

June 24, 2024

# Cybersecurity Alert:

## Protect Your Firm from Cyber Attacks

### OVERVIEW

In the past weeks, several professional service firms have reported being the target of sophisticated cyber attacks. We are aware of at least 8 on-going cyber breach incidents taking place amongst firms with common profiles. While it is too early to tell whether cybercriminals have been exploiting common vulnerabilities in these firms' IT infrastructure, the disruption to their operations and the ransom demands are very real and costly.

This communique is to raise awareness about these recent cyber threats and to provide actionable recommendations to enhance your firm's cybersecurity safety and resilience.

### RECENT CYBER ATTACK TRENDS

#### RANSOMWARE ATTACKS

Ransomware attacks have surged in the first half of 2024, with attackers encrypting critical data and demanding a ransom for its release. These attacks can cripple operations. Even firms responding promptly and involving best-in-class incident response vendors are still experiencing significant financial loss. In the space of less than a week, one firm has likened the cost impact to losing 2 sports cars per day in downtime and lost revenue.

#### DATA BREACHES

Data breaches involving the unauthorized access and theft of sensitive information have become more frequent. In some cases, information seized by threat actors is customer files and in others theft involves employee information. Sorting through the data alone to determine whether legal notification of the incident is required can be extremely expensive.

#### SUPPLY CHAIN ATTACKS

In many cases, system vulnerabilities are not within the system of the attacked organization per se but rather through poorly secured vendors. Cybercriminals target less secure suppliers to infiltrate a firm's network. This type of attack can be particularly damaging as it exploits the trust relationships within the supply chain.

## RECOMMENDATIONS FOR ENHANCING CYBERSECURITY

To protect your firm from these threats, consider implementing the following measures:

### 1. Conduct Regular Security Audits and Vulnerability Assessments

Perform regular security audits and vulnerability assessments to identify and address weaknesses in your IT infrastructure. Engage third-party experts to conduct thorough evaluations and provide recommendations for improvement.

### 2. Develop and Test Incident Response Plans

Create a comprehensive incident response plan outlining the steps to take in the event of a cyber attack. Regularly test and update the plan to ensure its effectiveness. An effective response plan can minimize the damage and accelerate recovery.

### 3. Invest in Cyber Liability Insurance

Cyber liability insurance provides financial protection against the costs associated with cyber attacks, including legal fees, data recovery, and business interruption. Ensure your policy limits are sufficient to cover potential losses. Regularly review and update your coverage to keep pace with evolving cyber threats.

## CONCLUSION

Cybersecurity is an ongoing challenge that requires vigilance and proactive measures. By implementing these recommendations, professional service firms can significantly reduce their risk of falling victim to cyber attacks. Protect your firm's data, reputation, and financial stability by staying informed and prepared for the ever-evolving cyber threat landscape.

If your firm would benefit from either a preliminary security assessment, assistance with building an incident response plan, and/or a review of your firm's cyber insurance policy limit, please contact us for more details and assistance. We can provide tailored advice and support for your firm's specific needs.

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**If you have questions specific to your business, or would like additional information, please reach out to your Navacord Advisor.**

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