

Cyber Insurance Information Summary

What is cyber insurance?

Cyber insurance protects businesses from financial losses due to cyber incidents like ransomware attacks, data breaches, and other cyber incidents. It covers costs such as 24/7 incident response, data recovery, legal fees, business interruption, public relations efforts and more.

Cyber insurance policies can include first-party coverage for direct losses, third-party coverage for damages suffered by others and social engineering and cyber crime. This insurance is crucial for mitigating the financial impact of cyber threats, ensuring business continuity, and providing a layer of legal protection for the policyholder.

Who should consider it?

Cyber insurance is crucial for protecting businesses from the financial fallout of cyber incidents like data breaches, ransomware attacks, and other cybercrimes. It covers costs related to data recovery, legal fees, business interruption, and public relations efforts.

This insurance provides a safety net, ensuring that businesses can recover quickly and continue operations without significant financial strain. Additionally, having cyber insurance demonstrates a proactive approach to risk management, which can enhance a company's reputation and trustworthiness

Did You Know?

\$49,600

The average self reported loss for Australian SME and \$62,800 for medium sized Australian companies

Source: ACSC Annual Threat Report 2023-24

37,500

ACSC received 37,500 calls In 2023-24. One report every 6 minutes.

Source: ACSC Annual Threat Report 2023-24

82%

82% of data breaches involved data stored in the cloud

Source: ACSC Annual Threat Report 2023-24

Important note – the information provided here is general advice only and had been prepared without taking into account your objectives, financial situation or needs.

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What Can Cyber Insurance include?

Cyber insurance policies vary in the coverage they provide. Your insurance broker can help you find the most suitable product that meets the needs of your business.

Type of cover	Potential benefits
First party losses	
24/7 Incident Response	This is often the key benefit of a cyber insurance policy. Typically, an incident response team includes specialists in legal, forensics, negotiation, communications and more.
Ransomware	Ransomware is malware that encrypts data and demands ransom payment
Business interruption losses	Covers businesses loss for being unable to trade, as a result of a cyber incident.
Fines and Penalties	Fines for data breaches in Australia can reach up to A\$50 million or 30% of annual turnover.
Tangible Property	The cost of replacing or repairing your IT hardware that is physically damaged or rendered unusable due to a cyber incident.
Third party losses	
Security and privacy liability	Damages to your reputation resulting from data breaches, such as loss of third party data held on your system.
Defence costs	Funds the legal costs of defending claims.
Multimedia Liability	Claims related to defamation, copyright infringement, and other media-related offences
Other losses	
Social Engineering	Social engineering manipulates people into divulging confidential information or performing harmful actions
Cyber Crime	Cybercrime involves illegal activities using computers or networks to commit crimes



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