CYBER RISKS EXPLAINED

Australian businesses and individuals face a growing threat from data breaches, and email and SMS text messaging scams. With 20 times* more data breaches than the global average, Australian businesses and individuals must be extra vigilant to protect themselves from cyber fraud.

Close to home

Cybercrime is continuously evolving. It attracts those with intellectual minds – both lawful and criminal – because of its complexity, its constant evolution and its seat on the cutting edge of digital innovation.

All individuals, as well as companies, large and small, have a social responsibility to better secure the data they collect and store about, and on behalf of, their customers. You should know your data, know the value of your data, know where it is, know how to protect it and know how to respond if it's compromised.

In the case of companies, apart from affecting their ability to operate, a major motivation for improving cyber security that's often forgotten is the impact of a cyber breach on its customers and importantly, its reputation.

Our strata ecosystem is particularly vulnerable to attack from cyber criminals due to the number of payment transactions passing through IT platforms.

The most common scam in the strata industry is invoice fraud*. Cyber criminals compromise supplier's email accounts and gain access to legitimate invoices. They then edit the contact and bank details and send them to customers with the compromised account. The customer then pays the invoice thinking they are paying the supplier but instead the payment is made to the fraudster's bank account.

Cyber theft business email compromise

Claim scenario

The CFO received a fraudulent email from the CEO, whose e-mail account had been compromised due to a Cyber Event, requesting the transfer of a large sum of money. The email convinced the CFO to transfer money to a third party bank account. Later its determined that the email was not authored by the CEO, but it's too late for the bank to stop the transfer.

Cyber Event Protection Solution

Cyber Event Protection will cover forensic investigation of the crime as well as response costs to remove the threat and secure the e-mail system. If Cyber Theft coverage is applicable, the direct financial loss the insured suffered will be covered as well.

*Australian Cyber Security Centre, cyber.gov.au

BCB Strata Insurance Brokers

What can we do right now?

All individuals and companies should have a comprehensive technology and data protection strategy in place. This should include a multi-step process that defines how security measures are implemented and maintained, with a goal of minimising the footprint of sensitive data and securing vital personal and business-critical and/or regulated data.

Even with the resources available to them, we see large household name companies fall victim to cyber criminals and attacks. Therefore, Cyber Risk insurance should be an important part of your strategy, to protect you and/or your business and your customers.

How can we help?

We can provide tailored Cyber Risk insurance solutions through our specialist Cyber Risk Insurer partner, Emergence Insurance.

It provides cover for first-party expenses and third-party liability from unauthorised access and use of data or software in your IT infrastructure.

- Protection against a drop in revenue (losses to your business)
- Cyber Event Response costs and support to get the insured back in business
- Public relations / crisis management costs
- Protection against third party liability (losses to others)
- Criminal financial loss including cyber theft, identity-based theft, telephone phreaking and cryptojacking
- Socially engineered theft
- Protection against tangible property damage to the insured's IT

There are also some additional optional covers.

- Contingent Business Interruption Cover (losses to your business caused by supplier outage or system failure)
- Criminal Financial Loss Cover
- Tangible Property Cover (replacement or repair of your IT hardware damaged by a cyber event)
- Joint Venture or Consortium Cover

To find out more about cybercrime and how BCB can help you with Personal Cyber Insurance, please contact your local BCB office.

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QUESTIONS?
Please contact your nearest BCB office for any queries or advice.

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