

Cybercrime insurance coverage for Wayland and taxpayers?

20 November, 2015

To: Wayland Board of Selectmen
41 Cochituate Road
Wayland ,MA 01778

From: Mark Hays
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Dear members of the Wayland Board of Selectmen:

I reviewed Nan Balmer's report to the BoS on 20 February, where she noted that Elysium was recommended by the Town's insurance company, MIIA -- and that she met with MIIA to discuss insurance coverage.

Despite multiple breaches last January, Wayland still has not installed an automated vulnerability detection / patch management system – lack of which was the proximate cause. As I described in my previous letter to you, the cost of data theft from one breach could easily exceed \$1.4 million – in addition to money that may be stolen and related lawsuits.

With all of this in mind:

1. Does the Town pay more for insurance coverage related to IT risks, following the breaches last January, to MIIA and/or another company? If so, what is the annual increase in cost?
2. Was insurance coverage for IT related risks increased following the breaches?
3. If another data breach occurs and confidential information is stolen, are Wayland and Wayland taxpayers covered against the total cost of notification and identity theft protection for all affected individuals? Are there limits on this coverage?
4. Are Wayland and WPS covered or indemnified against the cost of related lawsuits and awards?
5. Are Wayland and WPS covered against the cost of theft, e.g. a transfer of funds like the attempts last January? Are there limits on this coverage?

In addition to the privacy of current and former Wayland residents, teachers, students and employees, Wayland taxpayers need to be protected.

Please let me know if you have any questions.

A handwritten signature in blue ink, appearing to read 'Mark Hays', with a stylized flourish extending from the end of the signature.

No Confidential Computer Security Information

This public letter does not include details regarding the major security problem which have not already been made public. Please include a copy in your next meeting packet, to be posted on the Wayland Web site.

CC: Wayland Finance Committee, School Committee, Dr. Paul Stein, Nan Balmer, and public media