

# Cyber Insurance

## Friend or Foe?

All attendees will be on mute for the duration of the webinar.

Throughout the webinar, please ask questions using the chat function.

The recording and slides for this webinar will be made available on our website.

Enjoy the webinar!

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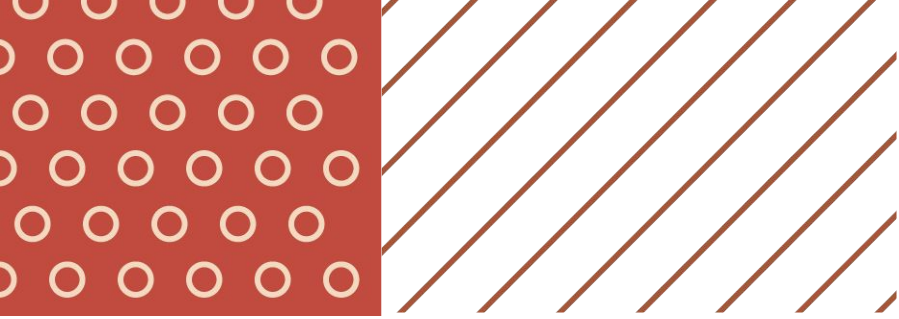
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For more information:

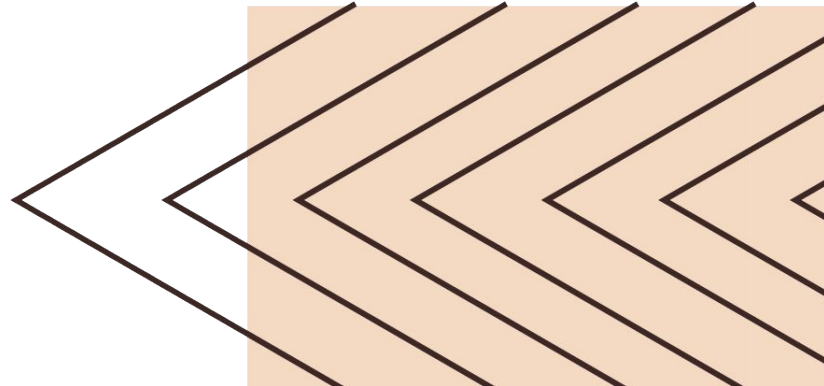
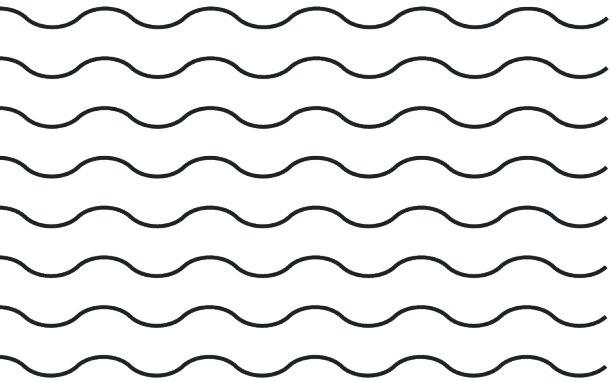
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# Acknowledgement of Country



# Belinda Stewart

DSPANZ Director & GNGB Director

Leveraging a wealth of leadership experience in compliance and data security, specialising in scoping, project management, consultation, and customised solutions. Bringing a unique perspective to the optimisation of Payroll, Time & Attendance, and HR processes. Recognised for the ability to devise innovative solutions, driving efficiency and ensuring compliance in business operations.



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# Charles Gillman

Chief Information Security Officer - Super Choice

With over two decades of expertise in Information Security, specialising in financial services. Led security teams at major institutions and held CISO roles in diverse settings, offering a comprehensive perspective from a background as a penetration tester. Provides practical solutions for current and emerging cybersecurity threats.



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# Roy Chen

## Cyber Insurance Product Specialist

With over 10 years of experience as a General Insurance Broker, Roy has worked in small and mid-tier brokerages with various roles, specialising in Cyber Insurance placement for businesses of all sizes. His commitment to clients extends beyond transactions, as he is passionate about delivering exceptional customer service by crafting tailored insurance solutions that meet their unique needs.

Currently pursuing his Certified Cyber Insurance Specialist (CCIS) qualification with Cyber Insurance Academy, Roy is dedicated to helping business owners and Board of Directors understand the intricacies of a Cyber Insurance policy and the essential requirements involved before and after policy placement.



# Austbrokers Countrywide

Established in 1952, Austbrokers Countrywide specialises in providing Insurance and Risk transfer solutions to help protect our clients' assets, as well as their livelihoods. With combined staffing levels in excess of 100 across a number of specialty business units, including our own in house claims department, Austbrokers Countrywide is well placed to coordinate a tailored insurance program to meet your needs.

The growth of Austbrokers Countrywide has evolved with some key joint ventures and acquisitions with Professional Australia (Professional Indemnity), Member Advantage Insurance Services (Association Member Services), John Smith Insurance Brokers (Commercial/Golf Clubs), and Hamilton & Hamilton Insurance Brokers (Hospitality/Accommodation Specialist) joining the group.

Austbrokers Countrywide is backed by the listed entity AUB Group Limited providing us with the strength of a Corporate entity that encourages an entrepreneurial "owner driver" business. From our base in the eastern suburbs of Melbourne we are able to service our clients on a national basis.



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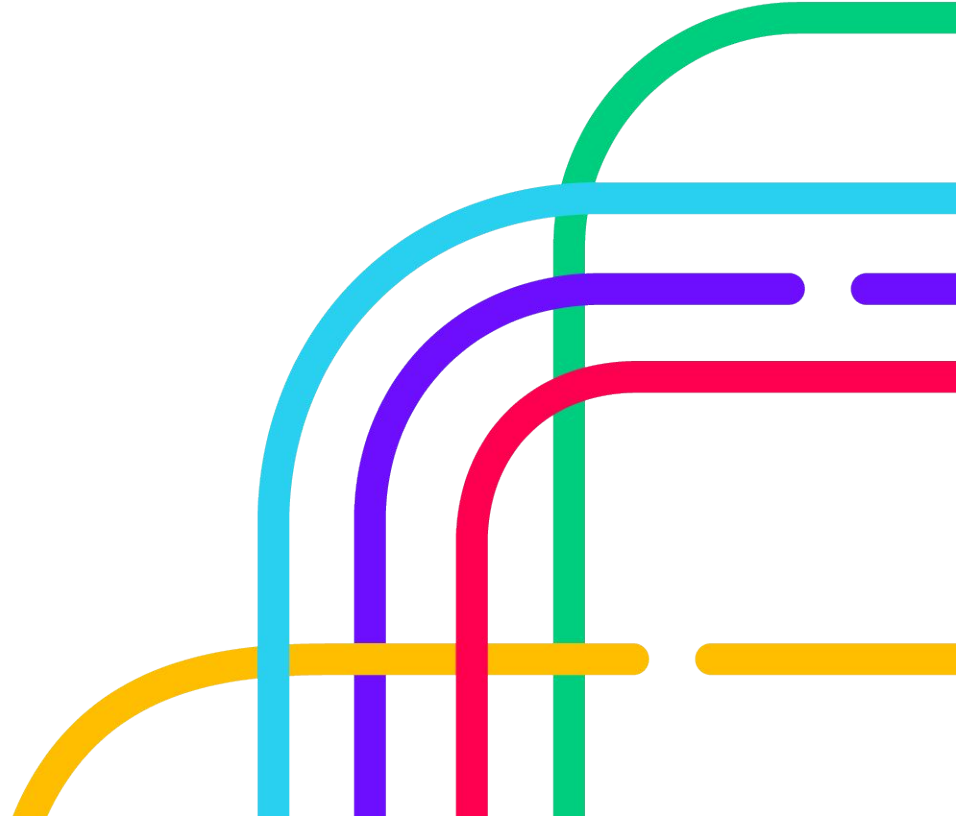
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# Cyber Insurance: Friend or Foe?

Welcome Roy

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# CYBER RISKS

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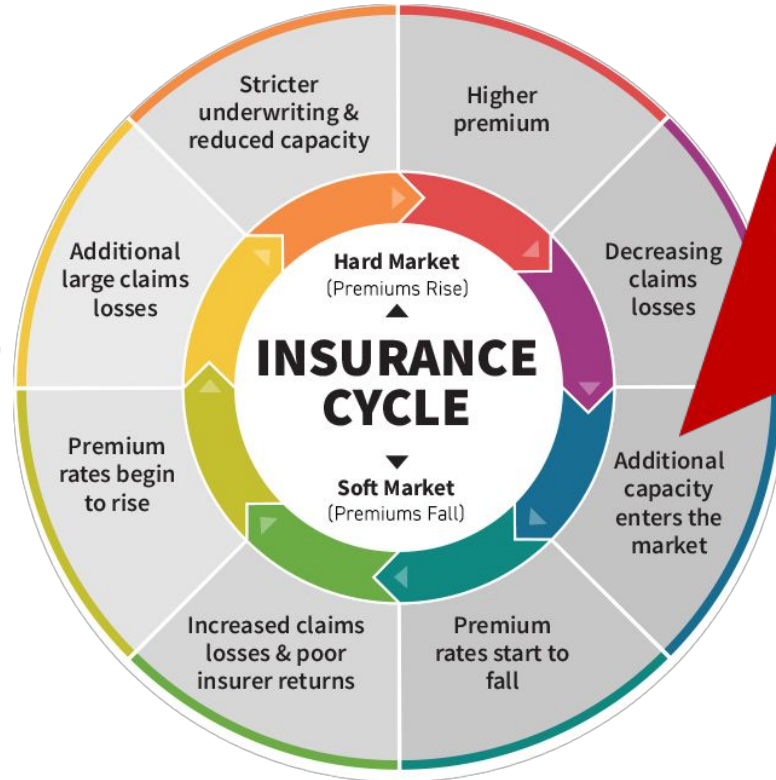
INSURANCE





# Understanding the Insurance Industry

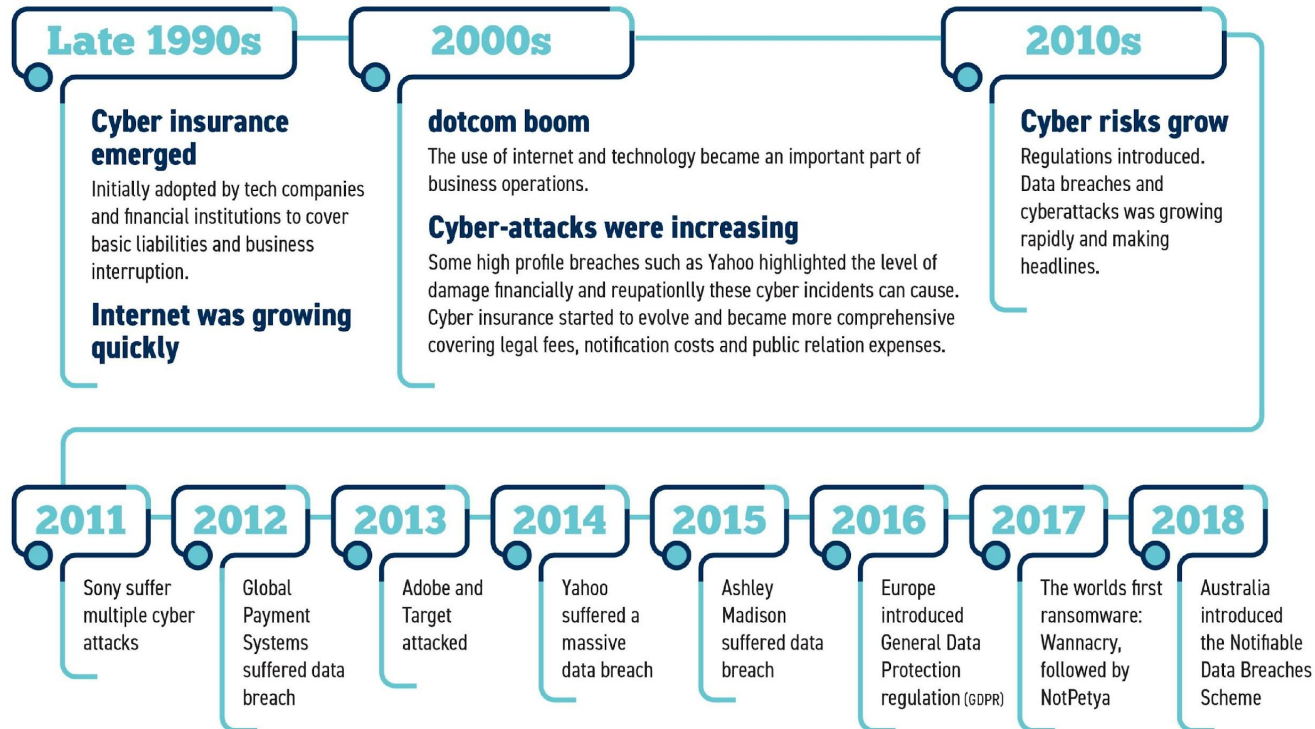
- Hard Market = Higher costs & stricter underwriting
- Soft Market = Lower costs & more competition
- Driven by: Claims, investments, competition, economy, regulations



**WE  
ARE  
HERE**

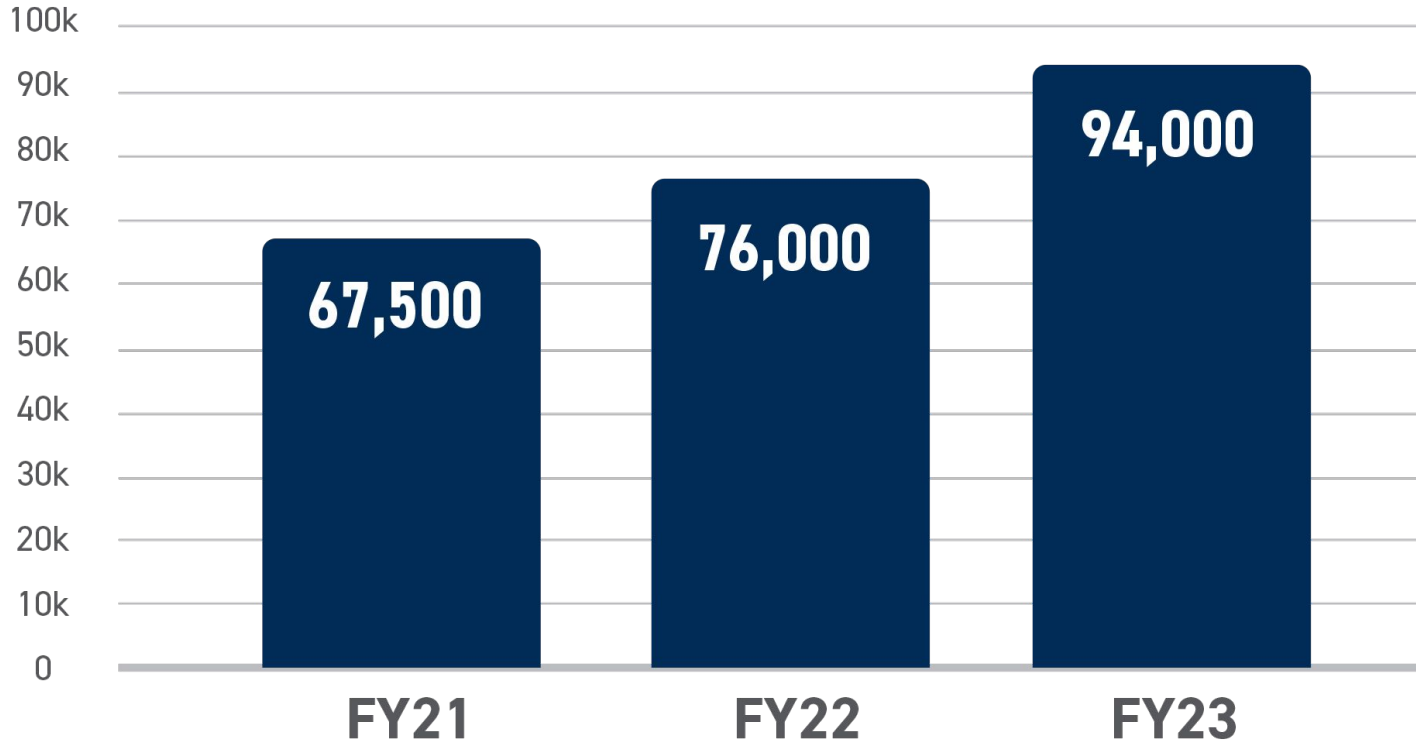


# History and landscape of Cyber insurance





## Reported cyber incidents to ASD





# What is Cyber Insurance



FINANCIAL  
SAFETY NET



24/7 CYBER  
SECURITY  
EXPERTS



REPUTATION  
SHIELD



# What does Cyber Insurance cover

## **First Party Coverages**

- Incident Response
- Business Interruption
- Data and System Recovery
- Cyber Extortion/Ransomware



# What does Cyber Insurance cover

## Third Party Coverages

- Privacy and Network Security Liability
- Media Liability
- Regulatory Defence and Penalties



# What does Cyber Insurance cover

## **Additional Coverages/Extensions:**

- Cyber Crime
- Telecommunications Fraud
- Social Engineering Fraud



# CASE STUDY – Ransomware Claim Example

- Type of Business
  - ICT Infrastructure management company that assists their clients set up and manager ICT environments
  - The business services large corporate clients across Australia and New Zealand
- What happened
  1. On 26 December 2022, the client discovered a ransomware incident in which some machines and servers connected to its network had been encrypted.





# CASE STUDY – Ransomware Claim Example

- Type of Business
  - ICT Infrastructure management company that assists their clients set up and manager ICT environments
  - The business services large corporate clients across Australia and New Zealand
- What happened

**2.** Upon discovery, the client proceeded with containment and commenced an internal investigation.



# CASE STUDY – Ransomware Claim Example

- Type of Business
  - ICT Infrastructure management company that assists their clients set up and manager ICT environments
  - The business services large corporate clients across Australia and New Zealand
- What happened

**3.** Broker received an urgent text message at 5am on 29th December 2022 from the Managing Director.



## CASE STUDY – Ransomware Claim Example

- Type of Business
  - ICT Infrastructure management company that assists their clients set up and manager ICT environments
  - The business services large corporate clients across Australia and New Zealand
- What happened

**4.** Clyde & Co was notified and appointed as the Incident Managers.



## CASE STUDY – Ransomware Claim Example

- Type of Business
  - ICT Infrastructure management company that assists their clients set up and manager ICT environments
  - The business services large corporate clients across Australia and New Zealand
- What happened

**5.** Clyde & Co held an initial triage call with the client.



## CASE STUDY – Ransomware Claim Example

- Type of Business
  - ICT Infrastructure management company that assists their clients set up and manager ICT environments
  - The business services large corporate clients across Australia and New Zealand
- What happened

**6.** Clyde & Co arranged a technical triage call with Slipstream Cyber Security (Slipstream).



# CASE STUDY – Ransomware Claim Example

## **Slipstream findings:**

- Threat actor gained access to the clients VPN via stolen credentials
- Threat actor moved internally across the client's environment via RDP connection
- Threat actor only able to access the network and not Microsoft 365
- While various files were observed as being accessed, the client confirmed that none of them contained sensitive information (i.e. person information) and the files were outdated.
- No evidence of data exfiltration
- Client decided not to pay any ransom
- Network was rebuilt and client was able to restore from back-ups
- Client relationships were maintained through careful communication
- There was no business interruption loss



# CASE STUDY – Ransomware Claim Example

How did the Cyber policy respond?





## CASE STUDY – Ransomware Claim Example

- Costs associated to the Outcome

Cyber Insurance Section	Vendor	Service	Cost
First Party Costs	Clyde & Co	Initial Triage and investigation	\$45,000
	Clyde & Co	Privacy Advice	
	Clyde & Co	Sanctions Advice	
	Clyde & Co	Data Review	
First Party/Third Party Costs	Clyde & Co	Communications	
First Party Costs	Slipstream (Vendor)	Containment and Forensic Services	\$49,000
First Party Costs	DAR/AFTRDRK	Threat actor engagement	\$3,691.56
Third Party Costs	Clyde & Co	Dark web and media monitoring (2 months)	\$20,000





## CASE STUDY – Ransomware Claim Example #2

- Type of Business and what they do
  - Software provider for the energy sector
  - The business provides software solutions to critical infrastructure organisations
  - Annual Turnover is more than \$3 million
- What happened
  - An employee discovered their systems were offline and upon further checks, most servers and files were encrypted accompanied by a ransom note



## CASE STUDY – Ransomware Claim Example #2

- How did the Cyber Insurance policy respond
  - Forensics, containment & investigation
  - Operational Impact
  - Data and privacy risks
  - Communication and stakeholders' management
  - Strategic threat actor engagement and management advice
  - Dark web monitoring



## CASE STUDY – Ransomware Claim Example #2

- Costs associated to the Outcome

### PART 1

Vendor	Service	Cost
Clyde & Co	Initial Triage and investigation	\$45,000
Clyde & Co	Privacy Advice	\$12,500
Clyde & Co	Risk of harm assessment	\$5,000
Clyde & Co	Takedown notice and strategy	\$5,000
Clyde & Co	Notification to affected individuals	\$10,000
Clyde & Co	Communications with the OAIC and RFI Support	\$10,000
Clyde & Co	Further communications with the ACSC	\$5,000
Slipstream	Forensic Investigations	\$39,600
Clyde & Co	Strategic threat actor engagement and management advice	\$5,000
Clyde & Co	Initial Communications assistance	\$10,000
Clyde & Co	Dark web monitoring	\$7,000
<b>TOTAL</b>		<b>\$154,000</b>

### PART 2

<b>Data and Systems Recovery Costs</b>	\$159,031
<b>Business Interruption Loss</b>	\$61,179
<b>TOTAL</b>	<b>\$220,210</b>

TOTAL CLAIM COST:

**\$374,210**



# Cyber security is equally important



Commercial-grade  
antivirus software



Strong passwords and  
Multi-factor  
authentication



Regular software  
updates



Employee training and  
awareness



Regular backup of  
data



Enforcing strict  
payment protocols for  
third-party  
transactions



# Why don't people buy Cyber Insurance



Lack of education about  
Cyber Insurance as an  
Insurance Product



Long, tedious and  
complicated forms



Negative perception on  
insurance in general



## Gotchas and pitfalls

- Indemnity period varies across insurers and policies
- Tangible property cover is optional in some policies
- Betterment Costs missing in some policies
- Social Media Platform Exclusion
- Credit and identity monitoring
- Unlimited Reinstatements
- Silent Cyber Insurance in other policies
- Ransom payments and Sanctions

# Q&A

**ROY CHEN**

INSURANCE & RISK ADVISOR

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Working hand in  
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**Associations.**



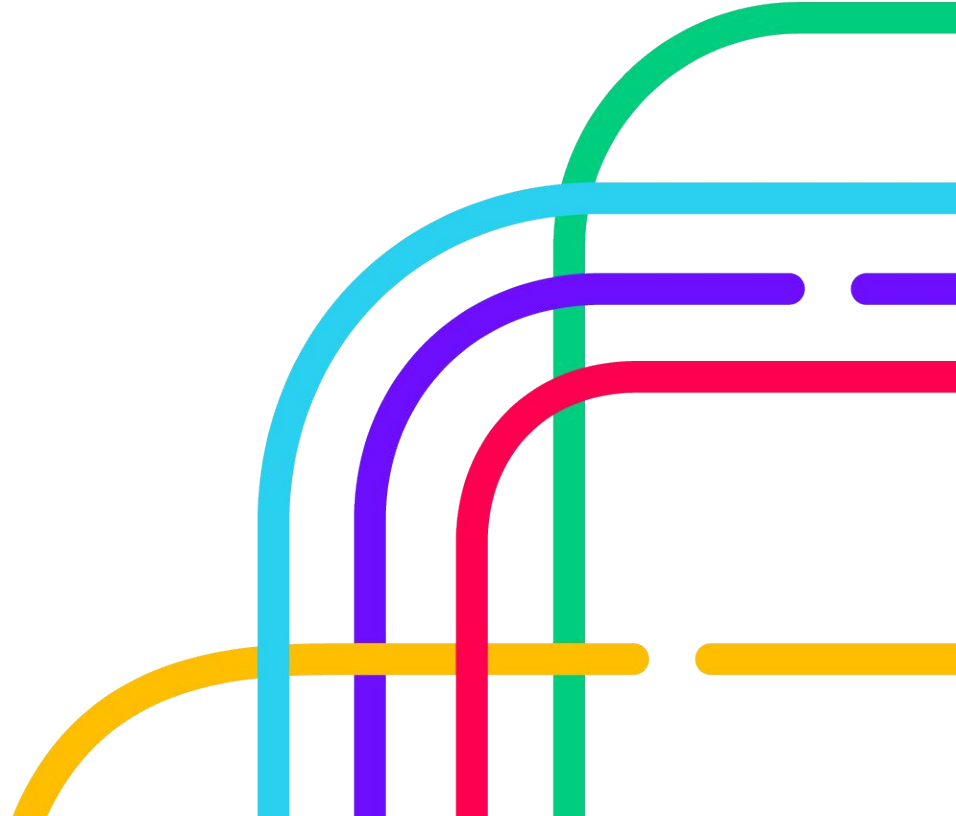
**Backed by AUB  
Group**  
responsible for over  
**\$3.4**  
billion in policy  
premium

# Cyber Insurance: Friend or Foe?

Group Q & A

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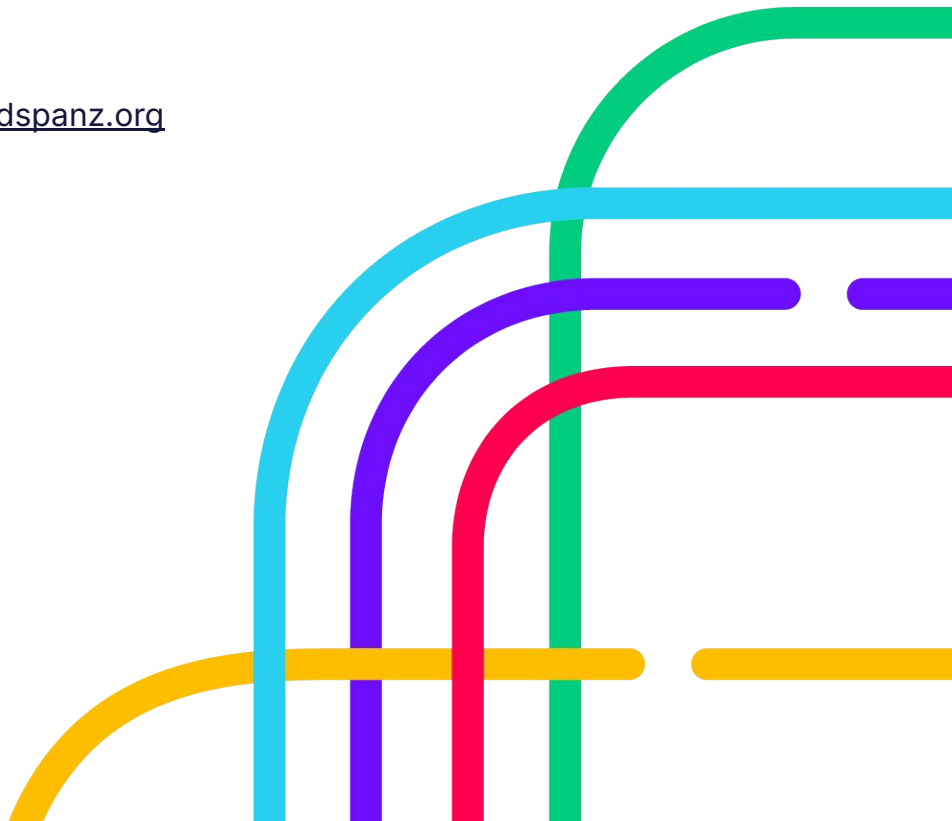
# Feedback Survey

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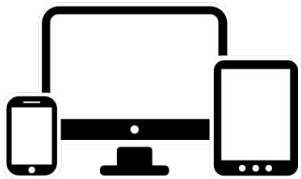
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# Thank you for joining us

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