

# **QBE Cyber and Data Security (CDS) solution**

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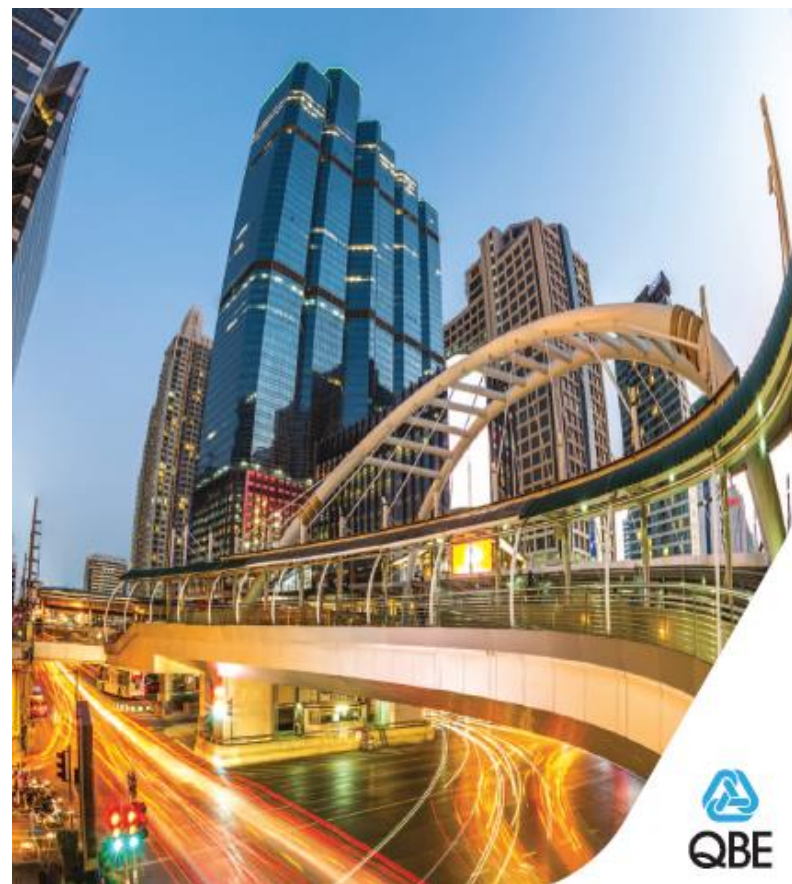


# Agenda

- Introduction
- What is Cyber Risk?
- Coverage
- Our Vendors
- Underwriting Information Required

# Introduction - QBE

- QBE is one of the world's top 20 general insurance & reinsurance companies
- Listed on the Australian Securities Exchange
- Employ more than 14,500 people in 37 countries
- QBE has been in Singapore for more than a century since 1891.



# Introduction - QBE



**How are Singapore's SMEs faring in the digital and cyber landscape?**

**Recent incidents of cyber attacks showed how organisations/SMEs remain vulnerable to online threats**

- Our 2017 surveys identified vulnerabilities among Singapore's SMEs, in particular - 35% of SMEs have no cyber protection and less than a quarter view security of sensitive data as a concern
- One quarter of SMEs feel that business data and information protection is a challenge faced in their business
- SMEs' concerns towards online threats such as hacking or online criminal activities do not match their cyber insurance coverage
- However, SMEs are generally digitally ready, with 93% of SMEs doing at least one business process online

**Campaign (from now till 31 October 2018) -> 10% Discount on our Auto-Bind Rates**

# Introduction - Emerging Hazards



Malicious intent based on political motives -  
against larger corporations and government



Financial gain - against large corporate



Financial gain - against medical industry



Financial gain - against SME

# Cyber Risk – What is it?

## Phishing



- Fraudulent e-mail appearing to be from known organisation or contact
- Requesting personal information or to click a link
- Easier than trying to break through computer defences

## Trojan



- Malicious code within apparently harmless programmes
- Once installed, can control system and/or execute designated form of damage

## AdWare



- Auto rendering advertisement software
- Normally 'pop-up' or 'uncloseable' windows
- Creates backdoor for data or user activity leakage

## Rootkit



- Apps with administrative level authority
- Hides and installs itself in core operating system files
- Creates backdoor to allow external party access to control system or steal data

## RiskTool



- Designed to operate on a local computer
- Not malicious unless abused or deliberate use by hacker
- Multi-function e.g. conceal files, hide running apps, terminate processes

## Cryptolocker



- Normally in the form of an e-mail with attachment
- File-encrypting ransomware trojan
- Locks files until ransom is paid

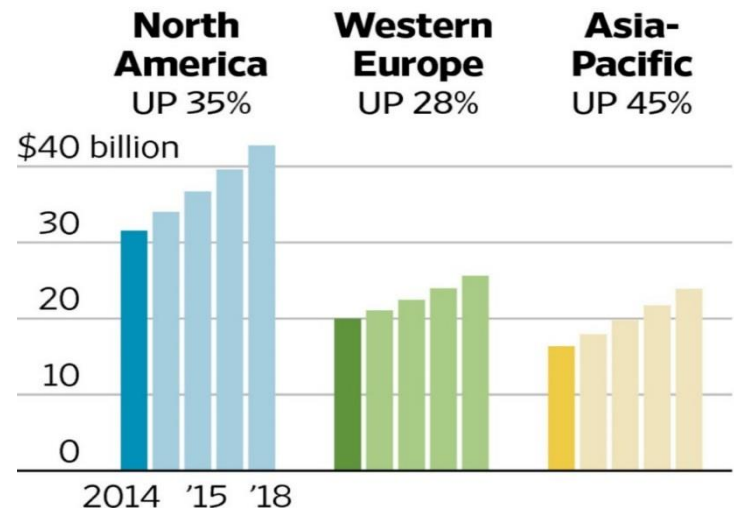
# Cyber Risk – What is it?

- What are the top five affected industries by the number of confirmed data breaches\*?
- Hospitality, Retail, Government, Financial Services & Manufacturing
- Projected worldwide cyber security spending is going up by double-digit percentages in the next few years.

*\*Source: Verizon Data Breach Investigations Report*

## On the Rise

Projected information-security spending



Note: 2015-2018 are projections

Source: Gartner

THE WALL STREET JOURNAL.

# Typical Misconceptions

IT is on top of it,  
so there is little  
to no exposure

Our mobile devices  
are secure  
because they are  
password  
protected

Our data is stored  
off-site with a third-  
party vendor, so  
any breach is their  
problem

We are too small a  
firm to be in a  
hacker's cross-hairs



# Our Cyber Offering – Auto-bind Facility

## Applicants Details *(the applicant including all subsidiaries)*

Legal entity name of applicant		Entity registration #	
Business occupation/industry		Website	www.
Principal address		Postal Code	
Email		Contact No.	

**Are these statements correct?** (If any answer is "NO" please contact your agent/broker who will refer to QBE for underwriting and pricing)

- (a) Your annual revenue (including fee income, net profit/loss (before tax), gross wage roll) does not exceed SGD5m ☐ YES ☐ NO
- (b) Your revenue is not derived from outside Singapore ☐ YES ☐ NO
- (c) You have anti-malware, firewall protection and automatic virus-scan on all your computer systems ☐ YES ☐ NO
- (d) Your business activities do not include any of the below occupations/industries:
- (i) Health care/hospital/medical ☐ YES ☐ NO
  - (ii) Adult entertainment/gambling/bitcoin/peer-to-peer ☐ YES ☐ NO
  - (iii) Internet Service Provider/Telco/hosting/data center ☐ YES ☐ NO
  - (iv) Utility/energy/oil & gas/mining ☐ YES ☐ NO
  - (v) Government/education ☐ YES ☐ NO
  - (vi) Financial institution related services such as mortgage, investment, merchant bank, government and development bank, savings or loan institution, mortgage lender, building society, credit union or insurance company ☐ YES ☐ NO

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## Claims and Declaration

**Are these statements correct?** (If any answer is "NO" please contact your agent/broker who will refer to QBE for underwriting and pricing)

- (a) You have never experienced any system outage affecting your business ☐ YES ☐ NO
- (b) You have never experienced any cyber or data breach incident or any other claim that could be the subject to a claim under the policy ☐ YES ☐ NO

I the undersigned, after enquiry declare as follows:

- (a) I am authorised by each of the other entities to be insured to complete this proposal form. ☐ YES ☐ NO
- (b) I have read and understood the notice to the proposed insured at the back of the proposal form. ☐ YES ☐ NO
- (c) I have read this proposal form and the accompanying documents and acknowledge the contents of same to be true and complete. ☐ YES ☐ NO
- (d) I understand that, up until a contract of insurance is entered into, I am under a continuing obligation to immediately inform QBE of any change in the particulars or statements contained in this proposal form or in the accompanying documents. ☐ YES ☐ NO

Name of Managing Director  
/Chief Executive Officer

Signature

Date

# Our Cyber Offering – Auto-bind Facility

## Main Policy Cover (excluding GST)

LIMIT OF INDEMNITY (Any one claim and in the aggregate)	DEDUCTIBLE (each & every claim)	REVENUE current financial year (forecast)				
		Up to \$1,000,000	\$1,000,001 to \$2,000,000	\$2,000,001 to \$3,000,000	\$3,000,001 to \$4,000,000	\$4,000,001 to \$5,000,000
\$100,000	\$2,500	\$1,050 <input type="checkbox"/>	\$1,275 <input type="checkbox"/>	\$1,450 <input type="checkbox"/>	\$1,625 <input type="checkbox"/>	\$1,825 <input type="checkbox"/>
\$250,000	\$2,500	\$1,250 <input type="checkbox"/>	\$1,500 <input type="checkbox"/>	\$1,675 <input type="checkbox"/>	\$1,900 <input type="checkbox"/>	\$2,125 <input type="checkbox"/>
\$500,000	\$2,500	\$1,675 <input type="checkbox"/>	\$1,975 <input type="checkbox"/>	\$2,250 <input type="checkbox"/>	\$2,525 <input type="checkbox"/>	\$2,825 <input type="checkbox"/>
\$1,000,000	\$2,500	\$1,875 <input type="checkbox"/>	\$2,175 <input type="checkbox"/>	\$2,500 <input type="checkbox"/>	\$2,825 <input type="checkbox"/>	\$3,125 <input type="checkbox"/>

## With Optional Extensions to Main Policy Cover (excluding GST)

Cyber Business Interruption and Cyber Extortion extension						
\$100,000	\$2,500	\$1,425 <input type="checkbox"/>	\$1,700 <input type="checkbox"/>	\$1,925 <input type="checkbox"/>	\$2,175 <input type="checkbox"/>	\$2,425 <input type="checkbox"/>
\$250,000	\$2,500	\$1,675 <input type="checkbox"/>	\$2,000 <input type="checkbox"/>	\$2,250 <input type="checkbox"/>	\$2,525 <input type="checkbox"/>	\$2,825 <input type="checkbox"/>
\$500,000	\$2,500	\$2,250 <input type="checkbox"/>	\$2,625 <input type="checkbox"/>	\$3,000 <input type="checkbox"/>	\$3,375 <input type="checkbox"/>	\$3,750 <input type="checkbox"/>
\$1,000,000	\$2,500	\$2,500 <input type="checkbox"/>	\$2,925 <input type="checkbox"/>	\$3,350 <input type="checkbox"/>	\$3,750 <input type="checkbox"/>	\$4,175 <input type="checkbox"/>

# Our Cyber Offering – Auto-bind Facility

## INSURED SECTION 1:

### Cyber, data security and multimedia cover (third party claims)

- Liability arising out of multimedia exposures as a result of a hacker. For example defamation, libel and infringement of intellectual property rights.
- Liability arising from the failure to properly handle, manage, store, destroy or otherwise control personally identifiable information.
- Liability arising out of unintentional transmission of a computer virus.
- Liability arising out of a hacker's fraudulent use of information.
- The costs of any financial benefit that has been transferred to a third party that cannot be recouped and has occurred as a result of a covered loss.
- The costs to replace or restore documents discovered by the insured to be lost, damaged or destroyed.

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## **INSURED SECTION 2:**

### **Data breach notification cover (first party claims)**

- The provision of consumer notifications to comply with data breach law following a data breach
- The legal fees incurred to identify notification communication obligations and draft notification communications
- The costs to send and administer notification communications
- The costs of call center services to respond to enquiries and queries following a notification communication

## **INSURED SECTION 3:**

### **Information and comm. asset rectification (first party claims)**

- The costs to repair, restore or replace the affected parts of the insured's information and communication assets after they were damaged, destroyed, altered, corrupted, copied, stolen or misused by a hacker.

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## **INSURED SECTION 4:**

### **Regulatory defence and penalty costs cover (first party claims)**

- Payment for those amounts which the insured is legally obliged to pay (including legal and defence costs) as a result of a civil regulatory action, regulatory compensatory award, civil penalty, or fines to the extent insurable by law, imposed by a government or public authority regulator

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## **INSURED SECTION 5:**

### **Public relations costs cover (first party claims)**

- Payment for all reasonable costs the insured incurs for a public relations and crisis management consultant to avert or mitigate any material damage to any of the insured's brands and business operations

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## **INSURED SECTION 6:**

### **IT forensics costs cover (first party claims)**

- Payment for a forensic consultant to establish the identity or methods of the hacker or other details required by the insurer following a data breach
- Payment for a security specialist to assess the insured's electronic security and the costs of reasonable security improvement
- Payment for the temporary storage of the insured's electronic data at a third-party host location, if it is viewed that the insureds' information and communication assets remain vulnerable to damage, destruction, alteration, corruption, copying, stealing or misuse by a hacker

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## **INSURED SECTION 7:**

### **Credit monitoring costs (first party claims)**

- Payment for credit monitoring services in order to comply with data breach law.

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## **INSURED SECTION 8: (OPTIONAL EXTENSION)**

### **Cyber Business Interruption and Section (first party claims)**

- Payment for loss of business income, as a result of the total or partial interruption, degradation in service, or failure of information and communication assets following a failure by the insured or a service provider to protect against unauthorised access to, unauthorised use of, a denial of service attack against, or transmission of a computer virus to, information and communication assets.

## **INSURED SECTION 9: (OPTIONAL EXTENSION)**




### **Cyber extortion cover (first party claims)**

- Payment for reasonable and necessary expenses incurred by the insured including the value of any ransom paid by the insured for the purpose of terminating a cyber extortion threat.



# WHAT

## QBE Cyber and Data Security (CDS) solution

Vendor	Role	Services	Duration
 <small>Legal advice in black and white</small>	Cyber Incident Manager (CIM)	24/7/365 emergency hotline (200+ languages) Kennedys appoint CIM CIM assess coverage and inform insured	1 hour
		Cyber Incident Response check-list Incident response plan to insured Assemble response team	24 hours
	Technical Forensic Responder (TFR)	Off-site or on-site assistance Identify type of incident Remove threat and restore system	48 hours
 <b>FLEISHMANHILLARD</b>	Public Relations Responder (PRR)	Breach response and stakeholder communications	48 hours

# Underwriting information required

- Duly completed proposal form
- Claims Information
- Incident Response Plan
- Business Continuity Plan

# Risk Appetite

## **Appetite at a glance**

### **Target occupation / Industry**

Below are occupation / industries QBE has identified as target growth areas:

- Accounting services
- Advertising, market research/ consultant
- Agriculture, forestry
- Architects, engineers, surveyors
- Arts and recreational services
- Cleaning
- Construction, design, tradesman
- Legal services
- Library and other information services
- Misc. services

### **Not QBE appetite**

QBE is not able to support the following products or industries due to the nature of the risks. They include:

- >25% US derived revenue
- Accounts with more than \$10m personal records, especially if they are credit cards
- Crypto-currency related entities and peer-to-peer lenders
- Financial and insurance services (except insurance brokers)
- Government / public sector entities
- Large hospital / healthcare risks, especially if they have US exposure
- Large retail firms (revenue above \$5bn) especially if they have US exposure (redundancy readiness at the store level is key should the store operate autonomously without the POS/network for a period of time)
- Limits more than \$10M
- Oil / Gas / Energy / Utilities

### **Moderate appetite**

- Accommodation and food services
- Administrative and support services (HR, travel agents, BPO)
- Education and training
- Electricity, gas, water and waste services, utilities
- Insurance brokers
- IT consultants and Business Process Outsourcing (BPO)
- ISP / telco / hosting / cloud
- Manufacturing (BI and asset rectification)
- Media (paper, broadcasting, publishing)
- Mining
- Misc. professional, scientific and technical services
- Rental, hiring and real estate services
- Retail with revenue < \$5bn
- Transport, postal and warehousing (BI)
- Wholesale and trade

# Thank you

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