

# HEALTHCARE'S CYBERSECURITY DIAGNOSIS: WHAT PRIVATE EQUITY NEEDS TO KNOW



## HOW WIDESPREAD IS THE INFECTION?<sup>1</sup>

**458**

total healthcare breaches in 2016

Healthcare accounted for **15%** of last year's cyber incidents



### THE X-RAYS SHOW...



**64%** of healthcare breaches were motivated by **financial gain**



**68%** of breaches were at the root of **internal threat actors**



**30%** were due to **human error**

## WHAT'S AT STAKE FOR PRIVATE EQUITY?

### PE HAS SKIN IN THE GAME



**\$41.7B:** Total value of U.S. PE healthcare deals in the first half of 2017<sup>2</sup>

### THE VALUE OF FUNDS' PORTFOLIOS IS ON THE LINE



Cyberattacks cost companies an average of **\$15M a year**<sup>3</sup>

### INVESTORS ARE DEMANDING ACTION



45% of LPs will require **cybersecurity risk assessments** for portfolio companies within 3-5 years<sup>4</sup>

## ASSESSING THE DAMAGE



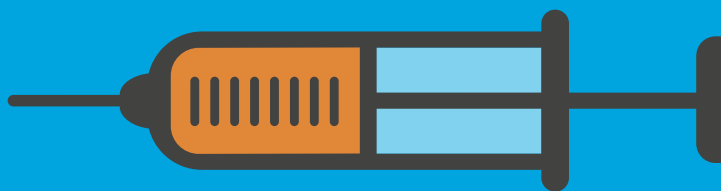
About **1/3** compromised **personally identifiable information (PII)**



Almost **1/4** weren't detected until months after the incident

## 7 STEPS TO STRENGTHEN YOUR CYBER IMMUNE SYSTEM

As PE fund managers consider ways to add value, incorporate cybersecurity into the conversation:



**Perform cybersecurity due diligence before investing.**



**Take your cyber pulse.** Identify possible vulnerabilities and assess current risk management programs.



**Confront the human element.** Train employees to securely handle sensitive data. Simulate phishing attacks to test their cyber smarts.



**Implement a risk-based, threat-driven patch management program.**



**Update your detection, threat monitoring and analytics tools.**



**Get ready for damage control.** Strengthen investigative and digital forensics capabilities to assess an incident's scope and severity.



**Develop and proactively, regularly test an incident response plan.**

<sup>1</sup> Verizon 2017 Data Breach Investigations Report

<sup>2</sup> Pitchbook 2Q 2017 US PE Breakdown

<sup>3</sup> CNBC

<sup>4</sup> Collier Capital



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