

# FARADAY INSURANCE FIRM CASE STUDY

## RISKXCHANGE PROVIDES AN INTEGRATED THIRD-PARTY RISK MANAGEMENT

### ABOUT THE COMPANY

Faraday is a wholly-owned subsidiary of Berkshire Hathaway and is part of General Reinsurance Corporation. The company provides cover-to-cover insurance products to industries ranging from aviation to agriculture to help businesses mitigate risks and undertake new developments.

Faraday works with third-party vendors, known as cover-holders, to provide its insurance products. These cover-holders oversee the underwriting process and handling claims management, if necessary. To provide these vital operations, Faraday shares sensitive data with these cover-holders, which creates potential **third-party security risks**.

### CHALLENGES THE COMPANY FACED

#### No Visibility into Third-party Security

Faraday had no insight into its cover-holders' vulnerabilities and had difficulty guaranteeing their security posture or security capabilities. There were concerns about their ability to meet compliance requirements due to this lack of transparency. Additionally, the company had no knowledge of the fourth parties providing technical services and their security posture.

#### Limited Security Tools & Experience

Faraday previously used excel-based assessments and audits once every couple of years to assess the security standards of their cover-holders. This proved inadequate because it did not give them an accurate picture of any security vulnerabilities. The company also lacked the skills and experience to implement a proper risk assessment program and needed help with risk monitoring and mitigation strategy.

#### No Information Validation Tools

During these limited security assessments, Faraday had no means of validating the information it received.

#### Lack of Continuous Monitoring

Due to the long periods between the security assessments, the Company did not know if any of their cover-holders had suffered a data breach, could not see if their data was affected, and consequently, could not mitigate such risks in time.

### CONCLUSION

Faraday saw significant improvements in managing cover-holders' cyber risk, increasing the visibility into their third parties by 100%. RiskXchange platform **automated the risk management and compliance process**, keeping the company and its cover-holders more informed of their security risks. With the help of the RiskXchange's Managed Service Faraday could identify high-risk cover-holders and work with them to **improve security standards** and ensure their client's **sensitive data is kept safe** and compliance standards are maintained.



### HOW RISKXCHANGE SOLUTION HELPED

#### Complete Visibility across the Supply Chain

RiskXchange platform gave Faraday complete visibility into its cover-holders security posture and their security vulnerabilities, including those of fourth-party technology providers. The platform tracked and assessed each vendor's security capabilities and assigned a security score that would rise or fall in correlation to security standards discovered.

#### Extended Security Assessments & RiskXchange Managed Service

The platform enabled Faraday to quickly configure compliance and industry-standard assessments and send those to third parties to get insight into their security maturity and compliance adherence. Due to the limited experience and the lack of an in-house security team which would assess their third parties, Faraday opted to have a Managed Service from RiskXchange. Working together with our security experts, Faraday established a solid cybersecurity framework and enforced better security policies across its cover-holder network. The company gained validated assessment information, while the RiskXchange team directly interacted with their third parties to mitigate discovered risks and enforce compliance.

#### Actionable Intelligence Leveraging AI Capabilities

Leveraging the platform's AI capabilities, RiskXchange provided Faraday with a continuous security risk rating for each cover-holder based on eight different risk categories, including application and network security, data breaches and even business reputation, each with a detailed review and graded from A (excellent) to F (inferior). Together with the platform's executive-level reporting system and the extensive support from the RiskXchange team the company could resolve the root causes of all known issues as quickly as possible.

#### Continuous Monitoring across the Attack Surface

RiskXchange integrated platform enabled Faraday to automate its third-party risk management program and gain up-to-date security risk information every 24 hours. It was made aware of any new security risks and data leakage events in real time, allowing the company to quickly remediate vulnerabilities and mitigate potential data breaches.