



MINUTES

Montana District Export Council

August 23, 2022

DEC Mission Statement

The Montana DEC will **support Montana exporters** and **provide a collective Montana exporter voice** to advise on **export education** needs and disseminate education opportunities to its collective networks; and to **advise policy makers on export policies** under consideration and provide suggestions for future legislation.

DEC Member To-Do Items

1. By midnight EDT August 26, [vote for the candidate](#) who will best represent your network on the National DEC Steering Committee.
2. For the Winter DEC meeting, [click on this link](#) to indicate your availability.
3. Consider sending donations to the DEC to increase the Treasury balance.
4. Follow the DEC's new [LinkedIn page](#) to increase our reach.
5. Subscribe to the [NADEC newsletter](#), and follow NADEC on [Facebook](#), [Twitter](#), and [LinkedIn](#).

DEC Winter Meeting

More information, including the agenda, will be sent at least 2 weeks prior to the meeting.

Date: [Click on this link](#) to indicate your availability the weeks of November 8 and 29. Meetings will be 2 hours.

Virtual: via Microsoft Teams (link to be provided once dates are final)

Topics:

- Guest Speaker (tentative):
 - Southbound Trade Initiative
 - Tester's office re: containers
 - Rural Export Center services & training
- DEC business
- Export Service Provider updates
- Spring meeting with Congressional members to discuss international trade (Angie will coordinate this with the Montana Manufacturer's Association)

- Webinars & trainings

Attendees

Official DEC Members

Official DEC membership, controlled by the US Department of Commerce, can be accepted in June in even-numbered years.

Dianna – TowHaul, Chair

Linda – PDT, Vice Chair

Brigitta – Montana World Trade Center, Treasurer

Carey – US Commercial Service, Executive Secretary

Harold – Diversified Plastics

Barry – Wood's Powr-Grip

Tibor – Resodyn

Latashia – Intertribal Ag Council

Jenni – Montana Manufacturing Extension Center

Angie – Montana Dept of Commerce-ExportMontana

Treasurer's Report

Brigitta reported a balance of \$579.31. Membership discussed fundraising via member donations to send a DEC member to the NADEC conference in 2023. To **send donations to the DEC**, mail a check to the treasurer:

Brigitta Miranda-Freer, DEC Treasurer

c/o MT WTC, GBB, Ste 257

University of Montana – Missoula, MT 59812

DEC LinkedIn page

Angie reported that on the [Montana DEC LinkedIn page](#) there were 20 posts on the page in the last 12 months, with 164 page views.

Montana World Affairs Council

The [Montana World Affairs Council](#) requested DEC support of 3 events:

1. [EconoQuest](#), October 24-25, Bozeman (see Attachment 1)
2. International Career Week, February 6-9, 2023, virtual (see Attachment 2)
3. Business Roundtable Discussion with EU Consuls General, October 26, Missoula

DEC agreed that members can individual members can support the events if interested. With questions or to RSVP, [email Nikki Geiszler](#).

DEC Non-Profit Status

Carey and Richard are still working on determining the DEC's non-profit status and the need to register with the Montana Secretary of State.

National DEC

NADEC Annual Conference

As a \$2,000 in-kind donation to the DEC, Angie attended the [2022 NADEC Annual Export Conference](#) in May in Washington DC, on the DEC's behalf. She reported on the topics discussed and DEC best practices, including:

- DEC members are encouraged to speak at universities and entrepreneur programs, encouraging interest in and support of international trade in the state.
- Some DEC's host DEC-led trade missions.
- DEC's are encouraged to host annual video conferences with Congressional representatives.
- DEC members are encouraged to subscribe to the [NADEC newsletter](#), and to follow NADEC on [Facebook](#), [Twitter](#), and [LinkedIn](#). Angie will share NADEC news on the DEC LinkedIn page, too.
- Some DEC's encourage exporter collaboration, such as sharing distributors and booths at trade shows, cooperating on shipping, etc.
- [Cybersecurity insurance](#) is becoming more prevalent and necessary, and DEC's should make local exporters aware (see Attachment 3).
- NADEC is supporting the [Southbound Trade Initiative](#), led by Ernesto Pinal, ID DEC (see Attachment 4)

NADEC Steering Committee

Angie has also applied to be a member of the NADEC steering committee. Please review the candidate videos and vote for the candidate who will best represent your network on the National DEC Steering Committee. **Deadline to vote is Friday, August 26th, midnight, EDT.**

Videos: Webex meeting recording: [Pacific North Network Meet the Candidates](#), Password: DECSteeringCommittee2022

Ballot: <https://app.keysurvey.com/f/41631836/aac0/>

Export Service Provider updates

Export Service Providers provided updates:

- MWTC

- Montana Manufacturing Extension Center
- ExportMontana
- US Commercial Service

Webinars & Trainings

The DEC will support export webinars and trainings.

- **Pending in 2022-2023:**
 - MWTC's Incoterms webinar, October
 - ExportMT's Export 101 webinar, November
 - ExportMT's Exporting to North America webinar, December
 - ExportMT's Exporting to Japan and Taiwan webinar, January
 - ExportMT's Exporting to Central Europe webinar, January
 - ExportMT's Exporting to North America with USMCA webinar, February
 - Rural Export Center's website global analysis and international market research training, in-person, location TBD, March
 - ExportMT's Shipping products to international markets webinar, April
 - ExportMT's Using Amazon for International e-Commerce webinar, May
 - TBD: Cybersecurity and Kidnap & Ransom insurances
- **Completed in 2022:**
 - MWTC's Foreign Trade Zones, March 2022
 - MWTC's International Trade & Investment Day, May 2022
 - ExportMT's The Best Employee You'll Ever Hire: Your Website, May 2022
 - ExportMT's 5 Things You can Do to Juice Up Your Website, May 2022

ATTACHMENT 1

EconoQuest



Our Mission

EconoQuest is a multi-day conference that provides a unique opportunity for Montana high school students to engage with local businesses and government leaders. They will explore and discuss the impact of global dynamics in Montana's economy and learn about the exciting careers!

During EconoQuest, students will gain the knowledge and understanding of basic economic theory, business investment planning, international trade and the impact of global dynamics on our economy. They will also introduce Montana students to career pathways in the technology and photonics industry as well as other industries involved in trade.

Montana Photonics Industry Alliance:

The Montana Photonics Industry Alliance serves as a hub for Montana's optics, photonics, and quantum companies, entrepreneurs, laboratories, and universities to commercialize, grow and sustain globally leading organizations that create high quality jobs and economic opportunity in Montana.

Montana World Affairs Council:

The Montana World Affairs Council is a nonpartisan, nonprofit organization dedicated to fostering global understanding and awareness in Montana's communities and classrooms.

Gallatin College:

At Gallatin College MSU our mission is to provide an accessible student-centered education that supports the student's personal and professional goals and enhances Montana's economy.



What is EconoQuest?

Virtual Platform

Educators statewide mentioned how economics is not formally taught in classrooms and many times is only touched upon briefly. The Montana World Affairs Council developed the EconoQuest Virtual Platform to **help fill this gap to support teachers in expanding students' knowledge of basic economics, business planning, and how global issues and events impact Montana's economy.** In addition, there will be 4 virtual programs where students can engage in Q&A with distinguished guest speakers prior to the in-person conference.

In-Person Conference

EconoQuest Conference is a multi-day conference for high school students to **explore the technology and photonics opportunities** as well as other industry opportunities available in Montana. Photonics is the physical science and application of light. Students will learn more about what local companies are developing such as laser systems, quantum technologies, aerospace, and much more!

On day two of EconoQuest, students will learn how global issues and events impact Montana's economy, Montana World Trade Center will demonstrate **how international trade works and how vital trade is to local Montana companies**, and students will get to engage with Montana government leaders as well as Consul Generals.

EconoQuest Competition

In teams of 3, students will **develop a business investment plan** for a product inspired by their own communities that they will internationally trade with the European Union. Business investment plans will be judged on creativity, practicality, and overall pitch.

The winning team earns a personal tour of the Helena capital where they will engage with government officials and have lunch with the Lt. Governor. The winning team will also earn scholarships to attend Gallatin College after graduating High School!

School Scholarships

EconoQuest is completely FREE to all students! Scholarships are provided to traveling schools, with priority to rural and reservation schools, to cover the expenses of transportation, lodging, and substitute teachers. All meals will be provided for students during the conference. We never want a student to be denied the opportunity to attend the EconoQuest Conference due to the ever-increasing budget restrictions our schools are faced with. By providing EconoQuest at no cost to schools and students, we provide the opportunity for these students and schools to take part in such an impactful event. In some instances, this will be the first and only opportunity for many of these students to visit Gallatin College and learn about the exciting degree opportunities they have to offer!

To promote this event, the Montana World Affairs Council **traveled to rural and reservation schools statewide advocating EconoQuest, traveling over 1,300 miles to 29 schools!**



Sponsorship

Become a sponsor of EconoQuest and help us provide an exceptional opportunity to Montana students to learn about economics, photonics, business investment planning, international trade, and future career paths.

Your sponsorship will help us with additional costs such as participant items, snacks, marketing materials, in-person school promotion, and so much more!

All sponsors will receive a booth at the career expo (location based on sponsorship level) and their logo placed on the EconoQuest virtual platform, MWAC and MPIA websites, and marketing materials.



Gold Level

\$2,500

- Invitation to Monday Dinner (up to 4 people) and your pick of Monday or Tuesday Lunch (up to 2 people)
- Invitation to Sponsor Appreciation Party (up to 4 people)



Silver Level

\$1,000

- Invitation to Monday Dinner (up to 2 people) and your pick of Monday or Tuesday Lunch (up to 2 people)
- Invitation to Sponsor Appreciation Party (up to 2 people)



Bronze Level

\$500

- Invitation to either Monday or Tuesday Lunch (up to 2 people)
- Invitation to Sponsor Appreciation Party (up to 2 people)

ATTACHMENT 2

International Career Week



INTERNATIONAL CAREER WEEK
Exploring future possibilities

The Montana World Affairs Council is excited to launch the first annual International Career Week.

Schedule for International Career Week:
Monday, February 6th - Thursday, February 9th

Time Slots:
8:30 AM - 9:30 AM MST
10:00 - 11:00 AM MST
11:30 AM - 12:30 PM MST

International Career Week is FREE to all schools.
For companies/ organizations wishing to confirm a time slot in programming, please email Nikki Geiszler, Programs Director, at ngeiszler@montanaworldaffairs.org

A sign up link for schools will be provided in December.

 **MONTANA WORLD AFFAIRS COUNCIL**

Feb. 6th - 9th | 8:30 AM - 12:30 PM MST | Virtual

ATTACHMENT 3

Cybersecurity insurance: A complete guide

Cybersecurity is a top-of-mind priority for organizations of all types. From businesses to government agencies to non-profits, leaders must consider a growing number of cyber threats, risks, and vulnerabilities. The cost of dealing with a cyber incident can be staggering, and so nearly every tech-related decision must be measured against its effect on the organization's cyber risk profile.

For many leaders, their instinctive reaction to cyber threats is to obtain the best cybersecurity controls and systems their budget will allow, and that's a wise move. Still, that's not enough for many businesses. These enterprises address cyber uncertainty like any other risk, and one way to mitigate risk is to acquire insurance.

This article aims to demystify cyber insurance and examines various aspects of the cybersecurity insurance market. We'll dive into what it is, the size of the market, and what it covers. It's a big subject upon which volumes have been written, so here we hope to arm students, security practitioners, and business leaders with helpful information to guide their further research.

What is cybersecurity insurance?

All organizations face uncertainty or risk, and it is a risk manager's job to guide the C-suite toward the most appropriate options for each identified hazard. There are four basic strategies or tools for mitigating risk, and insurance is one of them.

Assume and accept: To assume and accept risk can be an intended strategy or the result of making no decision at all. If the threat is minor and the consequences relatively insignificant, an organization may decide that the cost of other mitigation strategies is prohibitive, so they just accept the risk.

Avoid: To avoid cyber risk, organizations may decide to sidestep or cease certain risky activities. If, for example, a company identifies that they are at risk by allowing their employees to connect personal devices to the corporate network, they may enforce policies that prevent that activity, thus avoiding the risk.

Control: The billion-dollar security solutions market is built around the idea of controlling risk. Firewalls, scanners, and other cybersecurity products and services are all designed to help organizations control their cyber risk. Insurers are increasingly tightening underwriting requirements and specifying that their customers adopt security controls that can positively impact their exposure to cyber risk.

Transfer: An organization may decide to mitigate the consequences of a cyber attack by transferring them to another party. After willingly assuming a small amount of risk, avoiding dangerous behavior, and doing their best to control their exposure, some risk still remains. Transferring that

risk to an insurance company further improves an organization's risk profile. This is the role of cybersecurity insurance.

Insurance of any kind is simply a means of protection against financial loss. It is a form of risk management and is primarily used to hedge against the losses that remain after other mitigation strategies have been applied.

Size of the cybersecurity insurance market

[Mordor Intelligence](#) estimates that the cybersecurity insurance market was \$9.29 billion in 2021, and they expect it to reach \$28.25 billion by 2027. They cite the ever-growing connectivity of everything coupled with a labor shortage among already strained IT and security teams as the primary cause of the expected increase.

According to [Marsh McLennan](#), a leading insurance broker and risk advisor, cyber insurance pricing in the US grew an average of 96 percent year-over-year in 2021. They attribute this phenomenal growth to an increase in significant losses, an expanded view of cyber risks, an increased cost of reinsurance, and a dwindling pool of available capital caused by insufficient premiums.

Understanding risk, threats, and vulnerabilities

Because cybersecurity insurance is only one of many tools that organizations can use to manage their risk profile (a prioritized inventory of their most significant risks), it is helpful to understand a few key terms and concepts used by risk managers and insurance brokers.

These fundamental notions are Risk, Threat, and Vulnerability. In the context of security and cybersecurity insurance, the relationship between these terms can be expressed as Risk = Threat x Vulnerability, or some organizations prefer Risk = Probability x Consequence.

The National Institute of Standards and Technology (NIST) defines a [threat](#) as "Any circumstance or event with the potential to adversely impact organizational operations (including mission, functions, image, or reputation), organizational assets, or individuals through an information system via unauthorized access, destruction, disclosure, modification of information, and/or denial of service. Also, the potential for a threat-source to successfully exploit a particular information system vulnerability."

In short, a threat is a bad thing that could happen.

NIST defines [vulnerability](#) as a "Weakness in an information system, system security procedures, internal controls, or implementation that could be exploited or triggered by a threat source."

The third term, [risk](#), is defined by NIST as "A measure of the extent to which an entity is threatened by a potential circumstance or event [a threat caused by a vulnerability], and typically a function of (i) the adverse impacts that would arise if the circumstance or event occurs; and (ii) the likelihood of occurrence."

It is fair to say that if an organization is not vulnerable to a given threat, there is no risk, and they would take no action to prevent its occurrence. Conversely, when they are highly vulnerable to a threat with severe consequences (sometimes called criticality), organizations will do everything possible to protect against that risk.

Risk drives cybersecurity decisions, including whether or not to purchase cybersecurity insurance.

The role of cybersecurity insurance

Business and government agencies spend enormous sums of money investing in cybersecurity protection measures and systems. They hire teams of security professionals to operate these systems and protect against threats. Still, some risk remains.

Regardless of how diligent an organization is, there is always a chance that a zero-day vulnerability (a vulnerability that has not previously been seen in the wild) will be exploited by a threat actor. Or an employee will fall victim to a social engineering scheme.

The risks that remain even after an organization has done everything it can to prevent and mitigate threats are called residual risks.

Instead of accepting those residual risks, many organizations choose a more pragmatic approach, similar to how they address other business threats they face. They transfer the risk to an insurance company for a fee.

Cybersecurity insurance is a critical component of an organization's cyber risk management program, just like errors and omissions or automobile insurance are components of their business risk management program. Both are designed to improve the organization's risk profile.

The history of cybersecurity insurance

Insurers began covering some of the losses resulting from a data breach in traditional commercial insurance policies in the early 2000s. These early policies were relatively simple and typically covered the costs of business interruption, extortion, and the loss of digital or data assets.

Spurred mainly by increased regulation and strict notification laws, organizations have expanded their cyber mitigation strategies to align more closely with how they manage other risks. When organizations manage cyber risk in the same ways they address other perils, it makes sense for them to include insurance as one of their mitigation tools.

What cybersecurity insurance can cover

Today, cyber insurance policies offer coverage beyond data breaches. They offer protection against a broad range of cyber threats. Some of the threats for which coverage may be available include the following.

Ransomware: Coverage is commonly available for ransomware payments and other types of cyber extortion. Bad actors often use malware to deny users access to their systems and threaten to

disclose sensitive information publicly. The FBI discourages victims from paying ransoms because there is no guarantee that the hackers will remove the malicious software or restore the data.

BEC and social engineering attacks: Many cybersecurity policies cover business email compromise (BEC) and other social engineering attacks. In a classical BEC scam, hackers trick employees to make wire transfers to the hacker's bank account using an organization's leader's compromised or spoofed email account. BEC scammers often target large organizations that do business globally.

Loss of business and other attack-related expenses: Loss of business income due to a cyberattack and additional direct costs such as forensic expenses can be covered under cybersecurity insurance policies. In some cases, policies cover the insured company for losses from an attack on a third-party such as a vendor or partner. This coverage is essential given today's complex supply chain ecosystem.

Damaged reputation: Many companies rely on the trust of their customers, and being victimized by a cyberattack can cause a significant reduction in business for some time. Damaged reputation coverage compensates the insured for lost income caused by damage to their reputation following a cybersecurity event for a specified duration.

Corporate Identity Theft: Coverage may be available for losses incurred due to fraudulent use of the company's digital identity. These crimes may be in the form of fraudulently established credit or illegally signed contracts.

Leadership Liability: Coverage may be available for senior executives to protect them if they are sued in connection with a covered cyber event.

Cybersecurity insurance providers

Investopedia researched 15 top cyber insurance companies and settled on a list of five as their top picks for 2022. The criteria used were the comprehensiveness of their cyber protections, reputations, and ratings.

- Best Overall: [AmTrust Financial](#)
- Best for Healthcare Professionals: [The Doctors Company](#)
- Best for Law Firms: [The Hartford Steam Boiler Inspection and Insurance Company](#)
- Best for Non-profits: [CyberPolicy](#)
- Best for Retailers: [Travelers](#)

[NS Insurance](#) reports that global rating agencies Fitch and Standard & Poor claim the US cybersecurity insurance market is concentrated in 15 companies. By size, these companies are shown below:

1. Chubb
2. AXA XL
3. AIG
4. Travelers
5. Beazley
6. CNA
7. AXIS
8. BCS Insurance Co.
9. Liberty Mutual
10. Zurich American
11. Tokio Marine US
12. The Hartford
13. Sompo International
14. Fairfax Financial
15. Berkshire Hathaway

Conclusion

In the short space of about two decades, cyber insurance has gone from a mostly abstract idea considered a necessity by very few organizations to an exploding business insurance segment. It has become something nearly every business leader thinks about, and many have purchased it.

As the rate and severity of cyberattacks rapidly increase, a tsunami of vulnerabilities inundates security teams, and 100 percent cybersecurity is impossible. No organization is immune from ransomware, malware, DDoS attacks, and a host of other cyber threats.

Organizations can accept the risk of financial loss from a cyberattack, avoid risky endeavors, adhere to recommended cyber hygiene procedures, and apply security control measures. Still, some risk remains.

To address residual cyber risk, many companies have turned to the same tools they have always used to combat other types of risk; this includes the transference of the risk to an insurance company.

ATTACHMENT 4

Southbound Trade Initiative



Program Overview

There has been a clear tendency in the last few years on the need to decentralize the manufacturing processes and supply chains from China. This process responds to multiple factors, but there are three in particular that with their convergence are accelerating the need for decentralization. The first one was the tariffs levied during the Trump administration to multiple goods manufactured in China, the second one was the severe supply chain disruptions experienced during 2020 and 2021 due to the Covid-19 effects, and the third one, the most recent, is the effects of the war in Ukraine that is disrupting even further the supply chains and global trade stability.

The Covid-19 pandemic made very evident the fragilities that our existing supply chain and manufacturing systems represent in their current format. Those fragilities not only pose significant challenges for the healthy operation of the North and South American economies, but they also represent important and tangible national security issues. The implied risks of the potential Chinese alignment with Moscow directly or indirectly in the Ukraine conflict, possess a severe potential of new sanctions enacted towards China by the west, crippling further supply chains and compromising access to strategic goods and components of national security nature for the Americas. Hence, the reduction of the current dependency on China as the main and almost sole factory for the Americas is a priority.

The ***Southbound Trade Initiative*** is a program sponsored by the National Association of District Export Councils and was launched in February 2022 to address the issue of overdependency on China. It offers a landscape on how to leverage and fully utilize the existing Free Trade Agreements in the Americas, combined with new reshoring and nearshoring strategies to create an integrated region of common producers and common consumers within the Americas, reducing the dependency on China as the main and almost sole manufacturing hub. This initiative takes advantage of the current Free Trade Agreements in place in the Americas: USMCA, CAFTA, Pacific Alliance, and a great number of binational FTAs among countries in the Americas, together with the new infrastructure development project in Mexico, the ISTMO train. This new train and highway are being built to connect the Atlantic and Pacific Oceans, creating an excellent industrial hub to facilitate the movement of goods and manufacturing options within North America, while creating an additional option to the already overloaded Panama Canal.

This initiative also addresses some vital and strategic considerations regarding the future of manufacturing and technology leadership in general, but with special attention in the context of China expansion of its geopolitical influence through its Belt & Road Initiative. The importance of securing access, supply, and processing of strategic minerals in the Americas is essential for the economies of the future, looking into transforming the current model from mainly just selling to China raw materials by the South American countries into developing their infrastructures to be able to transform those materials locally into items of more value added.