

Cyber Risk Insurance for Tasmanian Law Practices

Information for Managing Partners

In 2021-2022 all Tasmanian law practices insured through the Law Society professional indemnity insurance scheme will automatically be covered by a foundational cyber risk insurance policy.

Why does my law practice need cyber cover?

Law practices hold large amounts of sensitive information about clients and others which may be accessible electronically. At the same time, data is an increasingly valuable resource that is likely to be targeted or inadvertently disclosed through security breaches. Solicitors' duty of care requires maintenance of client confidentiality, and law practices have an obligation to protect confidential and sensitive information and to respond quickly and appropriately where there is a risk that this information has been or may be disclosed. For this reason, crisis assistance is an important aspect of the cyber risk policy.

In addition, many law practices are becoming increasingly reliant on the ongoing availability of computer systems and networked technology for their day to day activities, meaning the consequences of a cyber-attack resulting in a firm's computer systems being damaged or taken offline could be severe.

The cyber risk policy will respond to cyber events such as ransomware and other disruption attacks. However, it is important to note that the cyber risk policy will not respond to problems unrelated to a cyber event which arise through failure to maintain a computer and/or network.

It is prudent for law practices to ensure that up-to-date antivirus protection is in place, and to undertake frequent back-ups to ensure data can be restored in the event of an uncontained cyber-attack.

Undertake a cyber risk assessment [HERE](#)

See the top 5 tips to minimise the risk of cyber-attacks [HERE](#)

Who is the Insurer of the group cyber risk policy?

The 2020/21 group cyber risk policy is underwritten by Tokio Marine Kiln Syndicates Ltd. While the Law Society has purchased the group policy, in all other respects the cyber insurance relationship is between the insured law practice and Tokio Marine.

What is covered?

Lawcover, the professional indemnity insurer of the legal profession in New South Wales has negotiated on the Law Society's behalf a cyber risk policy that is specific to the risks faced by law practices. Subject to the policy terms and conditions, cover is provided for:

- Crisis management costs and customer notification expense
- Electronic business interruption and increased cost of working
- Cyber liability to third parties (to the extent these are not covered under other relevant policies)
- Privacy regulatory defence and penalties
- Cyber extortion payments consented to by the insurer

A copy of the policy can be found [HERE](#)

The policy limit for each law practice is **\$50,000** for all cover under the policy during the period of insurance.

What excess is payable?

The applicable excesses under the cyber risk policy are based on each practice's gross fee income for the last complete year. The table below shows the applicable excesses law practices will need to pay should a claim be made under the policy.

Last Complete Year Fee Income		Excess
Minimum	Maximum	
\$0	\$100,000	\$1,000
\$100,001	\$1,500,000	\$1,500
\$1,500,001	\$4,000,000	\$2,500
\$4,000,001	\$7,500,000	\$5,000
\$7,500,001	\$20,000,000	\$7,500
\$20,000,001	\$40,000,000	\$10,000
\$40,000,001	\$60,000,000	\$17,500
\$60,000,001	Unlimited	\$25,000

Law practices should consider whether this limit and breadth of cover is sufficient for their individual needs. An insurance broker or professional adviser will assist in making this determination.

Additional Privacy Obligations

Changes to the *Privacy Act* 1988 (Cth) from February 2018 require mandatory reporting of eligible data breaches for many law practices.

Regardless of size, all law practices should be aware of the privacy legislation because:

- Larger practices with annual turnover in excess of \$3 million are subject to the legislation by default

- Practices holding tax file numbers are subject to the legislation for the purposes of those records
- Many law practices hold health records, which fall within the legislation (for example practices acting in personal injury litigation and holding medical information or practices holding medical certificates in relation to individuals' legal capacity for the purposes of powers of attorney)

If your law practice falls into any of these categories it is required to comply with the new privacy regime.

Even if your law practice does not fall within this regime, protection of clients' sensitive information is required under Solicitors' Rules. Adequate cyber security protection is therefore an important component of modern legal practice.

[What if I already have a cyber risk policy?](#)

The Law Society has purchased a foundational group cyber risk policy which covers law practices insured by the professional indemnity insurance scheme administered by the Law Society within the limits specified. Whether or not your law practice already has a cyber risk policy, this insurance is available to your law practice should you choose to use it.

As noted above, law practices can consider increasing the limit and breadth of their cyber cover having regard to this policy and should seek professional advice.

There will be no reduction in the PII premium paid by law practices if they choose not to utilise the cyber risk policy, because the policy is provided to insured practices without cost.

[How do I make a claim?](#)

To notify a cyber event under the policy, the law practice should contact the incident response team at CBP Lawyers who will make an initial coverage assessment. Notifications must be made as follows:

Phone: [1800 BREACH \(1800 273 224\)](tel:1800273224)

Email: lawcyber@cbp.com.au

The Colin Biggers & Paisley Lawyers incident response team will assess the notified cyber event and advise the law practice whether coverage is available and if so, will act on a reservation of rights basis from that stage.

Your professional indemnity insurer is not the insurer for the cyber risk policy and notifications should be made directly to the CBP Lawyers incident response team as above.

If you are concerned that a third party might bring a claim against you as a consequence of a cyber event, you may have a claim under the Society's professional indemnity insurance scheme. Please contact the scheme's claims manager, Fleur Dewhurst, fleurcd@hotmail.com or [0427 800 030](tel:0427800030)

[Where do I get more information?](#)

Contact the Society if you have any questions.

Click [here](#) to access all Lawcover cyber risk information, much of which is useful for Tasmanian practitioners.