, and system utilization and performance need to be monitored. Microsoft natively maintains three logs; System, Application, & Security
Protected Information	Same
Remote Access - VPN	Use a VPN connection when remotely connecting to the municipal network.
Leadership Expertise	Same
IT Business Continuity Planning	Use the Business Continuity Guidelines to develop a Business Continuity Plan suited for your operations.
Banking Controls	Implement internal controls to minimize fraudulent banking transactions.
Technology Practice Policy	Adoption of Tier 2 Technology Policy

# Differences – System & Event Logging

The purpose of System and Event Logging is to capture system activities, information security events, system utilization and performance in a pre-emptive manner.

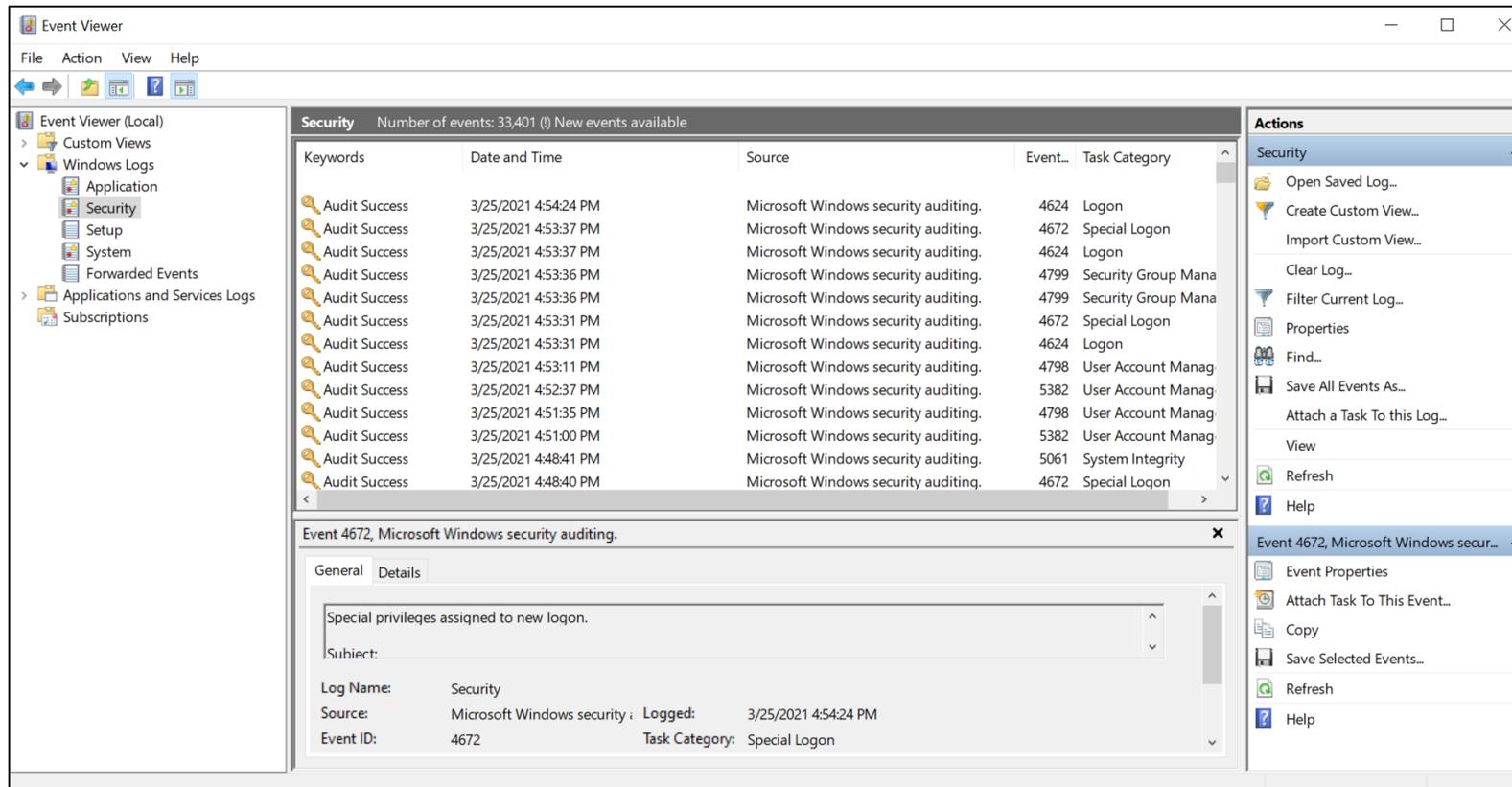
In Windows 10, The Event Viewer helps you monitor apps and system components as well as troubleshoot problems.

There are various logs, but the primary ones are:

- ✓ Application
- ✓ Security
- ✓ Systems

Your Technology Professional should review these logs quarterly.

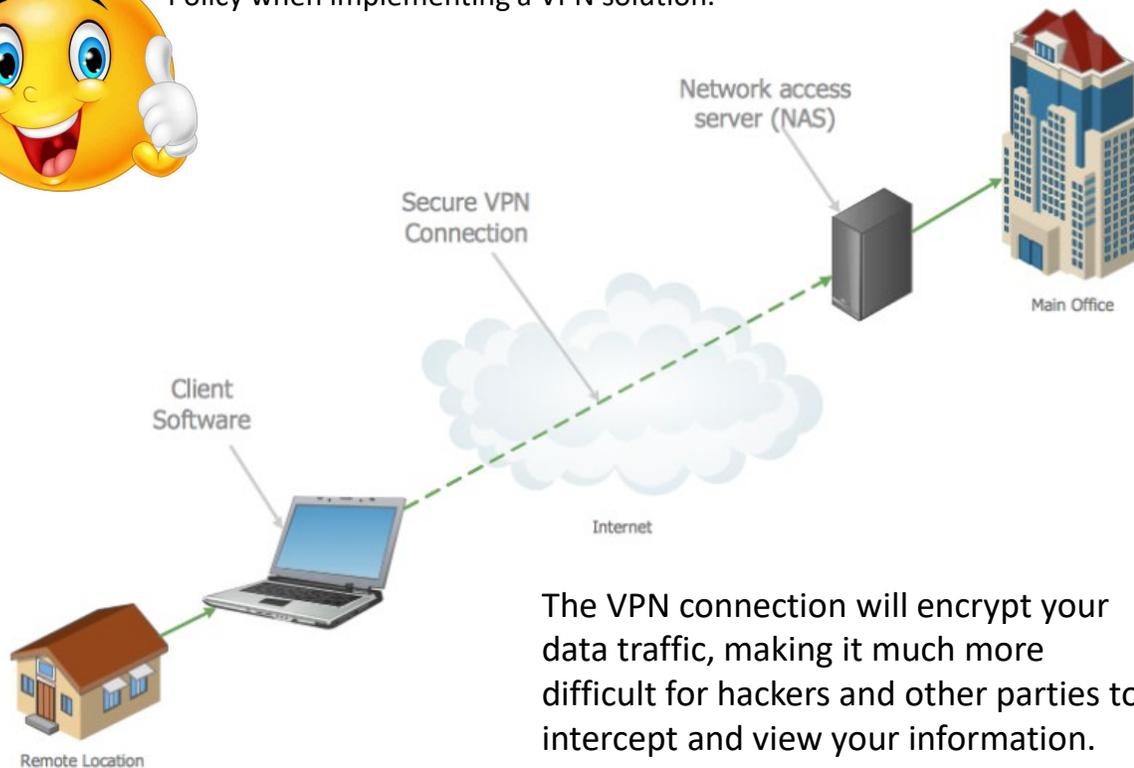
<https://www.windowcentral.com/how-use-event-viewer-windows-10>



# Differences – Remote Access - VPN

The purpose of the Remote Access Policy is to secure remote access connectivity into the member's network using a Virtual Private Network (VPN).

Consult with your Technology Professional and use the guidelines in the Master Technology Policy when implementing a VPN solution.



The VPN connection will encrypt your data traffic, making it much more difficult for hackers and other parties to intercept and view your information.

1. The VPN software on your computer encrypts your data traffic and sends it (via your Internet Service Provider) to the VPN server through a secure connection.
2. The encrypted data from your computer is decrypted by the VPN server.
3. The VPN server will send your data on to the internet and receive a reply, which is meant for you.
4. The traffic is then encrypted again by the VPN-server and is sent back to you.
5. The VPN-software on your device will decrypt the data so you can understand and use it.

# Differences – IT Business Continuity Planning

The purpose of the IT Business Continuity Plan is to ensure the member is prepared and can effectively recover from a disruption in service, including cyber breaches, denial of service or ransomware attacks, and be able to restore continuity of operations.

When developing an IT Business Continuity Plan you need to consider the following:

## ***Recovery Strategies***

1. Identify all operational functions
2. Identify key support personnel and communications plan
3. Prioritize based on Recovery Time Objectives (RTOs)
4. Consider and accommodate the following impacts:
  - ✓ Loss of Computing (Systems and Data)
  - ✓ Loss of Telecommunications
  - ✓ Loss of Personnel
  - ✓ Denial of Physical Access
  - ✓ Critical vendors' services

Use the Business Continuity Planning Guidelines as reference to help you develop your Business Continuity Plan

This can be found on the JIF's website

Business Continuity Guidelines 

**1. Determine recovery requirements.**

Conduct a Business Impact Analysis (BIA)

- a. Identify all functions performed for all in-scope departments.
- b. Identify all personnel that staff each function
- c. Identify the system(s), data, and databases, documents used for each function
- d. Determine how long the function could be performed without each system identified in 1(d). It is understood that each function relies on certain systems but think outside the box and figure out if manual or semi-manual processes could be implemented to reduce the reliance on each system even if such alternate methods would only work for a day or 2.
- e. Determine the amount of time the loss of each function would become unacceptable. Don't limit this only to revenue loss or service loss, think also in terms of loss of reputation, loss of reporting to higher authority, or causing many hostile customers
- f. Identify any operational peaks where the function becomes more important because "it's that time"
- g. Identify any operational ebbs where the recovery of each function could be delayed.
- h. Identify any single points of failure, whether it's because a single person does the function, there's a single "go to" SME who is relied upon to solve issues, a single workstation has access to the necessary system, if there's a single internet gateway, single commercial power feed, etc.

**2. Determine recovery strategies.**

Determine the recovery strategies that meet the Recovery Time Objectives for each function.

- a. What will you do if you cannot physically access the building without notice?
- b. What will you do if the systems and data you rely on, are no longer available?
- c. What will you do if telecommunications connectivity (to include the internet) is no longer available?
- d. What will you do if your key people are suddenly not available?
- e. What will you do if your key vendors / suppliers are unavailable?

**3. Develop your Business Continuity Plan.**

- a. Determine your recovery organization. Ensure you have a command/crisis management team staffed with key department heads and a damage assessment team that is staffed to assess technical and functional damage / operational impacts
- b. Determine other necessary recovery teams to accommodate corporate-level, shared resources such as IT, functional recovery at the department level. Note that recovery at the department level will be based on tiered staffing from your most critical to your lesser critical functions.
- c. Determine who will staff your recovery teams.
- d. Develop the procedures for:
  - i. Activating recovery teams and a command center
  - ii. Damage assessment

# Differences – Banking Controls

The purpose of implementing internal Banking Controls is to prevent or reduce fraudulent banking transactions.

When implementing the internal banking controls, the following guidelines shall follow.

- Use Multi-Factor Authentication when accessing the bank's system and making financial transactions, where available.
- Establish procedures requiring multiple approvals for request to change banking information.
- Establish procedures requiring multiple approvals and source verification for financial transaction requests over \$5,000.
- Ensure that relevant personnel know and understand these procedures.



Easy and cheap to implement  
- No Brainer !

# Differences – Tier 3



New

Tier 3	
Network Segmentation	Divide the network into multiple zones or sub-networks and apply security protocols to each zone. The member shall consider isolating the network by key business units or sensitive departments, such as finance and human resources.
Remote Access – MFA (Multi Factor Authentication)	Enhance the security level by adding a second layer of authentication when remotely accessing the member’s network
Password Integrity	Frequently validate users’ emails and passwords to ensure they have not been compromised. This can be done by checking your credentials against an email breach service, such as HavelBeenPwned. <a href="https://haveibeenpwned.com/">https://haveibeenpwned.com/</a>
System and Event logging - Review	Ensure there is a process in place to review the system logs quarterly.
Third Party Risk Management	Perform a vendor review for all vendors that access, hold or transmit Personally Identifiable Information, Protected Health information Financial information, credit card information or have access to the member’s system/computer network.

New

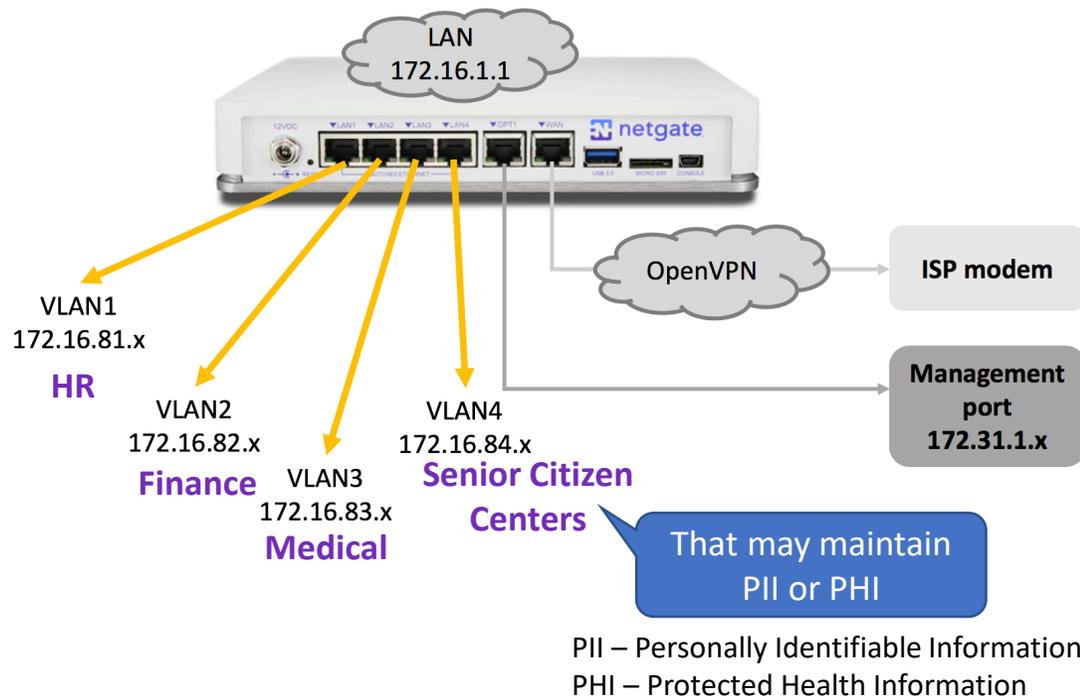
New

New

New

# Differences – Network Segmentation

The purpose of segmenting your network is to reduce the spread of a cyber-attack by dividing the network into multiple zones or sub-networks and applying security protocols to each zone. You should consider isolating key business units or sensitive departments, such as finance and human resources.



Network segmentation (often referred to as network isolation) is the concept of taking your network and creating silos within it called **VLANs**

(Virtual Local Area Networks)

- ✓ Consult with your Technology Professional to plan a network segmentation initiative.

# Differences – Remote Access - MFA

Multi-factor Authentication (MFA) is an authentication method that requires the user to provide two or more verification factors to gain access to a resource such as an application, online account, or a VPN and decreases the likelihood of a successful cyber attack.



1<sup>st</sup> Type your usual Username & Password.

2<sup>nd</sup> System sends you a verification code to your phone or email.

3<sup>rd</sup> System access is granted after security code is entered and is validated.



✓ This is only applicable if you allow remote access to your network (i.e. employees, vendors, etc.).

MFA shall be enabled for the following remote connections:

- Member's network if remote access is allowed.
- Email service (if cloud based)
- Third-Party applications that store or transmit PII or PHI information.

# Differences – Password Integrity

The purpose of the Password Integrity initiative is to frequently validate users' emails and passwords to ensure they have not been compromised.

Initiate a policy that users check their password or emails are against an email breach service, such as HaveIBeenPwned, to determine if any email addresses have been compromised.

Users whose credentials have been compromised must take necessary action to ensure integrity of any emails or passwords found on the breach database.



## Quick Tip – What to do if your credentials have been compromised?

- ✓ Update your security software and delete any malware
- ✓ Change your passwords
- ✓ Check your account settings
- ✓ Tell your friends & financial institutions
- ✓ Frequently monitor your credit reports
- ✓ Turn on two-factor authentication if your service provider offers it

# Differences – System & Event Log Review

The purpose of the System and Event Log review initiative is to ensure that systems logs that are captured as part of the System & Event Logging process are reviewed quarterly to capture system activities, information security events, system utilization and performance in a pre-emptive manner.



Keywords	Date and Time	Source	Event...	Task Category
Audit Success	3/25/2021 4:54:24 PM	Microsoft Windows security auditing.	4624	Logon
Audit Success	3/25/2021 4:53:37 PM	Microsoft Windows security auditing.	4672	Special Logon
Audit Success	3/25/2021 4:53:37 PM	Microsoft Windows security auditing.	4624	Logon
Audit Success	3/25/2021 4:53:36 PM	Microsoft Windows security auditing.	4799	Security Group Mana
Audit Success	3/25/2021 4:53:36 PM	Microsoft Windows security auditing.	4799	Security Group Mana
Audit Success	3/25/2021 4:53:31 PM	Microsoft Windows security auditing.	4672	Special Logon
Audit Success	3/25/2021 4:53:31 PM	Microsoft Windows security auditing.	4624	Logon
Audit Success	3/25/2021 4:53:11 PM	Microsoft Windows security auditing.	4798	User Account Manag.
Audit Success	3/25/2021 4:52:37 PM	Microsoft Windows security auditing.	5382	User Account Manag.
Audit Success	3/25/2021 4:51:35 PM	Microsoft Windows security auditing.	4798	User Account Manag.
Audit Success	3/25/2021 4:51:00 PM	Microsoft Windows security auditing.	5382	User Account Manag.
Audit Success	3/25/2021 4:48:41 PM	Microsoft Windows security auditing.	5061	System Integrity
Audit Success	3/25/2021 4:48:40 PM	Microsoft Windows security auditing.	4672	Special Logon

Event 4672, Microsoft Windows security auditing.	
General	Details
Special privileges assigned to new logon.	
Subject:	
Log Name:	Security
Source:	Microsoft Windows security i
Event ID:	4672
Logged:	3/25/2021 4:54:24 PM
Task Category:	Special Logon

- ✓ Consult with your Technology Professional to build a quarterly system & log review process as part of the maintenance and support program.

# Differences – Third-Party Risk Management

The purpose of the Third-Party Risk Management (TPRM) initiative is to ensure the protection of information that is accessible to outside vendors.

Use the Third-Party Security Questionnaire when vendors or partners who store, handle, access, and or transmit any of the following sensitive data:

- Personally Identifiable Information (PII)
- Protected Health Information (PHI)
- Financial information
- Credit card information
- Access to the member's information system and/or computer network
- Any asset deemed sensitive and/or of value

- ✓ If your medical insurance carrier were to be breached, would your employee's PHI be exposed?
- ✓ If your payroll service provider were to be breached, would your employee's PII be exposed?
- ✓ If your Technology Professional were to be breached, would access to your network be compromised?

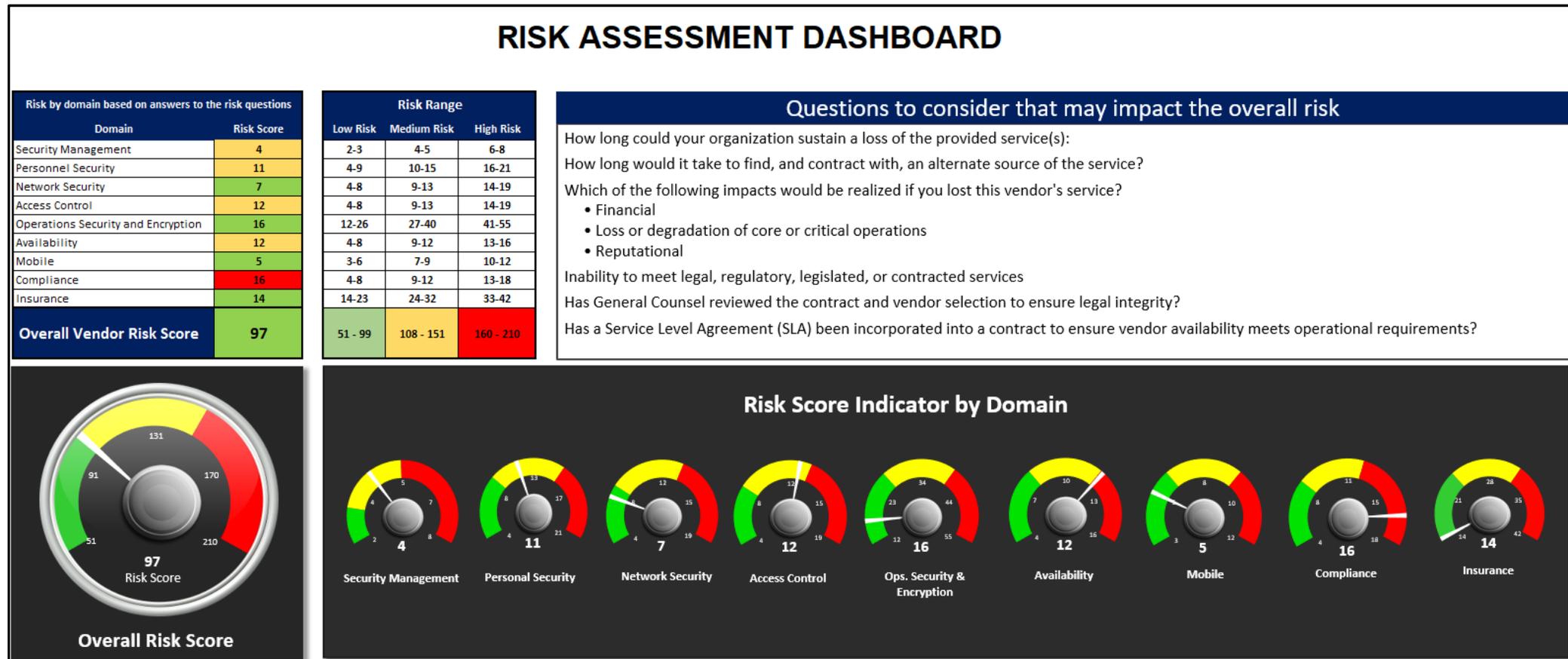


We will work with common vendors  
No sense sending the same questionnaire to the  
same vendor multiple times.



# Differences – Third-Party Security Questionnaire

The Third-Party Security Questionnaire consists of 52 questions and is to be used as part of the vendor selection process when evaluating vendors / contractors who store, handle, access, and or transmit sensitive information.



# Certification

There are three Certification Checklist, Tier 1, Tier 2, Tier 3. Each Tier Certification Checklist need to be completed and executed by the member and their Technology Professional.



MEL Cyber Risk Management Certification

### Tier 1

**Minimum Back-Up Practices**

1. Use of standardized system images or virtualized desktops.
2. Back-up copy of all application software must be available.
3. Daily incremental back-ups with a minimum of 14 days of versioning on off-network device of all data files.
4. Weekly, off-network, full back-up of all data files.
5. All back-ups are spot-checked monthly.
6. Third-party application data must also be backed-up to the same standards.

**Patching Practices**

1. The municipality patches all operating an application software with the latest versions.
2. The municipality uses automatic updating where applicable, particularly as related to security patches.
3. All security and critical updates and patches are installed as soon as prudent and practicable following release.
4. The municipality annually reviews all non-standard applications for possible replacement/upgrade.

**Defensive Software**

1. The municipality's antivirus and firewalls are enabled for all desktops and laptops.
2. The municipality's antispam and antivirus filters are enabled for the email server.
3. The municipality's firewalls are enabled on all active ports, and unused ports are closed.
4. Firewall rules and policies are reviewed or reassessed at least twice per year.
5. Microsoft Office applications open all downloaded files in "Protected Mode".

**Security Awareness Training**

1. All computer users receive annual training of at least one hour on at least the following topics: 
  - a. Password Construction
  - b. Identifying security incidents
  - c. Social Engineering attacks
  - d. Business email compromise

MEL Cyber Risk Management - Tier 1 Certification

## Tier 1 Certification Checklist Sample

All line items that apply and are in place need to be checked.

The member and Technology Professional need to execute the Certification Checklist.

No checkmarks, no signatures, no certification !!



MEL Cyber Risk Management Certification

### Tier 1

This document must be signed by the mayor, municipal administrator, or municipal clerk (or director of entity if not a municipality) AND your technology expert.

**MEMBER ENTITY**

Print Name \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

**TECHNOLOGY EXPERT**

Print Name \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

MEL Cyber Risk Management - Tier 1 Certification

# Certification



- ✓ Tier 1, 2 and 3 Compliance Target date is October 1, 2021.
  - To ensure eligibility for deductible reimbursement
- ✓ Submit Certification Checklist as soon as you are compliant – don't wait.
  - Example: Don't wait to submit Tier 2 Certification Checklist to submit Tier 1 if you meet the criteria
- ✓ Work with your IT Professionals to implement the required controls

# Financial Impact



**JERRY – SHOW ME THE MONEY !!!**

# Financial Impact

## 1. Reimbursements

The following are the amounts that will be reimbursed to the member by the MEL if found to be in compliance at the time of a claim.

## 2. Reimbursement Policy

The MEL Cyber Deductible Reimbursement program is a *reimbursement* program whereby the member is reimbursed for deductible amounts actually spent up to the maximum limit shown below..

## 3. Grandfather

All members in compliance with version 1 of the MEL Cyber Risk Management Program as of 3/5/2021 will receive grandfathered status until January 1, 2022. At such point in time, those grandfathered members will need to recertify. Any members not grandfathered must comply with version 2 as of 3/8/2021.

Year	Member Deductible	Reimbursement		
		Tier 1	Tier 2	Tier 3
2021	\$25,000	\$20,000	\$22,500	\$25,000
2022	\$25,000	\$10,000	\$20,000	\$25,000

# JERRY – SHOW ME THE MONEY !!!

# Deductible Reimbursement Certification

Upon a claim, you will need to submit all three Tier Reimbursement sheets along with the required documents as proof of compliance.

**Tier 1**

**Minimum Back-Up Practices**

- Use of standardized system images or virtualized desktops. \_\_\_\_\_
- Back-up copy of all application software must be available. \_\_\_\_\_
- Daily incremental back-ups with a minimum of 14 days of versioning on off-network device of all data files. \_\_\_\_\_
- Weekly, off-network, full back-up of all data files. \_\_\_\_\_
- All back-ups are spot-checked monthly. \_\_\_\_\_
- Third-party application data must also be backed-up to the same standards. \_\_\_\_\_

**Patching Practices**

- The municipality patches all operating an application software with the latest versions. \_\_\_\_\_
- The municipality uses automatic updating where applicable, particularly as related to security patches. \_\_\_\_\_
- All security and critical updates and patches are installed as soon as prudent and practicable following release. \_\_\_\_\_
- The municipality annually reviews all non-standard applications for possible replacement/upgrade. \_\_\_\_\_

**Defensive Software**

- The municipality's antivirus and firewalls are enabled for all desktops and laptops. \_\_\_\_\_
- The municipality's anti-spam and antivirus filters are enabled for the email server. \_\_\_\_\_
- The municipality's firewalls are enabled on all active ports, and unused ports are closed. \_\_\_\_\_
- Firewall rules and policies are reviewed or reassessed at least twice per year. \_\_\_\_\_
- Microsoft Office applications open all downloaded files in "Protected Mode". \_\_\_\_\_

**Security Awareness Training**

- All computer users receive annual training of at least one hour on at least the following topics: \_\_\_\_\_
  - Password Construction
  - Identifying security incidents
  - Social Engineering attacks
  - Business email compromise

MEL Cyber Risk Management Deductible Reimbursement

Tier 1

**Tier 2**

**Server Security**

- The municipality's servers and network equipment are protected from unauthorized access. \_\_\_\_\_

**Access Privilege Controls**

- Users with administrative rights are limited to those who need them. \_\_\_\_\_
- Non-administrator users are granted limited access rights based on job function and responsibilities. \_\_\_\_\_
- Access rights are updated upon any personnel status change action. \_\_\_\_\_
- Access rights for each individual are reviewed at least every six (6) months. \_\_\_\_\_

**Technology Support**

- The municipality has qualified staff or contractor(s) to provide technology support and guidance. \_\_\_\_\_

**System / Event Logging**

- The municipality has appropriate system and event logging in place to detect and/or capture system/network performance and security anomalies. \_\_\_\_\_

**Protected Information**

- The municipality has a process that ensures all files containing Personally Identifiable Information (PII) or Protected Health Information (PHI) are password protected or encrypted. \_\_\_\_\_

**Remote Access**

- The municipality requires the use of a Virtual Private Network (VPN) when remotely accessing the municipal network or cloud-base applications. This also includes adopting a Remote Access Policy (refer to Remote Access Policy – VPN in the Master Technology Policy Ver 2.2). \_\_\_\_\_

**Leadership Expertise**

- The municipality's senior management has access to resources with expertise in their respective fields to support technology decision making, i.e., risk assessments, planning, budgeting, etc. \_\_\_\_\_

MEL Cyber Risk Management Deductible Reimbursement

Tier 2

**Tier 3**

**Network Segmentation**

- The municipal network is segmented, separating critical units (finance, police, utility, etc.) to minimize the spread of a cyber-attack. \_\_\_\_\_

**Remote Access**

- The municipality has implemented the use of Multi Factor Authentication (MFA) when remotely accessing municipal resources and/or accessing third-party applications that pass or store protected and/or financial information. \_\_\_\_\_

**Remote Access Policy**

- The municipality has adapted a Remote Access Policy that includes Multi-Factor Authentication and minimally includes the items in the Remote Access Policy – MFA in the MEL's Master Technology Policy Ver 2.2. \_\_\_\_\_

**Password Integrity**

- The municipality has implemented a process where employees can periodically validate their credentials against HaveIBeenPwned or a similar email breach service. \_\_\_\_\_

**System and Event Logging**

- Logs are reviewed every three (3) months by the IT professional. \_\_\_\_\_

**3rd Party Risk Management**

- The municipality has access to the MEL's 3<sup>rd</sup> Party Risk Assessment Tool to assess a vendor's risk when issuing new or renewing contracts. \_\_\_\_\_

MEL Cyber Risk Management Deductible Reimbursement

Tier 3

**Required Documentation**

All supporting documentation noted below are discussed in detail in the Minimum Technological Proficiency Standards.

- Cyber training completion certificates or signed attendance
- Screen shots of antivirus coverage
- Screen shots of patches
- Backup reports showing offsite backups
- Copies of adopted Incident Response Plan and Technology Practices Policy
- Email warning label screenshot
- List of staff or contractors that support technology
- Copies of adopted policies
  - Access, use, & control policy
  - PII & PHI encryption policy
  - Password policy
  - Banking Control policy
  - Remote Access policy
  - IT Business Continuity policy

MEL Cyber Risk Management Deductible Reimbursement

List of items to submit as Proof of Compliance

**Signature**

This document must be signed by the mayor, municipal administrator, or municipal clerk (or director of entity if not a municipality) AND your technology expert.

**MEMBER ENTITY**

Print Name \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

**TECHNOLOGY EXPERT**

Print Name \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

MEL Cyber Risk Management Deductible Reimbursement

Signature Page

# Program Rollout

1<sup>st</sup> part is understanding the documents associated with the program.

Document	Description
<b>Master Technology Policy</b>	The Master Technology Policy defines the information security practices that are governed by the MEL's Cyber Risk Management Program. It details the requirements and controls to comply with the three tiers of the program.
<b>MEL Certification Checklist</b>	The MEL Certification Checklist consists of three Certification Checklist for each respective Tier. The Certification Checklist need to be completed and executed by the member and their technology professional.
<b>Incident Response Plan</b>	The Incident Response Plan defines the methods for identifying, tracking, and responding to technology security incidents. This also has a table to identify your response team and contact information.
<b>MEL Cyber Risk Management Deductible Reimbursement Checklist</b>	The MEL Cyber Risk Management Deductible Reimbursement Checklist consists of three checklist for each respective Tier. The Deductible Reimbursement Checklist shall be completed and executed by the member and their technology professional along with the required documents as proof of compliance.
<b>Third Party Security Questionnaire</b>	Third Party Security Questionnaire is to be used as part of the vendor selection process when evaluating vendors / contractors who store, handle, access, and or transmit sensitive information.
<b>MEL Cyber Task Force Memorandum</b>	The MEL Cyber Task Force Memorandum is a one-page memorandum highlighting the program.
<b>Business Continuity Planning Guidelines</b>	The Business Continuity Planning Guidelines serves as a basic guideline for best practices and outlines the items to consider when developing a Business Continuity Plan.

# Program Rollout

## Step 1

Share the Master Technology Policy with your Technology Professional in effort to understand the requirements.



## Step 2

The Technology Risk Service Director shall coordinate and schedule a conference call between the Technology Professional and the member to assess the current controls.



## Step 3

The Technology Risk Service Director shall perform a Gap Assessment and provide the member an actionable report with findings, recommendations, and task ownership.

## Step 4

The Technology Professional shall work with the member to incorporate the required changes to become compliant. The Technology Risk Service Director will provide support and guidance as needed.



## Step 5

After the requirements have been met for each individual tier, the member can submit the Certification Checklist for validation and final approval to the MEL.



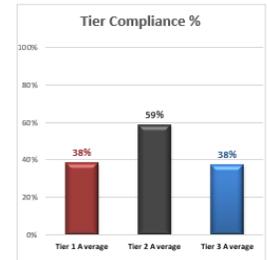
# Program Rollout

## Gap Assessment & Actionable Report

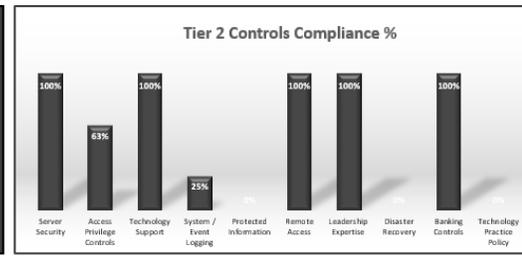
### MEL's Minimum Technology Proficiency Standard Assessment - 2nd Edition

Tier	Control Requirement	Interpretive Statement	Findings	Recommendations	Task Owner	Status
<b>1 Minimum Backup Practices</b>						
<b>Interpretive Statement</b>						
1	1- Use of standardized system images or virtualized desktops.	PC configurations should be standardized, e.g. same version of Windows, Microsoft Offices, and other commonly used applications. This level of standardization should be imaged to simplify rebuilding or restoring a PC to it's original state in the event of a major incident.	The municipality uses Veem as their backup platform to perform full image weekly backups and nightly file backups; local files are stored in One Drive. The municipality maintains an image of their Domain Controller server. It was noted that the municipality has 7 desktops which are currently different models.	No action required.  The municipality should consider purchasing the same model desktops at the next technology refresh cycle to simplify imaging and support efforts.	None at this time	Fully Implemented
2	2- Application Software: Back-up copy of application software must always be available.	A copy of applications used, e.g. Windows, Microsoft Office, financial applications, dog licenses, code, construction, and other essential and mission critical software shall be available in effort to rebuild a PC.	The municipality maintain hard copies of required software to rebuild local desktops.	No action required.	None at this time	Fully Implemented
3a	3a- Daily incremental back-ups with a minimum of 14 days of versioning on off network device of all data files.	A daily incremental backup, copies data that has been changed or created since the previous backup. A 14 day versioning period refers to the number of copies or days that you can revert to. In the event a backup becomes corrupted, you can go to a previous copy that is intact. Being a government entity, cloud backups should be hosted by a FedRamp certified service provider, e.g. Google, Amazon, Microsoft, IBM, etc.	The municipality's backup retains a 30 day versioning schedule.	No action required.	None at this time	Fully Implemented
3b	3b- Weekly, off network, full back-up of all data files.	The backup methodology or practice requires a weekly full backup that is stored off site and that is not part of or connected to the network.	The municipality uses Veem as their backup platform to do full image weekly backups that is also maintained off site.	No action required.	None at this time	Fully Implemented
3c	3c- All backups are spot-checked monthly.	A log is to be maintained to ensure that the backup is validated and tested monthly. Testing the backup requires restoring a file from the backup and noting it on a log. Backup software can also provide reporting status of the backup activity.	The backup software provides nightly status reporting; however, the municipality does not routinely spot check the backups.	The municipality shall develop a policy to effectively spot check the backups monthly. This can be accomplished by restoring a test file and maintaining a log. Testing and validating backups are crucial practices that ensure backups are functioning as designed and intended to.	IT - Christopher Alworth	Not Implemented
4	4- Cloud-Based Applications and Data: Must meet the same standards as the Locally Stored Data.	Being a government entity, cloud backups should be hosted by a FedRamp certified service provider, e.g., Google, Amazon, Microsoft, IBM, etc.	The municipality uses Data's Backuply which is a SOC 2 Type II compliance cloud base backup solution.	No action required.	None at this time	Fully Implemented
5	5- Third-party application data must also be backed-up to the same standards.	All mission critical, essential files, and 3rd party applications must be part of the backup scheme and follow the same policy. (e.g. construction, code enforcement, financial, animal licenses, etc.)	The municipality's Edmunds financial data is part of the nightly and weekly backup. However, it was noted that the municipality's construction, zoning, and engineering services are supported by the Borough of Rumson in a shared service agreement.	No action required.	None at this time	Fully Implemented
<b>1 Patch Management Practices</b>						
<b>Interpretive Statement</b>						
1	1- Keep all operating and application software current with latest versions.	All software that have applicable updates need to be updated or patched regularly. This includes security, and operational enhancement updates. If a software vendor does not provide updates, then there are no patches to implement.	The municipality has automatic desktop update enabled; however it is not controlled by the IT vendor nor is it known if an end-user turns off the automatic function.	The IT vendor shall deploy the automatic update function via a group policy where the end-user cannot turn off the automatic update feature.	IT - Christopher Alworth	Partially Implemented
2	2- Use automatic updating where practicable, particularly as related to security patches.	Ensure that all software products (where applicable) can automatically perform security updates as required by the vendor. However, server security updates may be scheduled and performed manually to ensure there are no adverse effects on other applications.	The municipality has automatic desktop update enabled; however it is not controlled by the IT vendor nor is it known if an end-user turns off the automatic function.	The IT vendor shall deploy the automatic update function via a group policy where the end-user cannot turn off the automatic update feature.	IT - Christopher Alworth	Partially Implemented
3	3- Install all security and critical updates and patches as soon as prudent and practicable following release.	Security and critical patches need to be implemented as soon as possible; however it's negative impact on the operations, or compromising other software needs to be evaluated.	The municipality has automatic desktop update enabled; however it is not controlled by the IT vendor nor is it known if an end-user turns off the automatic function.	The IT vendor shall deploy the automatic update function via a group policy where the end-user cannot turn off the automatic update feature.	IT - Christopher Alworth	Partially Implemented
4	4- Annually review all non-standard applications for possible replacement/upgrades.	Outdated or non-supported operating systems and software shall not be used unless there is no practical alternative available. PCs using unsupported or outdated software should be replaced/upgraded or must be isolated from the main network.	Though the municipality uses Office 365, it does not perform an annual review of other applications.	Mission critical and non-standard applications shall be reviewed annually to ensure they are kept current and supported by the vendor. PCs with unpatched or insecure applications must be isolated from the network.	IT - Christopher Alworth	Partially Implemented
5	5- Regularly review MS-ISAC alerts on newly discovered software vulnerabilities and act accordingly to minimize risks until software patches are available.	Both MS-ISAC and NJOIC provide routine alerts on newly discovered software vulnerabilities. Ensure that recommended patches and updates are applied when applicable to your environment.  EIO ISAC - <a href="https://www.cisecurity.org/eio-isac/">https://www.cisecurity.org/eio-isac/</a>	The municipality is a member of NJOICC and MS-ISAC.	No action required.	None at this time	Fully Implemented

Tier 1 Controls	
Minimum Backup Practices	86%
Patch Management Practices	60%
Defensive Software	100%
Training	0%
Password Strength	0%
Email Warning	0%
Incident Response Plan	0%
Technology Practices Policy	0%
Government Cyber Membership	100%
<b>Tier 1 Average</b>	<b>38%</b>



Tier 2 Controls	
Server Security	100%
Access Privilege Controls	63%
Technology Support	100%
System / Event Logging	25%
Protected Information	0%
Remote Access	100%
Leadership Expertise	100%
Disaster Recovery	0%
Banking Controls	100%
Technology Practice Policy	0%
<b>Tier 2 Average</b>	<b>59%</b>



Tier 3 Controls	
Segmentation	50%
Remote Access Control - MFA	0%
Password Integrity	0%
Third Party Risk Management	100%
<b>Tier 3 Average</b>	<b>38%</b>



# Program Rollout

## Financial Assistance



**You can use your allotted Cyber EPL budget amount to offset the cost of implementing any of the requirements to become compliant with the program.**







## About Lou Romero

Lou Romero has over 40 years of IT experience, works with local and municipal governments and private entities to help improve and manage their information security posture. Lou works closely with clients to develop a customized Cyber Risk Loss Control Program designed to identify cyber vulnerabilities, risks and provide actionable recommendations based on best practices and international standards.

Lou attends various cybersecurity symposiums, and summits. He has also been a keynote and panel speaker in Washington DC at the annual National Symposium on Cyber Security and Government.

Lou currently works with various Joint Insurance Funds / Government Risk Pools and is the Technology Risk Services Director for 66 municipalities in New Jersey. Lou is an ISO 27001 internal auditor with over 260 cyber risk assessments conducted throughout the State and attained his Certified Government Chief Information Officer (CGCIO) certification from Rutgers University.

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