

# CYBER AND PRIVACY INSURANCE

Cyber crime is one of the leading global business risks. Personal information has tremendous value as does intellectual property and other private business information. A single data breach, like the illegal release of client or employee information, or credit card details can have a devastating business impact both financially and reputationally.



## Who is it for?

Cyber crime targets business of all sizes and currently costs Australian businesses \$1billion annually, yet it remains one of the least insured policy areas. One Cyber attack can leave your business held to virtual ransom whether it be through the use of vicious malware and computer viruses to hack your network and computers, 'denial of service' attacks, phishing scams and internet fraud, business information and identify theft and more.

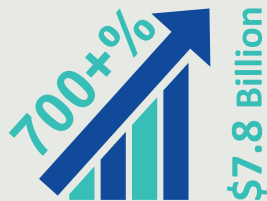


## What does this cover?

There are two main Cyber Insurance policy types to consider when it comes to protecting your business from cyber crime.

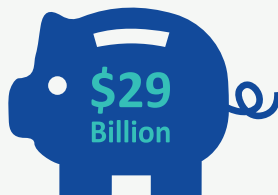
- 1. Cyber Crime Insurance (or Cyber Crime Policy Extension):** This typically provides cover for Theft of Money due to a Cyber Crime event, for example, social engineering fraud, phreaking, phishing, or other forms of cyber fraud involving loss of money.
- 2. Cyber Liability and Privacy Protection Insurance:** This typically provides cover for:
  - ▶ First Party (own) costs and expenses (excluding theft of Money) as a result of a Cyber event, or breach of Privacy as defined by the Insurer's policy wording.
  - ▶ Fines and penalties incurred as a result of a Cyber event, or breach of Privacy, as defined by the Insurer's policy wording.
  - ▶ Business Interruption/Consequential Loss (excluding theft of Money) as a result of a Cyber event, or breach of Privacy as defined by the Insurer's policy wording.
  - ▶ Third Party costs and expenses (excluding theft of Money) as a result of a Cyber event, or breach of Privacy as defined by the Insurer's policy wording.
  - ▶ Limits available are generally up to \$10,000,000.

The increase in Cyber attacks & data breaches in one year (2019) and what it cost the nation.



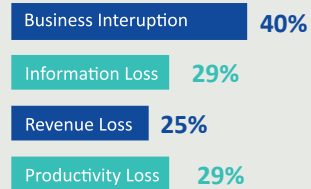
'Security in Depth' business research 2019

How much the Australian economy is affected annually in direct costs alone.



Prime Minister Scott Morrison, Cyber Security Strategy, August 2020

The effects of a Cyber attack on business.



Australian Government's Cyber Security Centre, 2020



## What usually isn't covered?

Exclusions and 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 of which you were aware.
- ▶ Criminals using the internet to steal money from you.

There may be other exclusions which your insurance broker can outline for you.



## Notifiable Data Breaches Scheme

In early 2018, the Notifiable Data Breaches Scheme came into effect making it compulsory for any qualifying business to notify a cyber breach to all affected parties, as well as the Australian Privacy Commissioner. This legislation is applicable to Australian Government agencies, businesses and not-for-profit organisations with an annual turnover of \$3 million or more, credit reporting bodies, health service providers and TFN recipients, among others.

*This material contains general information only and may not suit your particular circumstances. The precise coverage afforded is subject to the statements and information in the relevant Product Disclosure Statement (PDS) and the terms and conditions of the insurance Policy when issued. Before deciding to acquire any insurance product, you should obtain and consider the relevant PDS or Policy wording available by contacting our office.*

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Kelley Goldstraw has worked in the insurance industry for over 12 years. At Goldstraw Insurance you can trust our experience and knowledge to find the right insurance options for your personal or business needs.



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