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October 30, 2024

You Don't Want a Cyber Criminal as Your Next Client; Emerging Cyber Risks and Solutions for Firms



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Presentation Outline/Overview

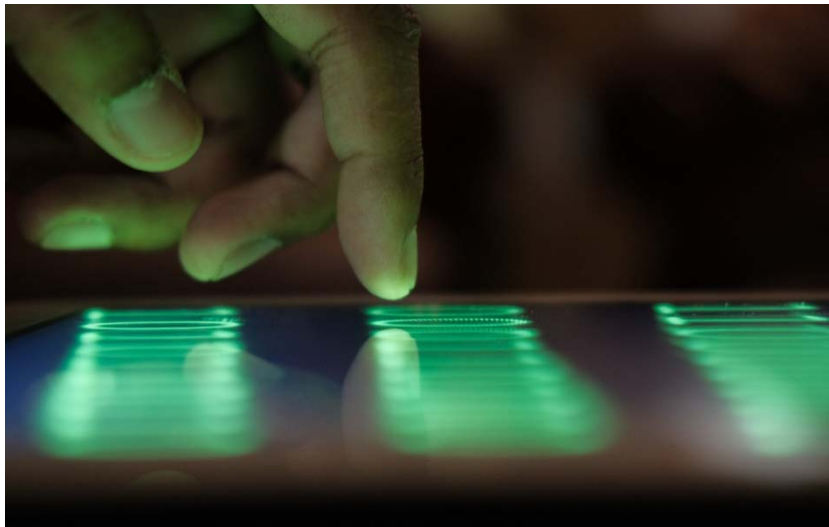
Professional firms are one of the top industry targeted for cyber attacks by bad actors in 2024

- Why are law firms a target?
- How does cyber insurance play a role?
- How does cyber insurance work; how can clients be better prepared to present themselves to underwriters and prepare for a better claims experience?
- What types of claims have been seen in this industry, how are they changing with advancing technology?
- How can firms improve their security to improve resilience?

Cyber events in 2024 by the numbers...

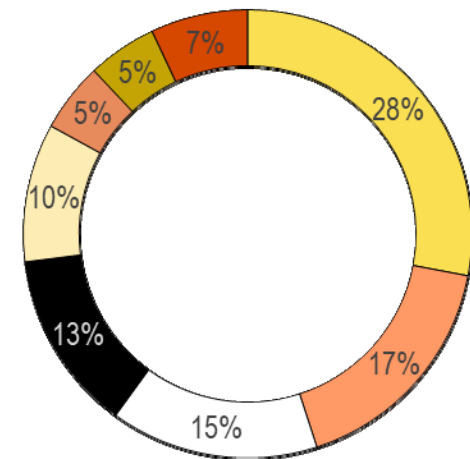
According to Baker Hostetler 2024 DSIR Report
25% of their 1,550+ incidents involved a vendor

The average ransomware demand in 2024 is
around \$2.73m, an estimated increase of \$1m
from 2023



Industries Impacted by Cyber Events

- Healthcare
- Finance & Insurance
- Professional Services
- Education
- Retail & Hospitality
- Manufacturing
- Technology
- Other



Source: Baker Hostetler 2024 DSIR Report

Why Law Firms???

Law firms hold a trove of sensitive financial and confidential information on behalf of their clients

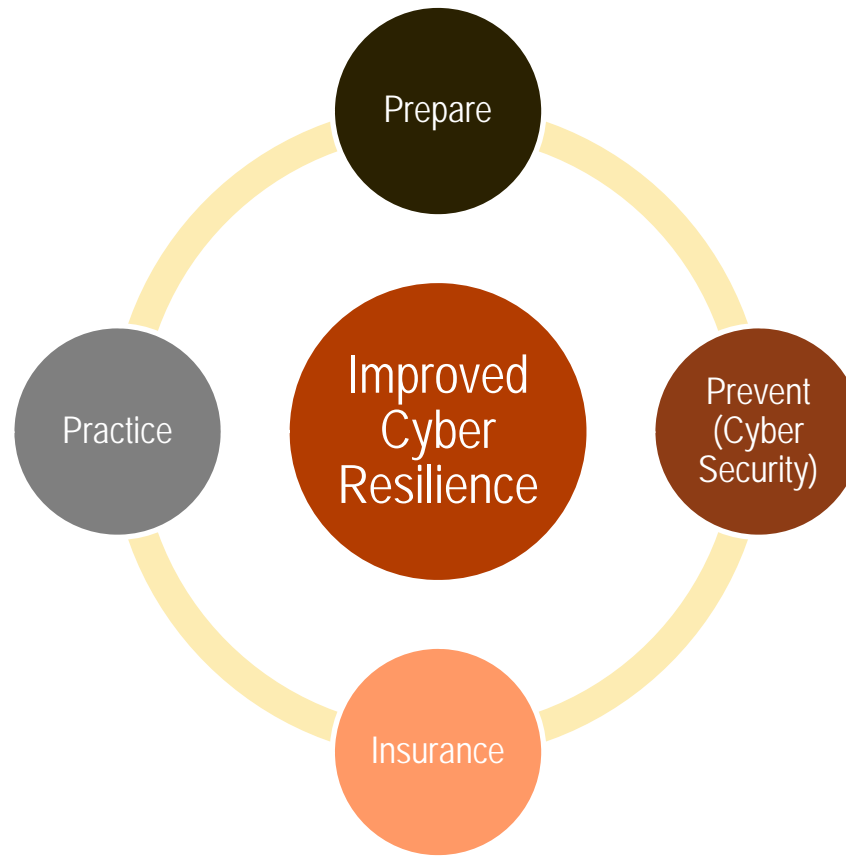
- Motivation to pay a ransom with data extortion to avoid breach of professional obligation, reputational damage, embarrassment.
- Value in the information itself (intellectual property, trade secrets, identity theft, money, trusts)

- According to the 2023 ABA (American Bar Association) survey of members:
 - 40% of respondents reported their firms have cyber insurance
 - 29% of firms have had a security breach
- According to the IBM 2024 Cost of a Data Breach report, the average cost of a data breach for Professional Services firms increased to \$5.08m (from \$4.47m the previous year)

Law Firm Cyber Events in the Headlines

- Law firm Allen & Overy suffered a ransomware attack in November 2023 when hacking group LockBit threatened to publish data stolen from the firm's files.
- HWL Ebsworth, one of Australia's largest commercial law firms, experienced a significant cyberattack carried out by the notorious ransomware group ALPHV, also known as BlackCat.
- Law firm Orrick agrees to \$8m settlement over breach of client data
- Kirkland & Ellis, K&L Gates, and Proskauer Rose were breached in July 2023 by the ransomware group Cl0p.

Summary



Conclusion

Questions?