

hutch

UNDERWRITING

STRATA INSURANCE

CYBERCRIME
SECTION

THE CLEAR WAY
TO BETTER COVER.

PROTECTING YOUR STRATA FROM CYBER EXPOSURES

We are proud to be the first insurer to include cyber coverage with a dedicated \$10,000 limit providing cover against:

- loss of funds from cybercrime and
- defence costs for liability claims resulting from loss of personal information in a cyber breach.

You can opt to purchase a higher \$25,000 limit for an additional premium.

WE'RE OFFERING THIS COVERAGE WHEN AUSTRALIANS NEED IT MOST

The government's latest Targeting Scams Report has revealed Australians lost a record \$3.1 billion to scams in 2022, an 80 per cent increase on total losses recorded in 2021. Financial losses reported to Scamwatch in 2022 totalled more than \$569 million, a 76 per cent increase compared to losses reported in the previous year.

The report highlights that scams are increasingly "Leveraging emerging technology, scammers impersonate the phone numbers, email addresses and websites of legitimate organisations" – and it is this use of technology that distinguishes cyber fraud and results in it being excluded by the standard cyber exclusion in strata policies.

BANK TRANSFER REMAINS THE MOST REPORTED MEANS FOR BEING DEFRAUDED, WITH \$210M REPORTED LOST LAST YEAR, UP 62.9%.

Stratas may be exposed to payment redirection scams, also known as business email compromise, where fraudsters sends a business' customers apparently valid invoices with new bank details on them. This form of fraud alone cost Australians a reported \$224m last year. Prudent Stratas can help protect themselves from this form of fraud by always calling a known contact at their supplier to validate new bank details.

This 30-second common sense risk management practice is a key condition of Hutch's cover against this type of payment redirection scam.

CLAIMS

We recommend that you first advise your insurance broker of any incident. Please quote the policy number (as shown on the Schedule) on all correspondence.

w: hutchunderwriting.com.au/claims
e: claims@hutchunderwriting.com.au
p: [1300 256 056](tel:1300256056) Extn 2



ABOUT US

Hutch Underwriting is a Sydney-based Australian underwriting agency backed by the strength of Lloyd's of London. We write strata and construction insurance products, exclusively distributed through insurance brokers. Our mission is to be "The Clear Way to Better Cover".

hutchunderwriting.com.au

Hutch Underwriting Pty Ltd ABN 84 655 256 134 is an Authorised Representative, number 001 296 345 of CoverRadar Group Pty Ltd ABN 14 641 225 809, AFS Licence number 523647 of L8, 17 Bridge St, Sydney, NSW 2000.

KEY CONDITION OF COVER FOR CYBER CRIME

Given the prevalence of payment redirection fraud, we require you to confirm new and amended bank details by calling a known contact at the supplier prior to transferring funds.

This simple precaution - a thirty second phone call - will save you succumbing to the most obvious scams.

We exclude claims that directly or indirectly result from failing to follow this precaution.

Always read the Product Disclosure Statement to understand the terms and conditions of our cover, including any applicable exclusions.

WHAT DON'T WE COVER?

We insure you, not your strata manager, and so exclude their acts, errors or omissions, and loss of personal information in their care custody or control. We also exclude claims that are covered elsewhere in the policy, or losses covered by fidelity bonds.

We won't cover you for

- cybercrimes or breaches committed prior to the policy inception, nor for further connected cybercrimes or breaches committed after the initial discovery of loss;
- consequential loss;
- claims arising out of the conduct of any person if you have any prior knowledge of any prior act of fraud or dishonesty by that person;
- where proof of the existence or amount of loss depends on any comparison of inventory records with a physical count or a profit and loss computation, except that this exclusion will not apply to the extent that you are able to prove the amount of the loss through other evidence unrelated to comparison or computation;
- arising from a failure to make payment or of default under a loan or other credit transaction