



Kentucky Automobile Dealers Association  
The Voice of Automobile Dealers in Kentucky



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## Winter is Coming Part 8: There's Been an Incident, Now What?

**DISCLAIMER:** The information in this document may change over time with new information and developments. All content and materials are for general information purposes only. It does not provide, and is not intended to constitute, legal advice. Important: As necessary, dealers should consult an attorney familiar with dealership operations, Federal, State and/or local laws at issue.

This article is the next in a series of materials to help your dealership with the appropriate planning and implementation of the necessary policies and procedures required by the FTC's amended Safeguards Rule, the vast majority of which require dealer compliance by December 9, 2022.

The Amended Safeguards Rule requires that you prepare a **WRITTEN Incident Response Plan**. The idea behind this requirement is that if there is a security threat, you will have a mechanism to respond quickly and hopefully recover promptly. Notably, you must plan in advance the steps you will take in the event of a "security event"- which is not limited to a breach of your system from an outside party, but any disruption or misuse of information systems.

Actual or threatened harm to the consumer is NOT required for a security event. Instead, a security event includes incidents where there is no risk of consumer harm and where only encrypted information is compromised. As such, even unsuccessful attacks on information systems could constitute a security event under the FTC guidelines available to date.

Your Incident Response Plan should address the following:

1. Goals of the plan
2. Internal processes for responding to a security event
3. Definition of responsibilities and decision-making authority
4. External and internal communications
5. Requirements for remediation of identified risks
6. Reporting expectations for security events and responses
7. Evaluation and revision of the plan to be completed after a security event

As you create your Incident Response Plan, remember that you cannot and are not expected to address every possible security threat or beach that could occur. You should focus on establishing a system to facilitate a response to

events that will materially affect your customer information, regardless of the type of threat or breach. There are template versions of an Incident Response Plan available from the FTC and NADA but these should be reviewed and adjusted to meet your business' specific needs.

Once again, as a vetted KADA Preferred Partner, we recommend the vendor resources and services that ComplyAuto offers. You can find their contact information below.

To see all of the articles in this series, [click here](#).

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For further information, please contact:

Sarah Bishop: (502) 875-6245; [sarah.bishop@skofirm.com](mailto:sarah.bishop@skofirm.com)

Ron Smith: (317) 822-6787; [ron.smith@skofirm.com](mailto:ron.smith@skofirm.com)

ComplyAuto contact:

Sherryl Nens: (510) 676-8579; [sherryl@complyauto.com](mailto:sherryl@complyauto.com)

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