Survey & Spatial
Engineering, Positioning & Measurement Workshop

Matt Naylor & Glenn Stone

GSI
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S+SNZ members,
We work with you,
for you.

GSI Insurance Partners

- Insurance Brokerage Firm
- Work on behalf of businesses and professionals to obtain the most comprehensive cover
- Operating since 2005
- Auckland, Christchurch & North Canterbury

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Specialising in…

Professional Indemnity & high risk Liability occupations

Specifically, Multi-disciplinary firms:

- Land Surveyors
- Engineers of all types
- Civil
- Geotechnical
- Mechanical
- Project & Construction Project Management
- Quantity Surveyors
- Construction Estimators
- Town planners

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Glenn Stone

Managing Director

- 25 years of experience
- 6 years at Vero

Matt Naylor

Senior Broker

- 20 years experience
- 14 years at NZI

Leanne Fiatau

National Claims Manager

- 20 years experience
- 11 years at AIG
- Handles all claims for S+SNZ

How we work with you…

- **Diamond partners of Survey and Spatial New Zealand** for 8 years and counting
- **Proud sponsors of Kairuri Community Trust**, supporting growth and education in the industry
- **Continually update our knowledge** of risks, regulations and legislative changes specific to the industry alongside industry thought-leaders and the S+SNZ heads
- **Educate and advise members** and listen to their concerns on insurance of any nature (including personal policies)
- **Continually advocate** and rewrite policy wordings with insurance providers

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The Numbers...

Around 90 Survey and Spatial members who choose to partner with us

$3,000,000.00 Total value in Professional Indemnity claims paid to members

100% Percentage of accepted claims for surveying equipment

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How we do it

Put simply, we take an ordinary underwriter wording, **analyse** that wording in relation to your activities and **negotiate** improvements to coverage (extension) and removal of exclusions (writebacks) and then we get this pre-agreed so we can **automatically apply the improvements** to all our clients.

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Then, when you make a claim we think the entire process through to ensure we have **slick procedures**, a **dedicated claims team**, and the **best possible external support** for you (including pre-agreed lawyers who are very experienced in your industry), so you don't need to educate them on what you do.

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Cyber Insurance & The New Zealand Privacy Act 2020

"...it will now be mandatory for organisations to report privacy breaches in situations likely to cause serious harm to the individual concerned."

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Cyber Costs

Turnover	$250,000 limit of indemnity any one claim and in aggregate (cost per annum)	$500,000 limit of indemnity any one claim and in aggregate (cost per annum)	$1,000,000 limit of indemnity any one claim and in aggregate (cost per annum)
$1mil	$905	$1,435	$1,565
$2mil	$1,110	$1,740	$2,180
$5mil	$1,640	$2,225	$2,810

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Real example - Civil Engineer client

August 2020

- Clients cyber insurance put in place

25 February 2021

- Malware attack
- Issues with Project Management System

1 March

- Client notifies us

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2 March

- Dual NZ appoints Incident Manager to review potential breach

- Indemnity was confirmed by Dual NZ regarding the following costs;

- Forensic Costs and Data Restoration Costs
- Legal Representation Expenses

16 March

- Incident Manager reports no successful logins from overseas
- Security actions completed.
- System secured. Client engaging Incident Manager for further cyber security advice outside of the claim.

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Points to note:

- $1,220 - Cover cost (in place for around 6 months)$1,500 - Excess $7,270.30 - Claim cost to Dual NZ

- Client reacted quickly once breach was discovered
- GSI immediately notified Dual NZ
- Client confirmed they were very happy
- After experiencing this event, the insured is engaging a cyber specialist to assist with their cyber security going forward.

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Real example 2

CFO authorises **USD200,000** to be moved from their account

Within an hour this **transaction is set up and authorised** by TWO signatories to the bank accounts within the company, following very clear email instructions from the CFO to do so

Where's the problem?

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It wasn't the CFO

The **SUPER URGENT** email didn't come from the CFO at all. This all happened within an hour of the CFO going to lunch.

It came from the hacker who had **sat in their system** long enough (potentially months as we understand it) studying how they communicated, who had authority on the bank account and so on.

All it takes to expose you to the potential for massive losses is one employee **opening an email they wish they hadn't.**

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Cyber Costs

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What can Cyber Liability cover?

Immediate access & assistance (24/7) from Forensic IT specialists ($400 per hour)

Additional key components include:

- Loss of income
- Forensic IT costs
- Extortion costs
- Costs to restore the network
- Costs to replicate/replace lost data
- Public relations expenses to reduce potential reputational damage
- Regulatory fines and penalties
- Third party damages
- Public relations costs
- Forensics costs
- Claims for compensation from customers or other third parties
- Associated legal defence costs
- Remediation costs including credit monitoring, data restoration

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What are Remediation costs?

- **Credit monitoring** costs
- **Cyber extortion** costs
- **Data restoration** costs
- **Forensic** costs
- **Legal representation** costs
- **Notification** costs – which is defined by our preferred underwriter as including reasonable fees, costs and expenses in respect of notifying any natural person, or legal entity whose Data or information has been or may have been lost.

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Privacy Breach
Question one:

Have you had a privacy breach in relation to personal information held?

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What is a Privacy breach?

In brief, a privacy breach in this context means -

unauthorised or accidental access to, or disclosure, alteration, loss, or destruction of, the personal information; or

an action that prevents the agency from accessing the information on either a temporary or permanent basis;

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Privacy Breach
Question two:

Has there been a **notifiable** privacy breach?

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What is a notifiable Privacy breach?

A privacy breach that it is reasonable to believe has caused serious harm to an affected individual or individuals or is likely to do so.

Consider the factors in section 113 of the Privacy Act 2020

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Section 113 of the Privacy Act 2020:

- *Any action taken by the agency to* ***reduce the risk*** *of harm following the breach*
- *whether the personal information is* ***sensitive in nature***
- *the nature of the* ***harm that may be caused*** *to affected individuals*
- *the* ***person or body that has obtained*** *or may obtain personal information as a result of the breach (if known)*
- *whether the* ***personal information is protected*** *by a security measure*
- *any other* ***relevant*** ***matters.***

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Nature of Breaches

- Identify the **point of attack**
- What **information** **has been taken**, how long the attacker has been in the system
- **Whether there is a credible threat** to the information being disclosed

In addition expert (think lawyers) consideration of the risks in notifying or not notifying need to be considered.

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Time Critical

- **Notification is required as soon as it is reasonably practicable to do so**, even if the full extent of the breach is unknown
- Getting this time-sensitive decision right is **reputationally and legally critical**

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Consider their position, not yours.

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Lessons Learnt...

- Prevention is the best defence
- Train staff to raise awareness
- Encourage staff to question out of the ordinary internal emails
- Dual signatories
- Two factor authentication
- Company policies
- Blocking overseas IP Addresses
- Social Engineering Fraud
- Cyber Insurance is a good risk management tool

  -its the ambulance at the bottom of the cliff

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Be aware...

of optional extensions to coverage , because in our opinion the optional extensions more often than not should automatically form part of the coverage.

For example, some underwriters include cyber fraud and telephone phreaking as optional when the very nature of this coverage is in my opinion something every New Zealander would expect to be included by default.

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What to do next?

- **Review your privacy policies** to ensure compliance with the privacy principles
- **Prepare for mandatory notifications**, including ensuring there is a cyber and data incident response plan in place, and
- **Assess** whether the business would benefit from cyber insurance
- **Assess** whether the business would benefit from statutory liability insurance

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Thanks, S+SNZ. Let's chat.

For industry specific insurance advice and support

and to be in to win!

Visit us at Table No. 5

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