

With the Increase in Cybercrime, New Regulations and Resources Become a Focus

COVID-19 brought many business changes, such as employees working from home and acceleration of digital transformation by many companies. These changes have increased system vulnerability over the past year and a half. At the same time, cyber criminals continue to develop new and innovative ways to strike. In response, federal and state governments are taking important steps to make a greater impact on the growing threat.

Many lawmakers have prioritized cybersecurity this year. According to the National Conference of State Legislatures, 45 states proposed or considered more than 250 different bills or resolutions in 2021 that deal with the issue. A significant amount of the proposed legislation centers around cybersecurity for government agencies and insurance companies, while other proposed legislation calls for resources to study, advise, and train on cybersecurity issues.¹

Earlier this year, in an effort to encourage businesses to prioritize cyber security, the Ransomware and Digital Extortion Task Force was established. This task force will coordinate all investigations related to ransomware and digital extortion. In addition, the US Department of Homeland Security (DHS) and the Department of Justice (DOJ) joined forces to launch a new website on July 15, 2021 to confront ransomware risk. The new website, StopRansomware.gov, was developed to help organizations reduce their exposure to ransomware attacks. It is the first site to act as a central hub, consolidating ransomware resources, education, and guidance from all relevant federal governmental agencies in one location.² The site encourages organizations to report ransomware to federal and local authorities, providing convenient links to report the crimes to the Internet Crime Complaint Center and the Cybersecurity & Infrastructure Security Agency.

The Cyber Incident Notification Act of 2021 was introduced on July 21, 2021 to enhance awareness of cyber intrusions by collecting data about cyber threats and making it available for the government, private, and public sectors. While this bill is still in its infancy, if enacted, it would require governmental agencies and businesses that support critical infrastructure to report cybersecurity incidents to the Cybersecurity and Infrastructure Agency

¹ National Conference of State Legislatures (NCSL), accessed 08/2021, <https://www.ncsl.org/research/telecommunications-and-information-technology/cybersecurity-legislation-2021.aspx>

² "U.S. Government Launches First One-Stop Ransomware Resource at StopRansomware.gov," The United States Department of Justice, 7/15/2021, <https://www.justice.gov/opa/pr/us-government-launches-first-one-stop-ransomware-resource-stopransomwaregov>

within 24 hours of the incident.³ The Act includes significant penalties for organizations that fail to make the disclosure within the required timeframe.

In May, an executive order was issued by President Biden to improve the nation's cybersecurity. The order provided specific detail on how the government will improve its efforts against cybercriminals, including additional measures to remove barriers for sharing threat information. It also provided details on how the government will take steps to modernize its approach to cybersecurity and how software supply chain security will be enhanced. A full description of all the new measures can be found within the [Executive Order](#) itself.⁴

In addition to government efforts, the insurance industry also took steps to combat cybercrime in 2021. CyberAcuView is a new entity organized in June with the intent of enhancing cyber risk mitigation efforts in the insurance industry. The organization is owned by its seven founding insurance carriers, but other direct writers of cyber insurance are encouraged to become associate members and actively participate with the goal of "addressing cybercrime and developing cybersecurity best practices."⁵ The group is working to benefit the industry as a whole by providing industry data collection and analysis, creating standards for cyber data information, and developing relationships to collaboratively address cyber risk.

In late August, the private sector, including insurance firms, participated in a White House summit on cybersecurity.⁶ One of the insurers, Coalition, announced that it will offer its automated policyholder risk management platform, [Coalition Control](#), to any organization or business at no charge.⁷ This resource provides several beneficial services, including attack surface monitoring, recommendations for handling security vulnerabilities, and a risk assessment tool that assists businesses in monitoring their cyber risk exposure. Another insurer, Resilience, stated they would require policyholders to meet certain standards regarding cybersecurity best practices.

Conclusion

Cybercrime is growing in both frequency and severity, and keeping abreast of the trends, along with response measures and legislation, is crucial for insurers. AmericanAg™ will continue to monitor developments that will impact our clients and their policyholders.

For more information or to learn more about our own cyber product solution, please contact Sarah Kuhn, Research & Product Development Analyst, at skuhn@aaic.com.

³ https://www.warner.senate.gov/public/_cache/files/4/2/422a0de2-3c56-4e56-a4be-0e83af5b0065/F90B3C493BA4FAB09E546FAF40E4B116.alb21b95.pdf, accessed 08/2021

⁴ "Executive Order on Improving the Nation's Cybersecurity," The White House – Presidential Actions, issued 5/12/21, <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/05/12/executive-order-on-improving-the-nations-cybersecurity/>

⁵ CyberAcuView website, accessed 08/2021, <https://cyberacuview.com/members/>

⁶ "FACT SHEET: Biden Administration and Private Sector Leaders Announce Ambitious Initiatives to Bolster the Nation's Cybersecurity," 8/25/2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/08/25/fact-sheet-biden-administration-and-private-sector-leaders-announce-ambitious-initiatives-to-bolster-the-nations-cybersecurity/>

⁷ Coalition Control, accessed 08/2021, <https://control.coalitioninc.com/>