CYBER SECURITY AND GOVERNANCE CONTROLS: WHAT ASSOCIATIONS NEED TO KNOW

January 23, 2025

TOPICS

- Program Basics
- Cyber Coverage Details
- Security and Governance Controls
- Resources
- Q&A

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DISCLAIMER

This is a summary of the policies and features offered through the NAR Insurance Program. Insurance policies contain applicable terms and conditions of coverage. All coverage determinations are made by the insurer at the time a claim is made.

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PROGRAM BASICS

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WHAT COVERAGE IS INCLUDED?

- Errors and Omissions – E&O
- Directors & Officers – D&O
- Employment Practices Liability - EPL
- Crime Loss
- Cyber Liability, Media, Tech E&O
- Patent Infringement

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WHO IS COVERED?

NAR Institutes, Societies & Councils

State/Territorial/Local REALTOR® Associations

REALTOR®-Owned MLSs

- 100% owned by two or more REALTOR® Associations – OR –
- Owned by 1 REALTOR® Association and serves more than one Association

Association wholly-owned:

- Charitable Foundations
- Political Committees
- Educational endeavors

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WHO IS COVERED?

Coverage only applies if the insured entity:

Maintains their governing documents in full compliance with the Constitution, Bylaws, and Policies of NAR …

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WHO IS COVERED?

AND

Adheres to and follows in their day-to-day activities the procedures and requirements of their governing documents (and NAR policies).

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DEADLINE

SCAN FOR DETAILS

Certify compliance by March 1, 2025

Questions?

NARPolicyQuestions@nar.realtor

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WHO IS COVERED?

Directors & Officers

Committee Members

Employees

While acting within the scope of their duties on behalf of the insured entity.

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CYBER, MEDIA AND TECH E&O COVERAGE

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KEY DETAILS

INSURER:	Arch
CLAIM LIMITS:	$1,000,000
AGGREGATE:	$10,000,000
DEDUCTIBLE:	With controls: $10,000 – $25,000
	Without controls: $25,000 – $75,000

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WHAT CLAIMS ARE COVERED?

Cyber Liability + Response

- Computer system breach
- Digital data breach
- Privacy liability
- Extortion expenses
- Regulatory proceedings
- Breach expenses for forensics, credit monitoring, legal expenses, PR firm, etc.

NEW:

- Business interruption
- Dependent business interruption
- System failure business interruption
- Bricking
- Reputational harm
- Cybercrime/social engineering

$250,000 AGGREGATE LIMIT FOR SOCIAL ENGINEERING

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WHAT CLAIMS ARE COVERED?

Media Liability

- Covers publishing, dissemination, releasing, transmission, production, webcasting, or other distribution of Media Content to the general public
- Includes podcasting, social media, websites
- Covers copyright and trademark infringement, defamation, libel, slander, invasion of the right of privacy

WHAT CLAIMS ARE COVERED?

Tech E&O NEW

- Covers errors, omissions, negligence or product failures arising from an Association/MLS's technology services and products
- Also covers use of third-party technology products
- Lockbox programs covered under this policy

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WHY ARE WE HERE?

Cyber Security and Governance Controls can lower your deductible if you have a claim.

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WHAT CONTROLS ARE NEEDED?

Cyber Security

- Encryption of Private Information
- Multi-factor authentication
- Backups - encrypted and segregated
- Vulnerability management program
- Patch management program in place
- Email security tool in place
- Endpoint Detection and Response (EDR)

WHAT CONTROLS ARE NEEDED?

Cyber Governance

- Employee training on network security and privacy awareness
- Written policies and procedures including Information Security Plan; Privacy Policy; and Incident Response, Business Continuity and Disaster Recovery Plans
- Written protocols in place to manage third party vendors

WHAT CONTROLS ARE NEEDED?

Media

- Content Review Process in place for a trained professional employee to review Media Content prior to dissemination
- Policies and procedures to verify that the Insured does not violate another party's intellectual property rights, including procuring the proper licensing for Media Content
- Procedures to remove controversial Media Content from internal and external platforms including Social Media

WHAT CONTROLS ARE NEEDED?

Tech E&O

- Written professional services agreements with specific wording/clauses, such as disclaimer of warranties, hold harmless, and data/PII rights and responsibilities
- Written agreements with independent contractors that warrant/guarantee the work performed, and indemnity clause
- Policies and procedures to safeguard against infringing another's IP rights

Arch | Insurance

Arch CyPro Service Offerings

A Solution-First Approach to Cyber Insurance

Presentation for NAR

Arch CyPro Service Offerings

Claims Excellence and Flexibility

- **Arch's Cyber Claims team** works with you to make the claims process fast and flexible.
- **Robust vendor panel** available to deliver responsive communication, speed of service, and accessibility to a variety of vendors.
- **Flexible with choice of counsel/vendor** enabling access to industry-leading, cybersecurity law firms available to provide network security breach counsel.

Proactive Loss Prevention Strategies

- **The Arch Cyber Risk Engineering (ACRE)** team provides proactive triage to analyze applications and offer guidance to the insured on trends, best practices and compensating controls.
- **Alignment with strategic cybersecurity risk management service partners** to assist in the implementation of critically missing controls, while we provide coverage immediately.

Proactive Loss Prevention Strategies

Powered by Arch Cyber Risk Engineering (ACRE), supported by our strategic partners.

Arch CyPro insurance solutions are part of a multi-layer cybersecurity ecosystem that enlists the industry expertise of our in-house cyber experts, ACRE, and our trusted brokers alongside a panel of market-leading cybersecurity vendors.

- Advanced analytics with industry partners.
- Fast and accurate decision-making.
- Individual risk analysis and guidance.

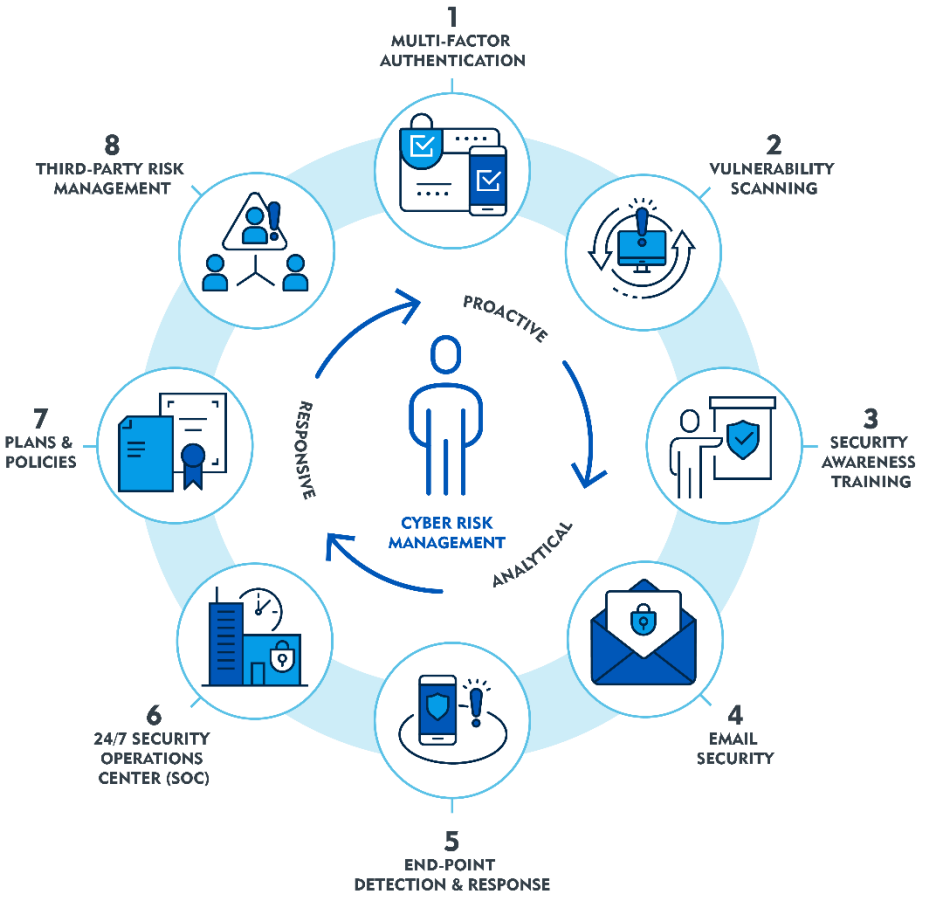
The ACRE Team is integrated into every stage of the underwriting process, utilizing their cyber industry experience alongside robust data to analyze applications, provide expert guidance, and implement critical controls.

OUR STRATEGIC PARTNERS | CYBER RISK MANAGEMENT SERVICES PROVIDERS

Inversion6 eSENTIRE CYBERCLAN OPTIV

ARCH CYPRO℠

CYPRO 8 CRITICAL CONTROLS SERIES



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Critical Controls – Why They Matter

- Multi Factor Authentication
  - Line of defense to prevent an attacker from using credentials to access a network and email
- Endpoint Detection and Response
  - Identifies malicious activity on a network to prevent an attacker from unauthorized access and encrypting a network
- Vulnerability Scanning
  - Identifies vulnerable software in a network that needs to be patched
- Email Security
  - Blocks malicious emails from inboxes that can be used to harvest credentials and execute malware on endpoints
- Security Awareness Training
  - Trains users on identifying malicious emails and security best practices
- 24x7 SOC
  - Eyes on glass monitoring of security alerts to detect malicious activity
- Plans and Policies
  - Incident Response, Business Continuity Plans, Disaster Recovery Plans to have in place to ensure proper response if a breach occurs and recovery steps to ensure limited network downtime
- 3rd Party Risk Management
  - Ensure access to a network by a third party is properly monitored and secured to prevent a potentially compromised trusted 3rd party account from being the source of initial access by an attacker

Cyber Security and Governance Controls: Security Controls

- 1. Encryption of Private Information at rest, in-transit and on mobile devices
- 2. Multi-factor authentication enforced on the following:
  - a. Privileged Access
  - b. Remote Access Virtual Private Network (VPN) or Remote Desktop Protocol (RDP)
  - c. Email
  - d. Backups.
- 3. Backups that are encrypted and segregated from the network in place
- 4. Vulnerability management program to identify known Common Vulnerabilities and Exposures (CVE) as identified by a CVE Numbering Authority (CNA)
- 5. Patch management program in place patch vulnerabilities in the Computer System
- 6. Email security tool in place
- 7. Endpoint Detection and Response (EDR) (or equivalent to) tool in place, enabled with block mode on.

Need to be in place at the time of the incident for Lower Retention Option

Cyber Security and Governance Controls: Governance Controls

- 1. Provision of employee network security and privacy awareness training
- 2. Written policies and procedures including the following:
  - a. Information Security Plan
  - b. Privacy Policy (including disclosure and consent relating to the collection of Private Information)
  - c. Incident Response, Business Continuity and Disaster Recovery Plans

Need to be in place at the time of the incident for Lower Retention Option

Solutions provided by Arch MSSP Panel Vendors

Security Control	eSentire	Inversion6	Optiv	Cyber Clan	Upfort
EDR	SentinelOne CrowdStrike Microsoft Carbon Black	SentinelOne Crowdstrike	SentinelOne Crowdstrike Microsoft Carbon Black	Crowdstrike SentinelOne	Guardian
Vulnerability Scanning	Tenable	Tenable	Tenable	Tenable Qualys	Sentry
MFA	N/A	Silverfort	Duo	Duo	N/A
24x7 SOC	Yes	Yes	Yes	Yes	Yes
Email Security	N/A	Abnormal	Abnormal Avanan	Avanan	Inbox Defender
Security Training	Beauceron Security	Wizer	Knowbe4	Wizer	Cyber University

Claims Excellence and Flexibility

- Dedicated and experienced cyber claims team.
- Robust vendor panel
  - Legal costs.
  - Data forensics incident response.
  - Restoration & recovery.
- Flexible with choice of counsel/vendor.
- Expertise, efficiency and dependability.

Data Forensics Firms	Law Firms
Stroz Friedberg (An Aon Company)	Cipriani & Werner
Arete	Clark Hill
Artic Wolf	Connell Foley
Booz Allen Hamilton	Constangy, Brooks, Smith & Prophete, LLP
Charles River Associates	Freeman Mathis
Cybir	Gordon & Rees
eSentire	Jackson Lewis P.C.
Iron Gate Security	McDonald Hopkins
Mandiant	Mullen Coughlin
Surefire	Pierson Ferdinand
	Thompson Hine

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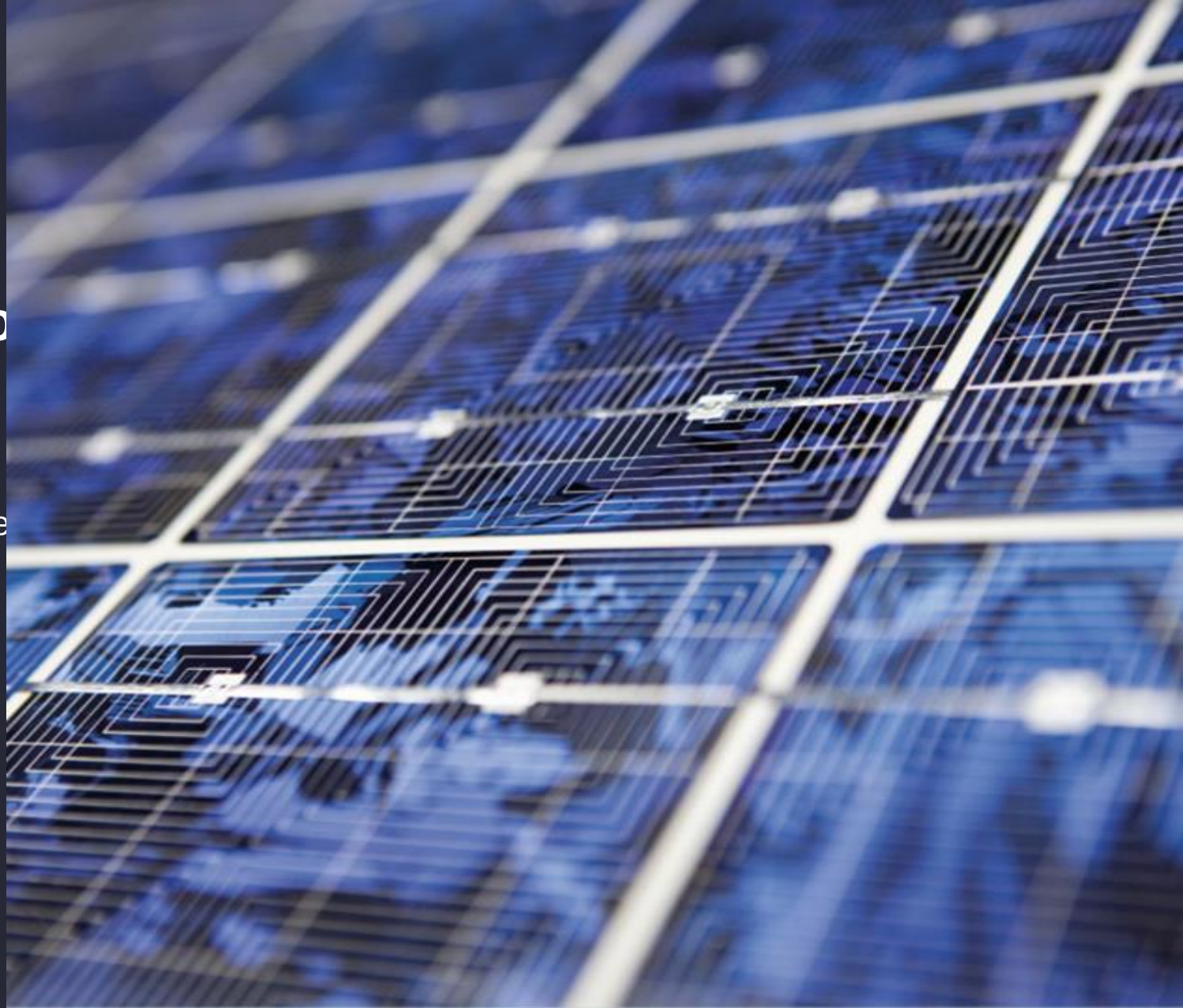
Cyber Solutions Overvie

January 23, 2025

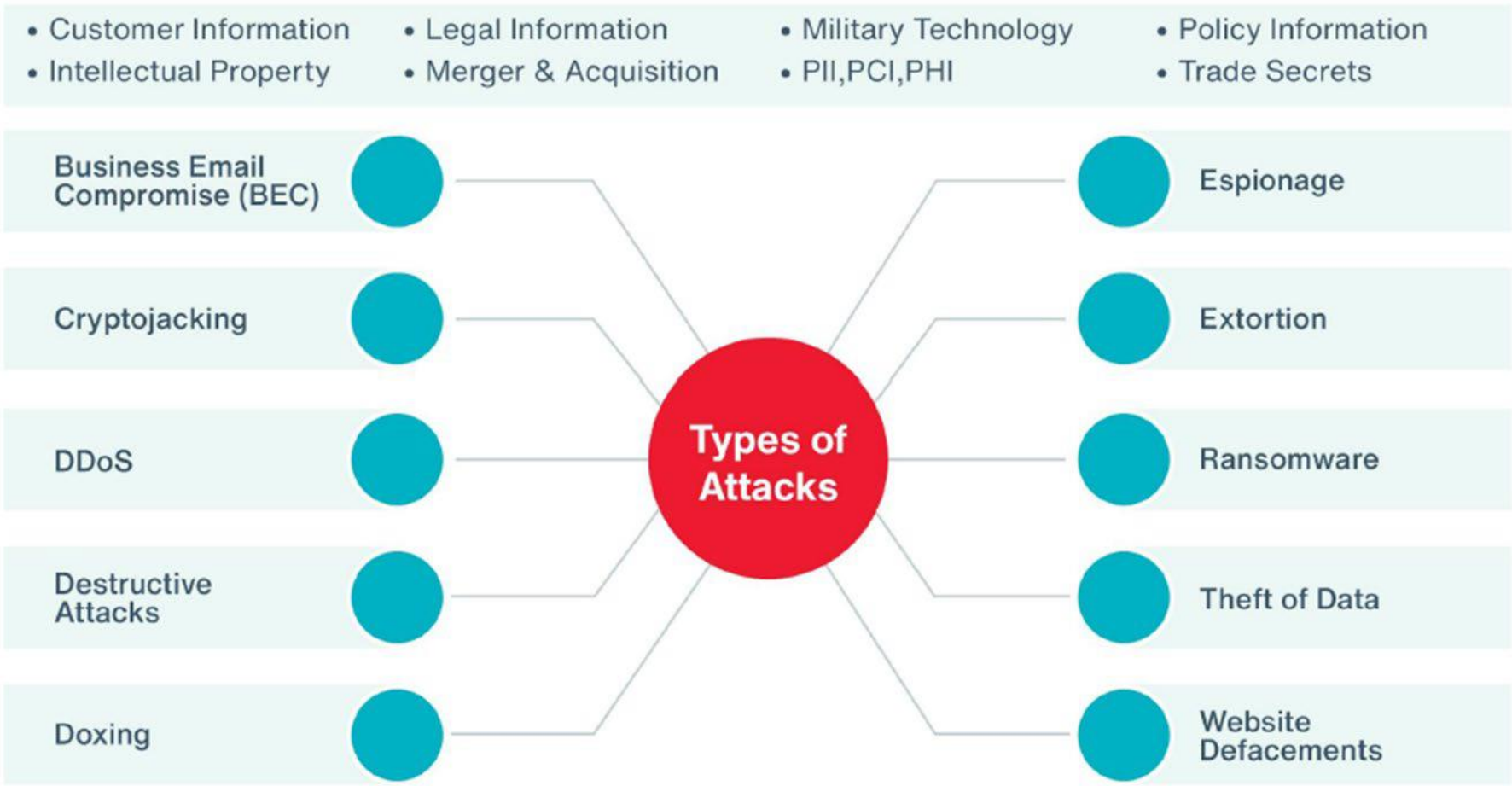


About Aon's Cyber Solutions

Uniquely Qualified and Purpose Built

Global strategic acquisitions have strengthened Aon's fight against cyber risk. We are purpose built to be our clients' best asset against cyber threats. Aon's Cyber Solutions is uniquely qualified to offer clients tools to assess, test, quantify, transfer, and respond to cyber risk exposures. Aon is recognized as one of the industry's premier resources in cyber risk management, and our multidisciplinary team of 600+ global professionals offers strong technical and investigative aptitude, enhanced consulting and risk transfer expertise, long-standing carrier relationships, and robust claims handling capabilities.

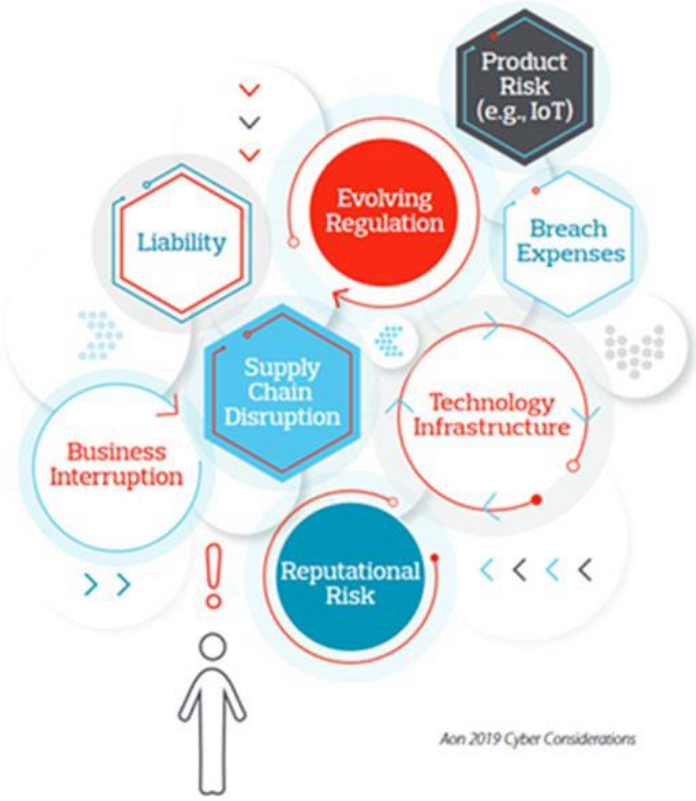
What Makes the Phone Ring?



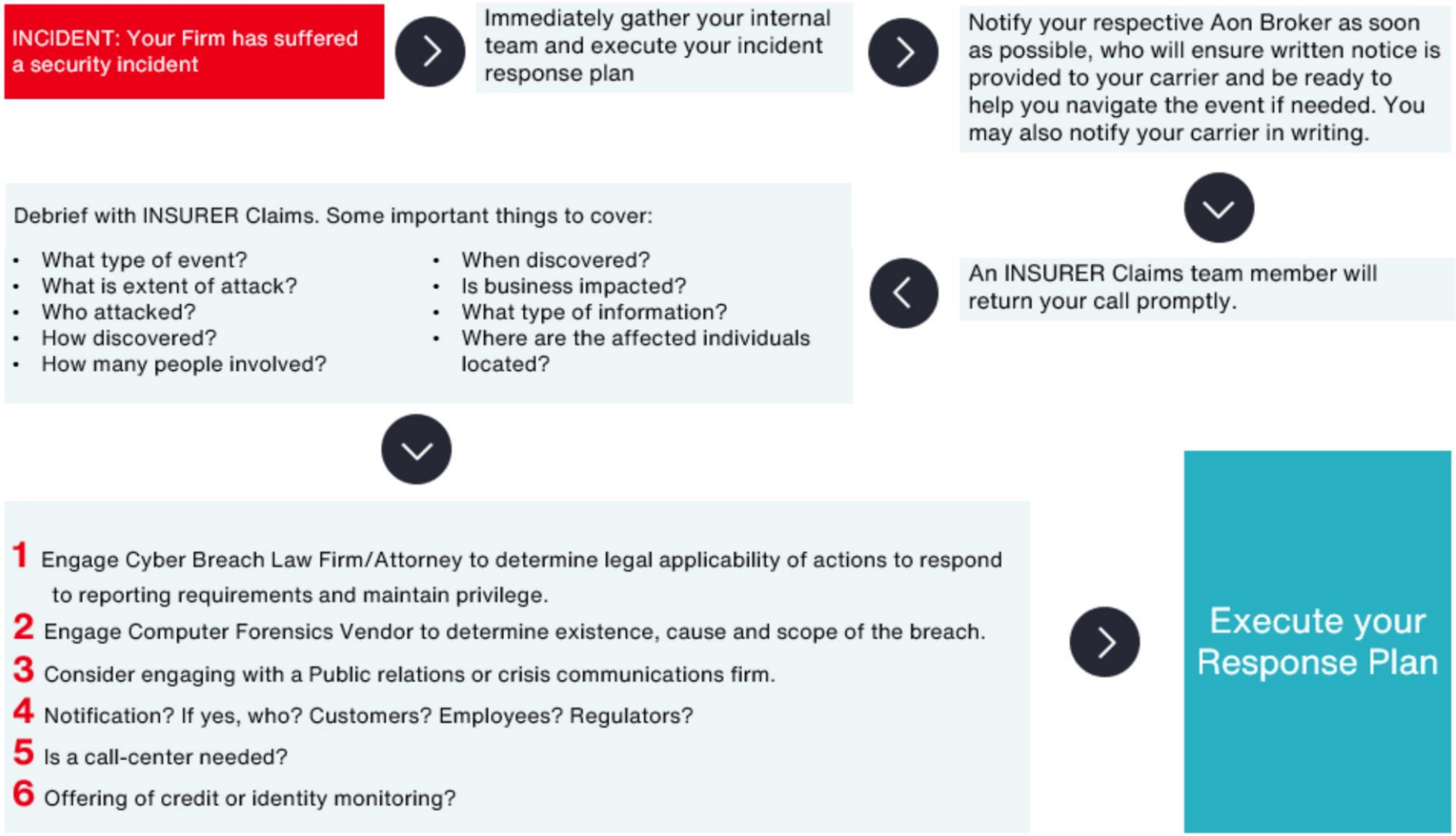
Key Questions in a Breach Situation

Expert People, Defined Processes and Best-in-Class Technology to Answer the Key Questions:

+ How did they get in?
+ How long have they been in?
+ What was accessed?
+ What *could have been* accessed?
+ Evidence of exfiltration?
+ Are we sure they're out?
+ What can we do to ensure this doesn't happen in the future?



Mechanics of Cyber Insurance Backed Incident Response



Aon's Cyber Resilience Program

A Holistic Solution for Clients

Why it matters

Cyber threats are escalating in number, complexity, and impact. There is an urgent need for comprehensive cybersecurity solutions that not only protect against these threats but also educate and empower organizations and individuals to take proactive measures.

The results it brings

Being a leader in Cyber Services and Cyber Insurance gives us a unique perspective that focuses on protecting the entire business. Our experience has led us to bring this **first-of-its-kind cyber solution** to market to achieve the fundamental value and impact our clients expect from us.

Resilience Retainer allows both risk managers and security leaders to aggregate strategic objectives under a single solution to capitalize on greater benefits and economic efficiencies.

For More Information About Aon's Cyber Solutions Contact:

NAR / Aon - Relationship Manager

Laura Sereika - laura.sereika@aon.com

NAR / Aon - Cyber Broking

Daniel Lee daniel.lee2@aon.com

NAR / Aon - Cyber Consulting and Incident Response

David Collier - david.j.collier@strozfriedberg.com

About

Aon plc (NYSE: AON) exists to shape decisions for the better — to protect and enrich the lives of people around the world. Our colleagues provide our clients in over 120 countries with advice and solutions that give them the clarity and confidence to make better decisions to protect and grow their business.

www.aon.com

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RESOURCES

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ANNUAL MAILING

- COMING SOON! -

THE ANNUAL INSURANCE MAILING IS GOING ALL-VIRTUAL

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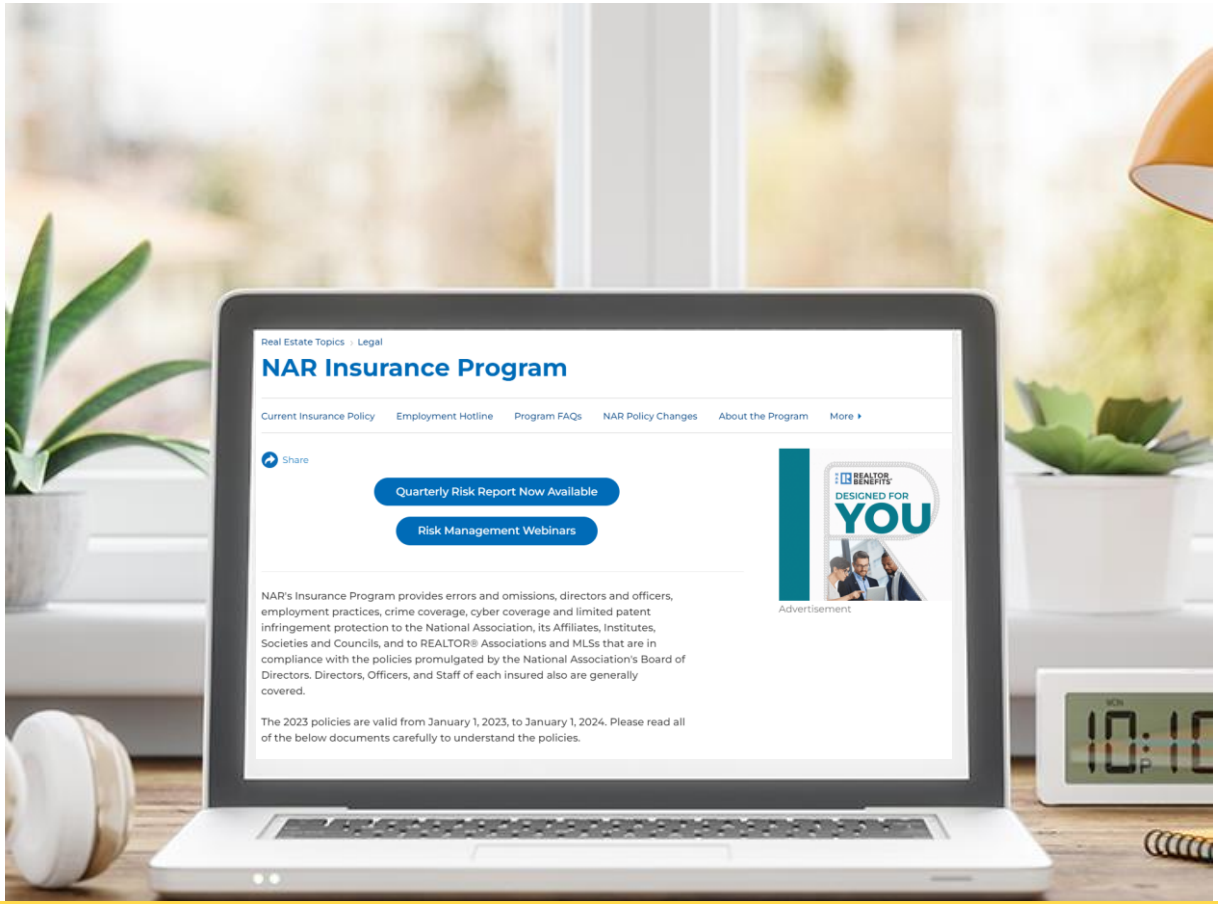
INSURANCE RESOURCES

- Policy documents
- How to file a claim
- Insurer's resources

- AND MORE TO COME-



nar.realtor/nar-insurance-program

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INSURANCE RESOURCES

Quarterly Risk Report **ALL NEW IN 2025**

Risk Management Webinar Series

What Directors & Officers Need to Know **UPDATE COMING SOON!**

NAR INSURANCE PROGRAM

QUARTERLY RISK REPORT

Q1 2023

IN THE SPOTLIGHT:

AMERICANS WITH DISABILITIES ACT

Adopted in 1990, the Americans With Disabilities Act (ADA) makes it unlawful to discriminate against people with disabilities. The law has five sections or "titles", two of which apply to REALTOR® associations:

- Title I (Employment) requires employers to provide reasonable accommodations to qualified applicants and employees to enable individuals with disabilities to perform the essential functions of the job. Title I only applies to an employer, such as an association, that has 15 or more employees.
- Title III (Public Accommodation) prohibits entities that own, lease, lease to or operate a place of public accommodation from discriminating against the disabled, and requires the entity to remove certain physical barriers, make modification, and ensure effective communication with disabled individuals.

Defining disability

The ADA defines "disability" as a person who has a physical or mental impairment that substantially limits one or more major life activities, a person who has a history or record of such an impairment, or a person who is perceived by others as having such an impairment. As a result of the ADA Amendments Act of 2008, the concept of a disability should be interpreted broadly and more conditions are covered by the Act.

ADA Obligations

An association's obligations as a place of public accommodation encompass many, if not most, of the services that an association provides: education and events, professional standards hearings, its buildings and facilities, and communications, including its website.

CLAIMS REPORTED: 19

9 active demands/lawsuits | 10 potential claims

4 Professional Standards
4 Cyber
3 Employment
1 Governance
1 Trademark
1 Crime Loss
5 Other

Trend alert: 4 times more cyber claims were filed this quarter than in all of 2022. Overall claims are up 3% over Q1 2022.

Public accommodations must comply with **basic nondiscrimination requirements** that prohibit exclusion, segregation, and unequal treatment. This means that associations must operate in a manner to ensure disabled individuals have the same opportunity to participate in and benefit from its goods, services, facilities, privileges, advantages, or accommodations. As such, associations must make "reasonable modifications" to policies, practices and procedures to avoid discrimination.

Associations must ensure **effective communication** with people with hearing, vision, or speech disabilities. This means providing necessary auxiliary aids and services to ensure equal access. However, the ADA does not require a public accommodation to provide an auxiliary aid (or the exact aid requested) if such provision would result in an undue burden or a fundamental change in the nature of the goods, services, facilities, privileges, advantages, or accommodations.

The key to communicating effectively is to consider the nature, length, complexity, and context of the communication as well as the person's normal method(s) of communication. For example, a sign language interpreter

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QUARTERLY WEBINARS

Available on nar.realtor/nar-insurance-program

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NEXT WEBINAR

- MAY 2025 -

Social Engineering: Best Practices to Avoid Costly Scams

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MORE INFORMATION

NAR INSURANCE PROGRAM

nar.realtor/nar-insurance-program

QUESTIONS?

insurance@nar.realtor

AON ACCOUNT EXECUTIVES

Gayle Andrews
Gayle.Andrews@aon.com
312-381-7049

Laura Sereika
Laura.Sereika@aon.com
312-381-2602

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