

CGU CYBER DEFENCE

THE ANSWER TO PROTECTING YOUR BUSINESS FROM ALL THINGS CYBER

Cyber risk is one of the leading risks for businesses in Australia.

According to the Ponemon Institute's *2014 Cost of Data Breach Study: Australia*, the average cost to a business per lost or stolen record in Australia is \$145 per record.

The Australian Government estimates almost 700,000 businesses have experienced a cybercrime. 60% of all these attacks were targeted at small to medium size business with the average cost of a cybercrime attack costing more than \$275,000.*





Protecting your business

Any business can experience unwelcome surprises like a cyber attack that can leave you and your business exposed to costly expenses resulting from loss of customers' personal information, IT system remediation costs and crisis management costs. Such expenses could lead to devastating loss of profits, revenue, or trust in your business and brand.

An incident can be as simple and innocent as attaching the wrong file to an email or using an image on your website which has been copyrighted by another entity to more complicated situations such as a hacker attack and loss of customer information.

Cyber events can result in thousands of dollars in remediation costs, customer notification costs, hefty fines from regulators, extortion costs or being sued by customers or employees for loss of personal information as a result of a cyber incident.

CGU Cyber Defence

Protects your business against cyber exposures that can impact your business from direct costs to your business, and claims from third parties. Costs associated with defending cyber claims are also covered. Our incident response team is on alert and ready to take action 24/7.

Key features:

- All subsidiaries covered including new and former subsidiaries
- Advancement of defence costs
- Breach Coach helps you understand what needs to be done
- Worldwide territorial cover no matter where the attack originated from
- Covers you for privacy breaches of data you capture and held by service providers (e.g. Cloud, ISP's etc)
- Free 1 Hour cyber consultation to assess risk mitigation strategies
- 24/7 Incident response team
- Public relations consultancy costs to protect the personal reputation of senior executives

CGU Cyber Defence at a glance

PRIVACY BREACH

Privacy protection against third party claims for loss of;

- Personal Information
- Commercially Confidential Information
- Employee Information
- Information held by Service Providers (e.g. Cloud, ISP's etc)
- Defence costs covered

SYSTEM DAMAGE

Cover for lost, damaged or destroyed;

- IT systems,
- IT records / data
- Includes retrieving, repairing, restoring or replacing data, systems or hardware
- Also includes external IT forensic or security consultants costs

BUSINESS INTERRUPTION

- Cover for loss of profits due to a Cyber Event
- No indemnity period restriction
- Subject to a time excess of 12 hours

COMPUTER VIRUS & HACKING

- Cover for liability arising from hacker attack or virus
- Covers loss or theft of your data or data for which you are responsible
- Attacks by employees and third parties covered
- Includes loss by phishing emails or Denial of Services attacks

COMPUTER CRIME (OPTIONAL EXTENSION)

- Cover for crime losses (sub limit applies) including;
 - Loss of money
 - Covers loss of money from Service Providers systems
 - Loss caused by rogue employee or third party

MULTIMEDIA LIABILITY

- Protection against libel, slander or defamation
- Cover includes infringement of copyright, trademarks & trade names
- Covers your defence costs and third party's costs
- Covers all your marketing material (digital or print)

BREACH OF E-COMMERCE STATUTORY DUTIES

- Covers breach of statutory duty from eCommerce relating to security & management of data
- Defence costs and compensation payable to third parties

EXTORTION

- Covers payment of ransom
- Costs of negotiating/mediating a security threat
- Covers crisis management costs to resolve security threats

BRAND PROTECTION

- Public relations consultancy costs to protect the company brands.

PERSONAL PROTECTION

- Public relations consultancy costs to protect the personal reputation of senior executives

PRIVACY FINES & INVESTIGATIONS

- Cover includes fines and penalties incurred by you due to a privacy breach
- Includes cover for your defence and investigation costs

PRIVACY BREACH NOTIFICATION & LOSS MITIGATION

- Covers your breach costs including credit monitoring, identify theft monitoring, data restoration and forensic costs
- Includes your legal costs
- Access to call centre support services
- Covers actual or suspected privacy breach

REWARD COVER

- Covers reward expenses to secure conviction of perpetrators of hacking attacks
- Include payment of money or property for securing a conviction



Cyber Claims Examples

CGU Cyber Defence is designed to protect against a number of cyber exposures impacting businesses such as 'first party' direct costs to a business e.g. costs to fix IT systems or restoration of customers' data and claims from 'third parties' such as breach of privacy, defamation or transmitting a virus. Following are a number of examples of claims, losses, costs and expenses arising from a cyber event or attack, that are covered by CGU Cyber Defence.

EMPLOYEE ERROR

(First Party & Third Party Claim)

EXAMPLE

A retailer emailed a group of customers to promote a sale with special discounts available to them. The retailer intended to attach a copy of the flyer detailing the discounts but instead attached a copy of a spreadsheet that contained a customer list, including customer names, addresses and credit card information.

RESULT

The retailer was required to notify all affected customers of the error and offered credit monitoring services. Several of the affected individuals began legal proceedings against the retailer. The notification and credit monitoring costs totalled \$50,000, and the amount to settle the legal proceedings with the retailer's customers combined with the associated legal costs and expenses totalled \$100,000.

CGU SOLUTION

CGU Cyber Defence provides coverage for breach of privacy which includes legal costs, indemnification of third parties and crisis management costs.

PRIVACY BREACHES, FINES & INVESTIGATIONS

(First Party & Third Party Claim)

EXAMPLE

An IT company misplaced multiple drives that contained personal information for over one million customers. It was unknown whether the drives were lost, stolen or destroyed. The IT company was required to notify the affected individuals, as well as the privacy regulator. The regulator conducted an investigation into the incident and fined the company for failing to have appropriate safeguards in place to protect customer information.

RESULT

The company incurred legal fees of \$1,000,000 in connection with the regulatory investigation and defending legal actions brought by affected customers and for the costs and expenses in notifying customers their personal information had been lost, stolen or destroyed. The company was also fined \$75,000 by the privacy regulator. The total loss to the company exceeded \$5,000,000.

CGU SOLUTION

This type of scenario triggers multiple Insuring Clauses under the CGU Cyber Defence policy including privacy fines and investigations.

MULTIMEDIA LIABILITY

(Third Party Claim)

EXAMPLE

A hotel started a blog to convey information to customers and the public. The blog page contained a logo/image that was similar to a design that had been copyrighted

by another entity. That entity sent a letter demanding the company remove the image. Negotiations between the parties failed and the other entity began legal proceedings against the hotel.

RESULT

The entity (plaintiff) demanded more than \$5,000,000 in damages. Defence costs and expenses incurred so far exceeds \$1,000,000, and the case has not yet gone to trial, so it's expected these costs will increase.

CGU SOLUTION

CGU Cyber Defence provides coverage for breach of copyright under the Multimedia Insuring Clause.

COMPUTER CRIME (OPTIONAL EXTENSION) (First Party Claim)

EXAMPLE

A company accountant of a local manufacturing firm received an email from her boss asking her to transfer \$120,000 to a supplier abroad. Because this was a common type of request, she processed the payment before realising that the tone of the email wasn't right and the domain name was a single letter off. Upon further investigation, it was found that cyber thieves had infiltrated their systems and grew knowledgeable enough about company dealings to send a convincing phishing email that lost the company thousands of dollars.

RESULT

The company lost the \$120,000 and incurred costs to secure their IT system.

CGU SOLUTION

CGU Cyber Defence provides coverage for the loss of money caused by phishing scams and the costs to secure IT systems.

BRAND PROTECTION (First Party Claim)

EXAMPLE

A leading software provider breached its obligations to Australian customers when hackers broke into its systems in 2013 and made off with loosely encrypted passwords and credit card details. The Australian Privacy Commissioner investigated the issue and ruled the company failed to take 'reasonable steps' to protect the personal information of 1.7 million Australians to the level demanded by domestic privacy legislation.

RESULT

The company engaged the services of a public relations consultancy firm to limit the brand/reputation damage associated with the findings.

CGU SOLUTION

CGU Cyber Defence provides coverage for the costs associated with regulatory privacy investigations and costs to engage a public relations firm to protect the company brand



CGU Cyber Incident Response Team

In the event of a Cyber event, loss or claim contact the **CGU CYBER INCIDENT RESPONSE TEAM** on **1800 696 773** or email **CGUcyberclaims@nortonrosefulbright.com**

CGU Cyber Defence has a 24/7 incident response team ready to manage all cyber incidents and data breaches from initial notification through to resolution. Our team includes IT forensic investigators, lawyers, credit monitoring specialists, public relations consultants and call centre / mail house services.

Our 'Breach Coach' services will help you navigate cyber incidents and any regulatory investigation through our in-depth understanding of information technology and security issues, forensic investigation processes and techniques.

About Us

CGU has the knowledge and expertise to offer a comprehensive range of commercial insurance for a variety of business types and sizes.

CGU is one of Australia's leading professional risks insurers for over 27 years. Currently CGU Professional Risks insures approximately 42,000 Australian businesses or individuals and over the past 27 years we have:

- underwritten over \$1.5 billion in premium; and
- managed over 42,000 claims for our policy holders

Looking for more information?

For further information on CGU Cyber Defence or Cyber Extension, please call your local Professional Risks Underwriter or Business Relationship Manager.



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