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Cyber Insurance Solution for Victorian Legal Practitioners

Every company has a reliance on technology, regardless of their size or industry. This creates an exposure to cyber risk that can emanate from multiple sources, both internal and external to a company's immediate operating environment. This risk is not going away either. In today's interconnected world where we increasingly rely on technology, cyber risk will always be an important consideration when operating a company.

Today, cyber-attacks have moved beyond simple data breaches to sophisticated schemes designed to disrupt businesses and supply chains, costing some organisations billions of dollars globally. It's no wonder that nearly two-thirds of executives now cite cyber risk as a top five corporate risk¹.

Law firms are desirable targets to external threat actors due to the extensive amount of valuable and confidential data that is regularly stored on your systems. In addition to this, firms also handle large amounts of settlement funds on behalf of clients, representing a lucrative target to potential hackers.

In line with the growing number of cyber-attacks against businesses, costs associated with cyber-crime are also on the rise². These attacks have the ability to cripple an organisation such as by disrupting IT systems and damaging the company's brand.

The costs to businesses following a cyber incident are extensive and commonly include:

- **Incident response costs** to identify the cause of the problem, and expenses to implement a timely and effective solution whilst also protecting the company's reputation.
- **Notification and credit monitoring expenses** to inform potentially affected individuals and provide ongoing identity protection support services. The Notifiable Data Breaches scheme in Australia impacts all agencies and organisations with existing personal information protection obligations under the Australian Privacy Act 1988.
- Fines, penalties and other **financial costs associated with liability** that arises from breach of privacy legislation or failure to adequately protect personal information against misuse.
- Despite the heightened concern, managing cyber risk effectively and cost-efficiently remains a challenge for law firms who often do not have dedicated information security personnel available to constantly monitor for potential threats.

¹ Marsh & Microsoft, *By the Numbers: Global Cyber Risk Perception Survey, February 2018*.

² Ponemon Institute, *Cost of Cyber Crime Study, October 2018*.

Cyber Insurance

To assist law firms in mitigating their cyber risk, Marsh has collaborated with the Legal Practitioners' Liability Committee (LPLC) and Chubb Insurance Australia Ltd (Chubb) to create a custom-built cyber solution specifically for LPLC Victorian Legal Practitioner member firms. Under this arrangement, firms can access competitive rates and improved policy coverage via a bespoke policy wording³.

Covering the operations of a business, its reputation and client base is critical. The cyber insurance solution for firms provides:

FIRST PARTY CYBER EVENT COVER

- Access to Chubb's Incident Response Team via a 24/7 telephone hotline, a mobile application or an online platform in the event of an actual or suspected breach.
- Assistance from specialist third party vendors including public relations and crisis communication consultants, forensic IT and security experts, and law firms.
- Coverage for loss of net profit due to business interruption that results from network or system downtime.
- Cover for fines and penalties resulting from a regulatory investigation or breach of mandatory notification legislation (where insurable by law).
- An optional extension for social engineering fraud cover.

THIRD PARTY CYBER EVENT COVER

- Compensation and defence costs which arise from claims brought by impacted customers or employees for privacy breach.
- Third party privacy and breach management costs. These commonly include expenses to comply with notification provisions in privacy legislation, and costs associated with credit monitoring and call centre services.

Key Features of the Marsh arranged Cyber offering underwritten by Chubb

- A bespoke policy designed specifically for legal practitioners, including over 60 enhancements that have been added to the standard Chubb policy wording
- A Difference in Conditions endorsement. There is coverage for certain third party claims available under the LPLC issued Professional Indemnity (PI) insurance. For such instances, the Chubb Cyber policy will sit in excess of LPLC's PI policy, and respond where the terms and conditions of the cyber wording allow it to. Where no coverage is available under the PI policy, the Cyber policy will act as the primary insurance policy.
- Inclusion of cover for cyber crime resulting from theft of money or securities following unauthorised use or access of an insured's computer system by a third party, which results in direct financial loss. This coverage is typically only provided under a Crime policy.
- An optional extension to extend cover for claims arising from social engineering (CEO) fraud. This fraud involves the use of deception to manipulate individuals into carrying out a particular action, such as transferring funds or providing confidential information, to a third party impersonating a known and trusted individual.

Additional Documentation

Please refer to the Victorian Legal Practitioner Cyber Liability Insurance Application Form for limit and pricing details.

Please refer to the FAQ document for answers to common questions regarding this facility.

These documents can be found on the Marsh Victorian Lawyers website:

<https://www.marsh.com/au/industries/solicitors/cyber-insurance-solutions-for-victorian-legal-practitioners.html>

Key Contacts

If you have any queries regarding this offering or if you would like to obtain a quotation, please contact:

MARSH CYBER FACILITY
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³ Marsh Cyber Enterprise Risk Management Insurance Policy (ed. 04/18), Australia, underwritten by Chubb.

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