

Cybersecurity/AI Forum:

Johnson Kendall Johnson

What are the key trends you are seeing for cyber risk incidents impacting businesses today?

It remains consistent that businesses of all sizes and across all industries are falling victim to the attacks. While large scale breaches and ransomware events dominate the news, it's happening to the small and medium sized businesses every day. Generally the

most targeted businesses are within healthcare, professional services, manufacturing, and financial services.

After a slight dip in ransomware frequency in 2022, encryption/extortion events have reared their ugly head again in 2023 with a significant uptick in the frequency of the attacks, and the severity of the losses. Ransom payouts are now averaging over half a million

dollars.

Additionally, email compromises leading to funds transfer fraud are still a leading cause of financial harm to organizations, and the most frequent type of event we experience across our client base today.

Another worrisome trend is the uptick in post-incident class action lawsuits representing individual



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Alexandra joined Johnson Kendall & Johnson (JKJ) in 2015 with a strong background in IT and Telecom consulting. At JKJ, she manages the Commercial Insurance and Risk Management programs for clients across various industries, including nonprofit, healthcare, manufacturing, sports & entertainment, and technology.

Leveraging her expertise, she pioneered JKJ's Cyber Risk Practice to help clients navigate the evolving landscape of cyber and technology risk. Under her leadership, JKJ secured the title of "Cyber Broker of the Year" by Zywave in 2021 and 2023. She also holds the prestigious CCIC designation from Carnegie Mellon, and is often found speaking at industry leading events and interviewed for various media publications.

A summa cum laude graduate from Saint Joseph's University, Alexandra is passionate about the Philadelphia community and serves on Board of Directors for Eagleville Hospital, Devereux Advanced Behavioral Health of PA, and Saint Joseph's University's Pedro Arrupe Center for Ethics.



victims of data theft and regulatory fines and penalties. The standard of care in cybersecurity has increased, and not meeting the standard is proving costly in the long term.

What are the most effective risk management strategies for a business to improve their cybersecurity?

When thinking of cybersecurity – people often revert to thinking of technology. However, the most effective cyber risk management programs are those comprised of a thorough combination of People, Process and Technology components. Technology will do as it is designed, but it is incumbent upon the organization to establish Processes and educate its

People on not only the types of cyber risks, but also how to address making a mistake that leads to clicking a malicious link, giving away your password, or sending money to a fraudulent third party.

Time becomes critical once an attacker gets in.

Is Cyber Insurance really worth it for businesses to purchase?

Insurance is a means for

transferring financial risk. Cyber insurance has the added benefit of not only assuming the costs associated with resolving a cyber incident, but also provides the key experienced services – from legal, forensics, restoration, and breach notification vendors to guide you through an incident. While we hope we never have to use insurance when buying it, it is absolutely an essential insurance coverage for businesses today as it will guide you through the entire incident response and provide business interruption coverage to maintain the viability of your business. It's critical to partner with a knowledgeable broker to ensure your coverage is providing what you think it should as the policies are still rapidly evolving.

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