

Proactivity & Preparation

Insurance leader emphasizes the importance of cybersecurity for public and affordable housing organizations

Thousands of cyberattacks occur in the United States every day, and cybercriminals are constantly enhancing their methods to compromise data. While small organizations may feel immune to these attacks due to their scale, they are often at much higher risk than they expect. For public and affordable housing providers, robust cybersecurity provisions are must-haves to protect themselves, their residents and their communities.

Cybersecurity is a particular area of focus for HAI Group, a national leader in public and affordable housing insurance. A few years ago, the organization, which also provides housing-focused training and original industry research and data, added a Cybersecurity Center to its website. The page houses free training and educational resources to help the public and the affordable housing industry enhance their cybersecurity, reduce risk and maintain market stability.

Unfortunately, cybercrime is a growing problem for government organizations—from schools and police departments to public housing authorities—many of which are funding-constricted. HAI Group wants its members and policyholders to understand their vulnerabilities in this arena and take action to fortify themselves against ransomware and other cyberattacks.

“We live in an increasingly connected world, and affordable housing is certainly part of that,” says Troy LePage, Chief Operating Officer and Executive Vice President at HAI Group. “Public housing entities are trying to find the best way to deploy the funds that are available to them. Not too long ago, cybersecurity wasn’t an expense line item, but it’s become an area they need to invest in, so there are tradeoffs. If they invest in cybersecurity, those are dollars they could have invested into their community, their residents or their properties. Striking the right balance can be challenging.”

A CENTRAL RESOURCE

HAI Group has made cybersecurity a central point of focus due to the risks housing providers face in the event of a cyberattack. Bad actors can wreak havoc on an organization by locking employees



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out of internal systems, potentially leading to lengthy downtimes, costly ransom payments and/or the need for entirely new digital infrastructure. Residents are also at risk, given the types of personal information affordable housing providers collect and store.

To help mitigate these risks, HAI Group has created a robust Cybersecurity Center, chock-full of resources, trainings and other materials designed to assist organizations in amplifying security. Although HAI Group does not offer cybersecurity insurance directly, its resource center is tremendously valuable to its policyholders and helps strengthen the industry overall.

“Because we are owned by our members and genuinely care about the affordable housing industry and the positive impact it has in our communities, we think of ourselves as much more than an insurance company,” LePage says. “The threat is real. Some of these attacks can get very costly and time-consuming, and housing providers have limited budgets. As some of that funding gets paid in ransoms or through potential lawsuits associated with loss of data, for example, it threatens the

sustainability of public and affordable housing, which runs lean as it is.”

HAI Group offers a variety of cybersecurity tools to members, including free training programs applicable to whole-organization staff and connections to external resources from cybersecurity experts like the Cybersecurity and Infrastructure Security Agency (CISA) and the Multi-State Information Sharing and Analysis Center (MS-ISAC).

On its award-winning blog, HAI Group also shares actionable tips and tricks, information and stories from agencies that have actually experienced cyberattacks. One such story comes from the Denver Housing Authority and its CFO Jim DiPaolo, who suffered a ransomware attack in September 2021. HAI Group and its interviewees hope other organizations can apply lessons learned from these experiences in proactive ways.

HOW TO TAKE ACTION

For some organizations, cybersecurity will be entirely new; others may have a foundation they can build on. Regardless of where an organization is starting from, HAI



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-Troy LePage

Group has offered suggestions to improve security infrastructure and deter bad actors.

One of the best places to start is to create a culture of cybersecurity and skepticism among staff. A large portion of cyberattacks stem from employees falling for scams and accidentally sharing secure information. Through free training resources like the ones HAI Group provides, organizations can teach staff what to look for to prevent ransomware and data breaches.

Other tips include common-sense security checks. Inventory your digital systems and ensure they are updated and secure. Store passwords securely—especially those for backup systems stored in the cloud. Patch software regularly and retire obsolete systems properly. Use multifactor authentication for email and other digital logins.

LePage also emphasizes the importance of cyber insurance—not solely for the financial coverage aspect, but also to implement infrastructure that

allows organizations to be more secure. By working with expert carriers, affordable housing providers can create a “floor of protection” that is crucial in securing their systems against cyberattacks.

Ultimately, LePage says the number-one rule providers should follow is to believe cyberattacks can happen to them. The next step is to take action.

“It’s a challenging time. Everything is more expensive; there are inflationary concerns. The one thing I want housing providers to take away is that you can’t afford not to invest in cybersecurity,” he says. “The plan can and should look different at each organization, because there’s no single playbook that makes sense. But staff training and multifactor authentication are crucial. Focusing on some of those tasks that are highly effective, easy to implement and affordable, and then building a program from there, is important. But it starts with action, and it starts with assuming a cyberattack will happen. It’s a matter of time, and you need to be protected when it does.”



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