

# Navigating Cyber Insurance in the Boardroom

LIVE  
WEBINAR



## Hedging Against the Devastating Effects of Cybercrimes

with **Charlie Stenger**  
moderator **Mark A. Pfister**

 Webinar Start Countdown



M. A. Pfister  
Strategy Group



# WEBINAR REMINDERS

*a few points to mention*

- **Purpose:** Share knowledge and benefits of **how cyber risk insurance products are customized to help an organization mitigate specific risks.**
- **Questions:** Write your questions in the Q&A section. Our goal is to answer all questions at the close of the presentation. Otherwise, we will follow-up with you via email afterwards.
- **Materials:** Yes, this entire webinar is being recorded and you will receive a link via email shortly. This link will also include the ability to view & download the presentation deck in its own separate file.
- **International Board Director Competency Designation:** IBDC.D certification holders will receive 1 CPE credit by attending (be sure to follow proper CPE credit submission guidelines).



# YOUR SPEAKER



**Charlie Stenger**

CEO

GST Specialty

- CEO of GST Specialty, a registered surplus insurance broker consulting on cyber security and cyber insurance for the benefit of clients and retail insurance agents.
- He holds a Cyber Security Analyst certificate from Leading Edge Skills (LES)
- He is also an expert in Director's & Officer's (D&O) insurance and Independent Director Liability (IDL) insurance.

# YOUR HOST



**Mark A. Pfister**

Non-Executive Director, CEO,  
& Chief Board Consultant

M. A. Pfister Strategy Group

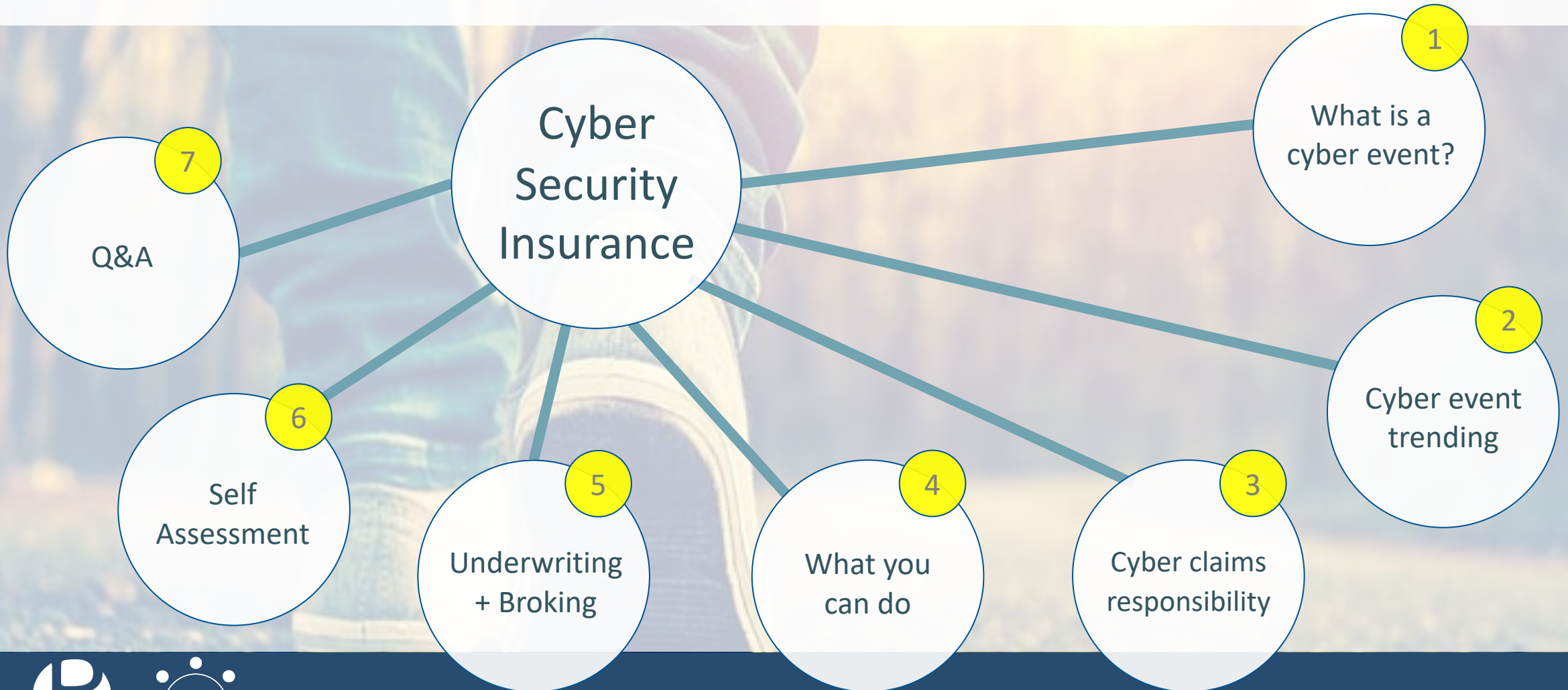
- Governance & Strategy expert, Non-Executive Director, & Chief Board Consultant having consulted & advised hundreds of public, private, and nonprofit Boards.
- His book, 'Across The Board: The Modern Architecture Behind an Effective Board of Directors,' is a bestseller with circulation in over 70 countries.
- He is the creator of the International Board Director Competency Designation (IBDC.D), a globally-recognized Board Director education & certification program.





# GOALS

*what to walk away with from today's webinar...*



# WHAT IS A CYBER EVENT?

*the definition*

**Definitions Per NIST\*:** An occurrence that actually or potentially jeopardizes the confidentiality, integrity, or availability of an information system or the information the system processes, stores, or transmits or that constitutes a violation or imminent threat of violation of security policies, security procedures, or acceptable use policies.

\*NIST = National Institute of Standards and Technology

1

**Email Phishing Attack** (click a link and let the bad actor get a foot in the door)

2

**Ransomware** (cyber criminal encrypts your systems until the ransom is paid in crypto)

3

**Funds Transfer Fraud** or Social Engineering (think wire fraud)

4

**Data theft:** A bad actor gains control of the system and sells the highly confidential data on the dark web.

5

**Legal and Regulatory repercussions** for violating regulatory framework CCPA, GDPR, PIPEDA, or HIPAA



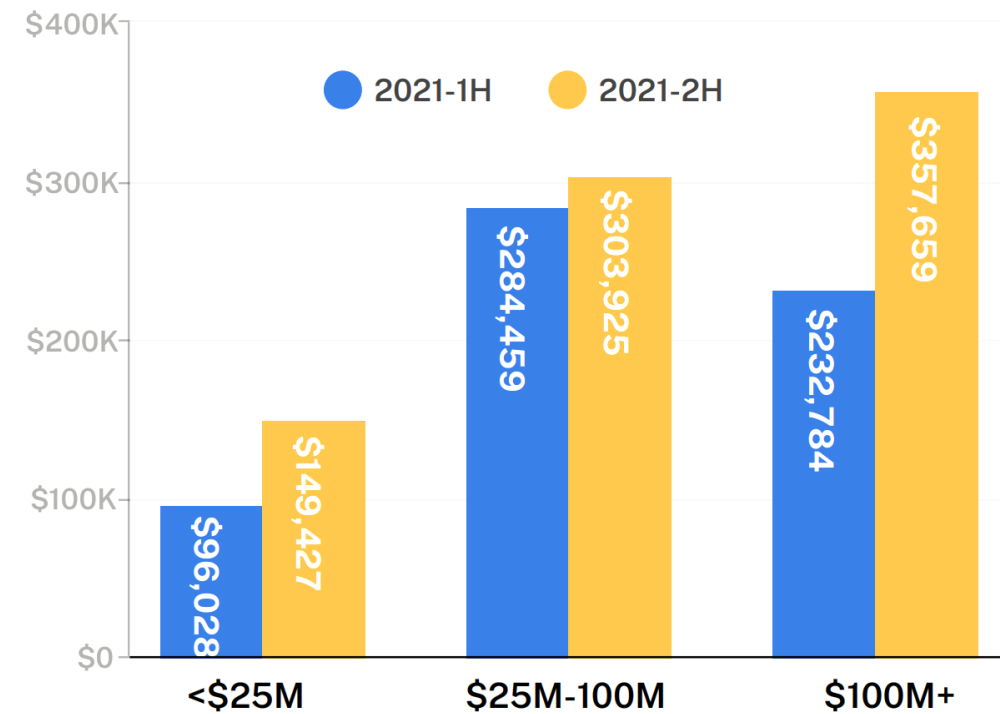
# CYBER EVENT TRENDING

*What we're seeing*

- \* Claim loss data aggregated from Coalition's client base. Horizontal axis represents client's revenue size.
- Middle Market businesses defined, >\$100M, experienced 3X the attack frequency over small businesses
- From 2020 to 2021, overall Funds Transfer Fraud losses increased by 69%. The frequency rose by 21% for organizations with under \$25M in revenue and 68% for organizations with \$25M-\$100M in revenue

[Link to Coalition's Case Study](#)

## Claims severity by revenue band - US





## ***‘Scattered Spider’* claims responsibility for MGM breach**

- Insurance carriers and reinsurers confirmed to GST Specialty MGM purchased a \$200m tower brokered by Aon. Almost all carriers and reinsurers in the business had a piece of the tower. All layers of the tower are expected to be exhausted to cover a variety of losses including:  
Ransomware | Business interruption | Data breach fines | Legal costs | Other
- Scattered Spider told vx-underground that they compromised MGM using social engineering, whereby the hackers allegedly found an employee on LinkedIn and called the organization’s help desk to access their account. Scattered Spider is known for using social engineering techniques to trick employees into granting the hackers access to large corporate networks. Members of the transatlantic hacking group reportedly include young adults and teenagers, resembling similar hacking and extortion groups like Lapsus\$.
- “These are not Russian hackers, these are Western hackers,” Allison Nixon, chief research officer at Unit 221B, told TechCrunch. “There is a disproportionate number of minors involved, and that’s because the group deliberately recruits minors because of the lenient legal environment these minors exist in and they know nothing will happen to them if the police catch a kid,” Nixon said.
- The Scattered Spider representative told TechCrunch in an online message that while the group was responsible for the MGM attack, it had “no involvement” with the Caesars incident.
- When asked why the group had begun targeting casinos, having previously targeted video game makers and telecom companies, the representative said that the group doesn’t have set target companies. “If you have money we want it,” the Scattered Spider representative said.

\*Article Source: TechCrunch - link: <https://tinyurl.com/4mhdfcsx>



# WHAT YOU CAN DO

*your three choices*

1

## **Put your head in the sand – Don't Do This**

FBI reporting expects 33% of US companies to experience a cyber breach in 2023.

2

## **Improve cyber security measures**

According to Accenture's Cost of Cybercrime Study, 43% of cyber attacks are aimed at small businesses, but only 14% are prepared to defend themselves.

3

## **Mitigate Risk with a cyber insurance policy**

According to Coalition, a cyber insurance company, 64% of small business owners have not heard about cyber insurance and only 17% have a policy.





## How Does Underwriting Typically Work?

Application

External Scan Provided to Carrier

Carrier Assesses the Insured

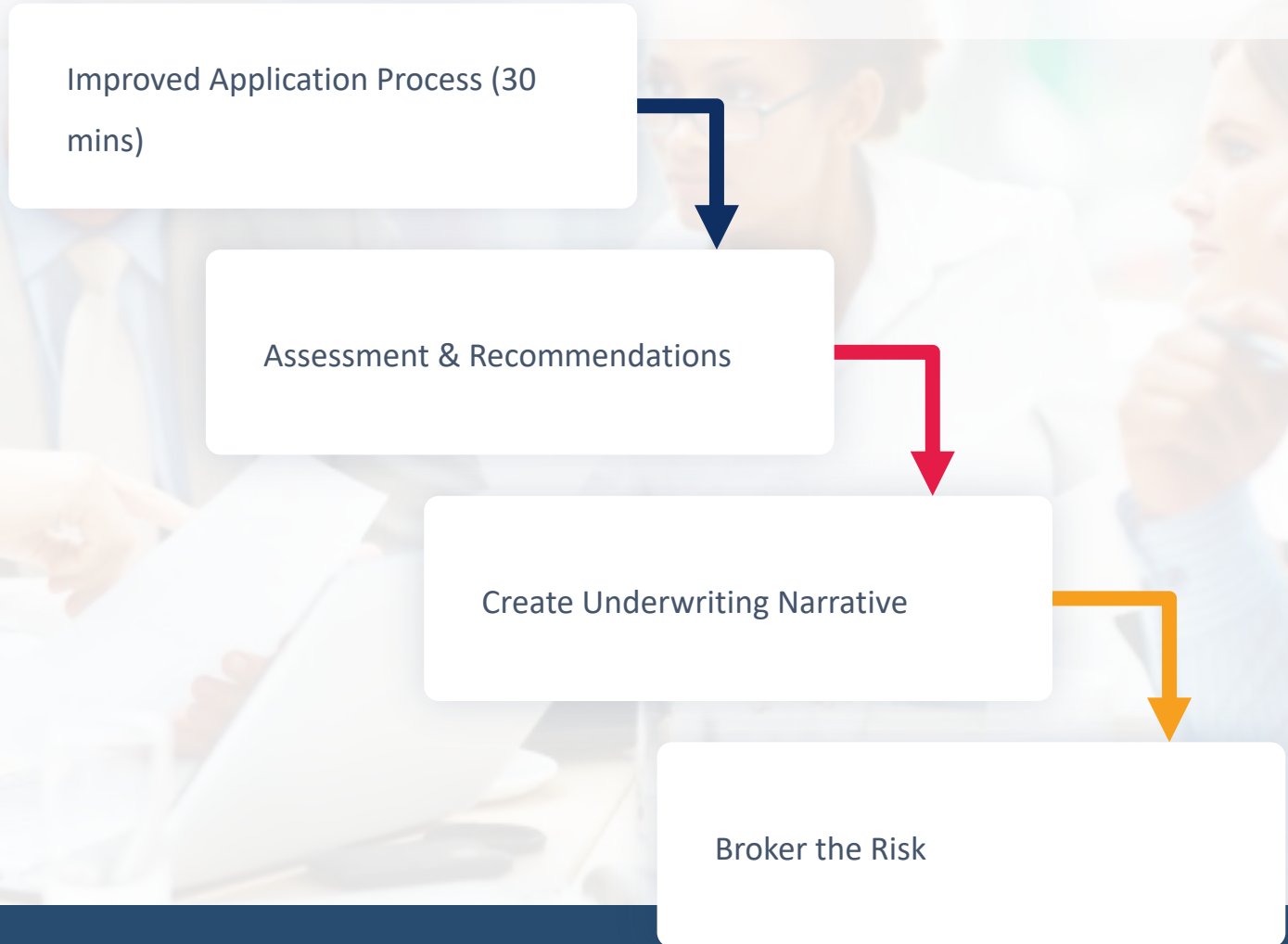
Carrier Provides a Yes/No Underwriting Answer and  
Potentially a Price



# — UNDERWRITING + BROKING —

*process*

## How Does **GST** SPECIALTY Broker?



# SELF ASSESSMENT

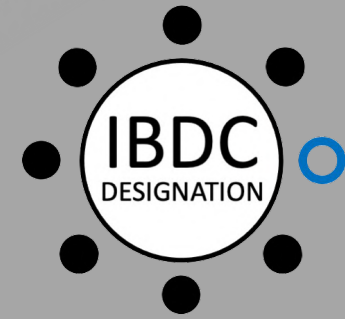
*evaluating your environment*

## **Self-Assessment: 1-10 (Ten is the Gold Standard)**

|  | Please Describe and Rank the Firm's Posture 1-10 |
|--|--|
| <b>1. Managed Endpoint Security Deployment</b>   |  |
| <b>2. Managed Detection and Response</b>   |  |
| <b>3. Software Vendor Management</b>   |  |
| <b>4. Endpoint Vulnerability Scanning</b>  |  |
| <b>5. Do you have a SEG (Segregated Email Gateway)?</b>                                    |  |
| <b>6. Active Third-Party Penetration Testing</b>   |  |
| <b>7. Cloud Security Monitoring and Deployment</b>   |  |
| <b>8. Phishing/Security Awareness Training</b>   |  |
| <b>9. Who Manages the Security Operation Center?</b>                                       |  |
| <b>10. Have you passed your compliance requirements like SOC2, CMMS, NIST? Which ones?</b> |  |







# Becoming an Exceptional Board Director Candidate

— Education & Certification Course —

## International Board Director Competency Designation (IBDC.D)

Get modern Board Director Candidate packaging **AND** modern Board operations knowledge all in one shot while **ALSO** earning your globally recognized *International Board Director Competency Designation* (IBDC.D) certification.

1:1

Group

On-Demand

<https://www.pfisterstrategy.com/exceptionalboarddirector>



*are you prepared?*

Understand your environment's cyber risk

Have the proper coverage and protections

Ask the right questions!

Q&A



Contact Mark at [mark@pfisterstrategy.com](mailto:mark@pfisterstrategy.com)

Contact Charlie at [charlie@gstspecialty.com](mailto:charlie@gstspecialty.com)

Board Director Education + Certification Details <https://www.pfisterstrategy.com/exceptionalboarddirector>





Charlie Stenger created GST Specialty to be a niche cyber insurance wholesale broker in the Midwest region covering retailers and small businesses. Amid a tremendous amount of failure, Stenger noticed middle market accounts and brokers were just as confused as the small retailers.

After writing a number of middle market (\$100m+) businesses, Charlie knew he could navigate and add value to complex cyber insurance processes. One of his advisory board members, an international cyber security professor, offered Charlie access to a hands-on certification course which he completed and passed. Following the class, Stenger now could be hired as a junior level cyber security support engineer! However, this allowed him to create a better underwriting and loss prevention process.

Learning and educating the market on creative alternative risk transfer solutions fuels Stenger's intellectual curiosity.

Stenger loves to cook, fish, do yoga, coach his son's soccer, watch his daughter's dance performances and spend time strategizing with his partner and bride, Jacquie Stenger.



# MARK A. PFISTER

Non-Executive Director, CEO, and Chief Board Consultant

Biography

mark@pfisterstrategy.com



With a strong focus in Strategy, Governance, and Technology / Cybersecurity, Mark A. Pfister is CEO & Chief Board Consultant of M. A. Pfister Strategy Group, an executive advisory firm that serves as a strategic advisory council for executives and Boards in the public, private, nonprofit, and private equity (PE) sectors. He is also Chairman & CEO of Integral Board Group, a specialized Board services and consulting company, as well as Founder & CEO of the International Board Director Competency Designation (IBDC.D) education and certification program, a Board Director certification course recognized globally. Mr. Pfister is a *'Board Macro-Influencer'* and his success has been repeated across a wide range of business situations and environments. He prides himself on being a coach and mentor to senior executives and Directors. In Board Director circles, Mr. Pfister has earned the nickname *'The Board Architect.'*

The overarching theme throughout his career has been his aptitude in leadership positions, passionate focus on people, unique governance models, and ability to create value for shareholders and stakeholders through innovative business strategies and operational excellence. Michael Lorelli, Executive Chairman of Rita's Franchise Company, has said, *"Mark's unusual combination of excelling at a macro and micro grasp of business, genuine interest in Governance, and ability to coach and mentor a Management Team make him a terrific Independent Director."*

Mr. Pfister is a certified project management professional and frequently serves as an expert Project Executive, consulting on global programs/projects in their initiation and operational phases, as well as programs requiring remedial focus to bring them back on track. He has deep knowledge and experience in Board design & operations, strategic planning, business transformation, technology implementations, decisioning processes, certification & continuing education programs, executive coaching, and governance models.

Mr. Pfister was CEO of Pro4ia, Inc., an international consulting and professional services company specializing in a wide range of technology solutions utilizing formal Project Management as a proven and repeatable delivery method. With a Fortune 50 client list, Pro4ia was Citibank's Nominee for Crain's *Magazine 'Entrepreneurship of the Year'* Award in 2005. He simultaneously served as CEO of Onit, Inc., a national sourcing company specializing in placements for all levels of technology skill sets. Mr. Pfister was also the Regional Program Office Leader for American Express leading some of the largest technology transformation initiatives in the company's history. He served as a Licensed Engineering Officer in the U.S. Merchant Marine, holds a B.S. from the State University of New York Maritime College in Facilities Engineering, and completed Harvard Business School's Executive Education Program for Board Directors.

Mr. Pfister is the creator of the *'Board as a Service'* (BaaS) engagement model, an industry he is credited with inventing. He is a Master Speaker and conducts international speaking tours, lectures, and seminars focused on effective leadership, strategy, Board architecture, becoming an exceptional Board Director candidate, professional project/program management, and entrepreneurship.

His popular book, *'Across The Board: The Modern Architecture Behind an Effective Board of Directors,'* an Amazon best-seller with circulation in over 70 countries, has influenced an entire new generation of Board Directors.

Mr. Pfister is a proficient Board Director and CEO with experience across multiple industry verticals. He is typically the Chair, or a member of the Strategic Planning Committee, Governance Committee, Technology & Cybersecurity Committee, and has deep Nominating Committee experience. Mr. Pfister's experience as an internationally renowned Board Consultant, having guided and coached hundreds of Boards, Board Committees, and Board Members across public, private, nonprofit, and private equity (PE) verticals, additionally offers up unique and informed viewpoints to the companies he serves.

He holds an *International Board Director Competency Designation* (IBDC.D) through M. A. Pfister Strategy Group, is a certified *Project Management Professional* (PMP) through the Project Management Institute, earned a *Global ESG Board Certification* (GCB.D) through Competent Boards, holds a *Certified Cyber Intelligence Professional* Board Certification (CCIP) through the McAfee Institute, and previously held an *Executive Masters Professional Board Certification* through the American College of Corporate Directors (ACCD).

