



INSURANCE

CYBER PROTECTION

What is Cyber Protection Insurance?

Cyber insurance is designed to help protect your business from the financial impact of computer hacking or a data breach.

If you see it, report it!

In February 2017, the senate passed the Privacy Amendment (Notifiable Data Breaches) Bill 2016 - setting up a mandatory nationwide data breach notification scheme. This means if you spot a security breach which may cause unauthorised access or disclosure of personal information, you're legally required to report it to the Office of the Australian Commissioner within 30 days. You'll also need to notify the people whose information has been affected.

Why do I need it?

If your business has a website or electronic records, you're vulnerable to cyber hackers. Infact, it's likely that your business will suffer a cyber attack at some stage.

A cyber attack could cost your business more than money. It could also threaten your intellectual property and put customers' personal information at risk - which could damage your reputation.

"The scale and reach of malicious cyber activity Australian public and private sector organisations and individuals is unprecedented. The rate of compromise is increasing and the methods used by malicious actors are rapidly evolving"

Prime Minister Malcolm Turnbull, Australis's Cyber Security Strategy report, 2016

Did you know?

5th

Australia is the 5th most targeted country for cyber attacks globally
(Symantec Internet Security Threat Report, April 2016)

40%

More than 20% of Australian businesses have experienced cybercrime, with 40% directed at SMEs
(CERT Australia, 2012)

75%

75% of cyber attacks come from human error
(IT Policy Compliance Group, 2007)

\$276,232

The average cost of a cyber incident in Australia is \$276,232
(Australian Government, 2015)

What can it cover?

Cyber Insurance policies vary in the benefits they provide.

Your Business 2 Business Insurance broker can help you find the most suitable product that meets the needs of your business. To give you an idea, here's the type of cover that your policy may include:

	TYPE OF COVER	POTENTIAL BENEFITS
	FIRST PARTY LOSSES Business interruption losses	Covers financial loss you may suffer as a result of a cyber attack
	Cyber extortion	The costs of a cyber attack, such as hiring negotiation experts, covering extortion demands and prevention of future threats
	Electronic data replacement	The costs of recovering or replacing your records and other business data
	THIRD PARTY LOSSES Security & privacy liability	Damages to your reputation resulting from data breaches, such as loss of third party data held on your system
	Defence costs	Funds the legal costs of defending claims
	Regulatory breach liability	Covers legal expenses and the costs of fines arising from investigation by a government regulator
	Electronic media liability	The costs of copyright infringement, defamation claims and misuse of certain types of intellectual property online
	EXTRA EXPENSES Crisis management expenses	Covers legal expenses and the costs of fines arising from investigation by a government regulator
	Notification and monitoring expenses	The costs of notifying customers of a security breach, and monitoring their credit card details to prevent further attacks

What usually isn't covered?

Exclusions, the excess you need to pay can vary greatly depending on your insurer. Policies generally won't include cover for:

- Damage to computer hardware
- Criminal actions committed by you or your business
- A cyber attack based on facts which you were aware
- Criminals using the internet to steal money from you

There are other exclusions which your Business 2 Business Insurance broker can outline for you.

Case Study

Your employee opens an email attachment infected with a ransomware virus. Access to your systems and data are blocked and the virus software informs you that it will

remain unavailable unless you pay the ransom amount. Rather than paying the hacker and opening your business up to further extortion attempts, you hire external IT consultants to recover your back-up data and files and upgrade your anti virus software.

Over the week it takes to apply these fixes, you have to close your business, causing you to lose revenue. It also affects your reputation with your clients; one of your clients threatens to sue you for the delay which cost them a large amount of money.

A Cyber Protection Insurance policy allows you to recover some of the costs you incur during this incident. Depending on your policy, you may be able to make a claim for losses caused by the interruption to your business, the costs of recovering your data and upgrading your software, and ongoing crisis management expenses.

Every business is different – if your business involves cyber, we can provide an insurance solution that is tailored for you. [For more information, contact us today.](#)

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