

Cybercrime – Checklist for Pension Schemes

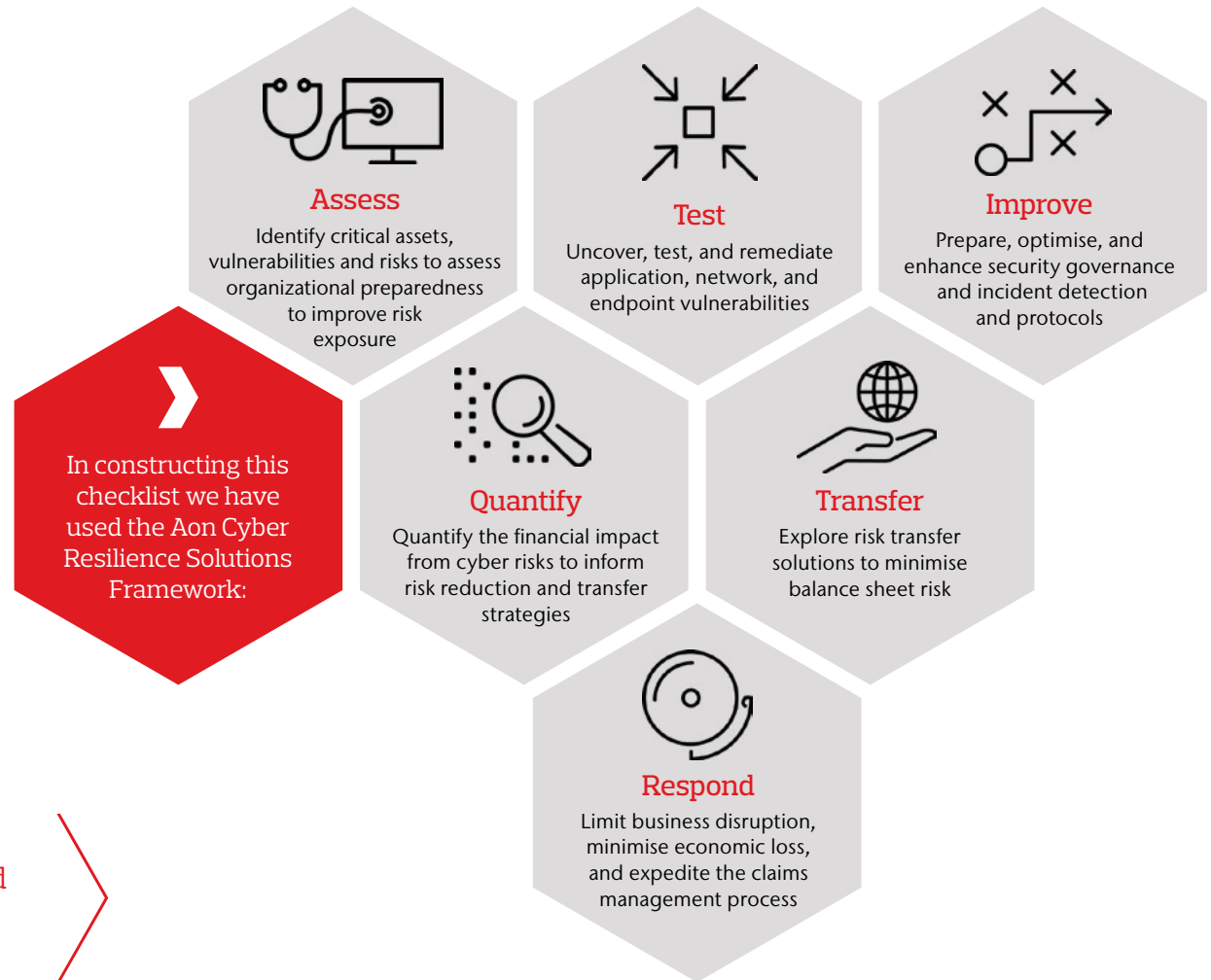


Cybercrime is a growing area of concern for pension schemes, and one which both trustees and sponsors need to pay attention to.

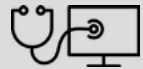
Using Aon's experience of advising on pension scheme risks, combined with our expertise on cyber risk consulting and forensic testing through Stroz Friedberg, we have compiled a checklist of the areas trustees and their sponsors should consider when evaluating their pension scheme against the threat of cyber-attacks.

Stroz Friedberg, an Aon company, is a specialised risk management firm and global leader in cyber security.

For more information visit strozfriedberg.com



As data controllers trustees are ultimately responsible for what happens to scheme data and should be asking questions to understand their schemes exposure to cyber risks.



Assess

Assessing vulnerabilities

Has the scheme undertaken an evaluation of the threats posed by cyber-risk, including consideration of both the likelihood and impact of loss of data, financial transactions, corporate reputation, systems downtime etc?

Are the vulnerabilities identified recorded on the scheme's risk register?



Quantify

Quantify the financial impact from cyber risks

Has the potential impact of those vulnerabilities been quantified, so that they can be understood and managed, whether that be through risk reduction or insurance strategies?

Have these potential impacts been shared with the sponsor, so that they are also aware of the potential impact of such risks (eg financial, reputational) on their scheme and business?

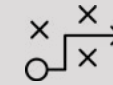


Test

Testing applications, networks and endpoint risk

For each party involved with the pension scheme, have the questions in the Appendix been considered, with satisfactory responses?

The parties should include third parties as well as any internal departments which the scheme is reliant upon, and the trustees themselves. Some thought will need to be given to how to apply these questions to individual trustees.



Improve

Improve procedures, governance and preparedness

Has the scheme identified and documented (perhaps in the risk register) any measures that need to be taken to improve cyber security and put in place actions to achieve these?

Are these measures monitored and reported on to ensure that they are not overlooked?



Transfer

Transfer risk to insurance market

Have the trustees considered the extent to which cyber risks are covered by any insurance contract they or their sponsor has, such as trustee indemnity insurance?



Respond

Respond to a cyber attack

Has the scheme considered the need for its own incident response plan, independently of the plans that third parties might have?

Has the scheme considered the possibility of retaining a third party to provide rapid response support in the event of a cyber-attack?

Actions

If any of the answers to the above questions are unsatisfactory or if you need help with understanding the implications of the answers you are not alone. Aon can support both trustees and sponsors with identifying potential mitigation and risk transfer actions that meet your needs and risk appetite. Please contact your Aon consultant or Paul McGlone or Vanessa-Jane Jaeger for further information.

Although considerable thought has gone into creating this checklist, no checklist is ever complete as cyber security resilience is a continuous process. If trustees or sponsors have further concerns about cyber risk then they should seek specialist advice.

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