

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



HOW WIDESPREAD IS THE INFECTION?¹

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 2017²

THE VALUE OF FUNDS' PORTFOLIOS IS ON THE LINE



Cyberattacks cost companies an average of **\$15M a year**³

INVESTORS ARE DEMANDING ACTION



45% of LPs will require **cybersecurity risk assessments** for portfolio companies within 3-5 years⁴

ASSESSING THE DAMAGE



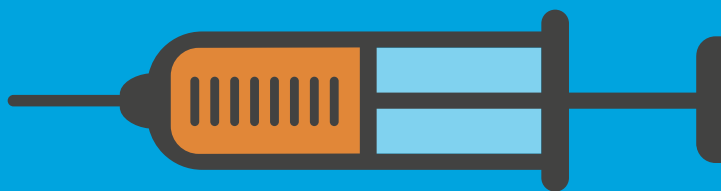
About **1/3** compromised **personally identifiable information (PII)**



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.

¹ Verizon 2017 Data Breach Investigations Report

² Pitchbook 2Q 2017 US PE Breakdown

³ CNBC

⁴ Collier Capital



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