Wednesday, March 7, 2018
Houston, TX

8:45–9:45 a.m.

MITIGATING CYBER RISKS IN THE ENERGY INDUSTRY

Moderated by

Timothy D. Christ
Managing Partner
LeadFire Forensics, LLC

Panelists

Jerry Bessette
Associate Director, Cyber
Security Sub-Practice
Navigant Consulting, Inc.

Lori S. Nugent
Shareholder
Greenberg Traurig LLP

Energy delivery systems are the backbone of the energy sector, and interference with the infrastructure can have widespread impacts that put businesses at risk of financial, reputational, economic, and environmental damage. The energy sector is faced with an unprecedented challenge in protecting systems against cyber incidents and threats, and managing cyber risks in the energy industry is not a simple process. This session will discuss the complexities of cyber risks facing major energy companies as well as insurance and risk management techniques to mitigate these risks.
Notes

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Timothy D. Christ  
Managing Partner  
LeadFire Forensics, LLC  

Mr. Christ has nearly 20 years’ experience as a business executive working with small and medium-sized businesses, Fortune 500 firms, governmental agencies, and foreign national firms. He has held titles of engineering technician, director, vice president, and CEO. Mr. Christ has worked extensively throughout the insurance claims industry, building a Western Canadian operation and a Mexican company that works throughout Latin America and, on the national front, developing several practice areas including energy, cyber and fidelity, construction defect/delay, accident reconstruction, and large commercial property. He is high energy and hands on and has skills in virtually every aspect of business, excelling in sales, marketing, team building, financial management, and process development and improvement.

Mr. Christ was recognized by *LatAm Insurance Review* magazine as one of its “Power 50,” the 50 most influential people in Latin America, based on a vote by his peers. He recently accepted an invitation from St. Edward’s University in Austin to be an adjunct professor of international business.

Mr. Christ earned a bachelor of science in business administration and marketing from Methodist College in Fayetteville, North Carolina, and a master of business administration degree from the University of Texas—Pan American.

Jerry Bessette  
Associate Director, Cyber Security Sub-Practice  
Navigant Consulting, Inc.  

No biography.
Lori S. Nugent  
Shareholder  
Greenberg Traurig LLP

Ms. Nugent focuses her practice on cyber-security and privacy issues. She has served as lead counsel responding to and defending more than 1,000 data breaches, as well as ransomware situations and a variety of privacy problems. As a first responder to cyber-crisis situations, Ms. Nugent leads a team of specially trained attorneys who are on call 24/7.

Ms. Nugent has unique insight. Her perspective helps cyber-incident response teams, senior management, and boards of directors improve an organization’s cyber-legal defensibility. Mergers and acquisitions teams also seek her perspective in connection with cyber diligence for acquisitions and funding.

Ms. Nugent also works with a variety of insurers, brokers, and companies to create and enhance insurance solutions to protect companies from the negative financial impact of cyber liabilities, including data breaches. She encourages careful analysis of cyber exposures and facilitates thoughtful evaluation of insurance coverage and reserving options.

Ms. Nugent received her bachelor of arts degree from Knox College and her juris doctorate from Northwestern Pritzker School of Law. She has been listed in D Magazine “Best Lawyers in Dallas—Computer & Technology” 2017; Leading Lawyers Network 2015–2016; and Business Insurance magazine “Woman to Watch” 2006.
Mitigating Cyber Risks in the Energy Industry

Presented by:
Lori Nugent, Shareholder
Greenberg Traurig
Jerry Bessette, Associate Director Navigant Consulting
Tim Christ, VP
Cogent Analytics

Outline

• Brief overview of Historical and Current Situation
• Regulatory Responses to date
• Corporate Responses to date
• Key Insurer Questions
• Recent Highlights in Investigation
• Recent Case Law/Litigation Trends
• What’s Next?
Regulations

• National Institute of Standards and Technology (NIST) Framework for Improving Critical Infrastructure Cybersecurity
• US Department of Energy
• NERC CIP standards
• North American Energy Standards Board (NAESB)
• International Atomic Energy Agency (IAEA)
• World Nuclear Association (WNA)
• World Institute for Nuclear Security

Key Questions for Insurers

• Is an independent party reviewing, minimum annually, the effectiveness of the technical and organizational security controls and related processes?
• Does the company have an overview of the critical information? Is the information adequately protected from end-to-end?
• Does the company have organizational and technical controls in place to detect, respond, and react to a cyber-attack promptly, including cross-functional incident response structures and processes?
• Does the company have regular security awareness activities and training to make employees aware of cyber risks and how to protect critical information?
• Does the company have a governance structure in place that ensures the security controls are regularly assessed against the rapidly changing threat environment, and that the controls are adapted accordingly?
Technical Investigator’s Perspective

- **Attack Vectors**
  - Phishing, Metasploit, WannaCry, Cloud Services, RDPs

- **Vulnerabilities**
  - Patching, SCADA Systems, Information Control Systems, Internet of Things

- **Preventive Measures**
  - Assessments
  - Plans, Policies, and Procedures
  - Exercise

Legal Perspective

- **Tipping Point**
  - Regulation and Litigation

- **Responding Well Matters**
  - Reputation, Perception of Decision Makers, Recovery

- **Are You Prepared Financially?**
  - $225/Record, $7.35 Million/Breach, Your Maximum Probable Loss = ?

- **What are Your Proof Points?**
  - Negligence, Fraud, Unfair Trade Practices, Breach of D&O Duties
What’s Next?

Reference Publications