

# brokerwise

Brought to you by: **Council of Queensland Insurance Brokers Inc**

## Welcome to brokerwise

Within the pages of this quarterly newsletter we plan to bring you a variety of interesting stories, opinions and news items.

## in this issue

**Cyber attack**  
...got you covered.

**CQIB Convention**  
...work for some.

**Credit**  
... where it's due.

**Climate change**  
...global warning.

**Katrina**  
...insurance paid.

**Hoteliers**  
...may be liable



## Insurance against cyber attack

In business, it's hard to imagine what we'd do without the modern day wonders of the internet, e-mail and business computer networks. The downside is that they expose businesses to serious risks from hacking, fraud, viruses and general information misuse. Cyber attacks of all kinds can result in significant problems that lead to expensive lawsuits, lost business, damage to networks and to the reputation of the aggrieved business.

More and more firms are turning to Cyber Insurance (also known as ESurance) which is available for companies engaged in e-commerce; reliant on computer connectivity for transactions or data exchange; and any company which stores information that can be accessed over the internet (or intranet) by third parties.

Cyber insurance protects businesses financially if someone brings a claim against the business arising from its use of the internet, e-mail, intranet, extranet or its website.

Cover available includes:

### Breach of Privacy

The Privacy Act requires businesses to safeguard customer information from misuse. This means businesses must protect electronically stored customer details from hackers and employee

mishandling. Protection can be given to businesses against breach of confidence and infringement of its customers rights to privacy.

### Damage to Networks or Websites


Businesses can be crippled by damage to their computer network while damage to a business' website can harm its reputation. Cover can be provided for losses caused by either event.

### Fraud

Businesses can insure against the fraudulent use by employees of its electronic signature or external e-mail.

### Virus Transmission

Businesses can protect themselves against the consequences of their inadvertent transmission of a computer virus.

Some of these exposures are covered under a professional indemnity insurance policy which may already be in place. However, a professional indemnity policy may not apply if the activity being pursued is not related to business (e.g. staff forwarding e-mail jokes to friends). If you have these exposures in your business and are without cyber insurance, call us today for more information. 



## Your credit report. How do you rate?

If you've ever applied for a loan, a credit card or a telephone account, then a credit reporting agency somewhere holds a credit report on you.

In these times when identity theft and financial scams are running rampant it makes sense to know precisely what your credit report says about you. Business owners in particular need to find out because one day they may need to borrow urgent funds to clinch a 'too

good to miss' deal, whether it be for stock, plant and equipment, a motor vehicle or even for an expensive family emergency.

Don't risk the shock of a loan knock back; you can make sure your money provider greets your funds request with a smile by regularly monitoring your credit report and fixing any errors.

You can get a copy of your credit report from Veda Advantage (previously known as Baycorp Advantage) online at [www.mycreditfile.com.au](http://www.mycreditfile.com.au). They'll charge you \$27.00 to get a report within 2-3 days but if you can wait 10 days or so, scroll down the page to the free service.

For more comprehensive credit report information including help on what to look out for, how to fix mistakes and errors in your report etc, checkout ASIC's FIDO website at [www.fido.asic.gov.au](http://www.fido.asic.gov.au). 🐻



## Global warming issue hots up

The comings and goings of the rich and famous will always make the news but increasingly, the real hot topic of the times and making the boldest headlines around the world is the spectre of climate change.

With a daily media barrage of information, and mis-information, it's hard to figure out who or what to believe. On the one hand the eminently qualified, dark-side leaning experts with their tales of gloom, doom and general alarm. While on the other, the eminently qualified, bright-side leaning experts who believe it's all part of the earth's normal cycle of natural events and 'she'll be right mate'.

Whichever side of the belief fence you personally sit, in the 'sky is falling', about-to-panic camp or with the total nonchalance (yawn) brigade, insurance industry leaders and their actuaries need to be more pragmatic.

Will climate change bring about more severe droughts, greater flooding, rising sea levels, bush and urban fires? How severe is the potential financial loss arising from climate change?

You can be sure that the climate situation topics being discussed in the world's lounge rooms and workplaces are being echoed in the boardrooms of the world's insurers.

The insurance industry generally will have to be both prudent and forward looking to prepare for the financial impact that change may bring whether these changes are upheaval cataclysmic or moderately cyclic. We all hope for the latter, but captains of the insurance industry must prepare for the former.

Watch this space. 🐻



## Let's hear it for the insurance companies!

Hurricane Katrina was the most expensive disaster in the history of insurance but it's reported that Insurers have now settled almost all of the 1.7 million claims at an overall cost of \$54 billion (that's \$54,000,000,000). Less than 2% of home claims remain which are still subject to either mediation or litigation.

It is reassuring for the insuring public both here and overseas that massive disasters like this one can be financially supported by a robust world-wide insurance industry.

In any disaster, valuable lessons can be learned. This has been proved by insurers in the USA who have responded to the claims management shortcomings that arose out of this massive devastation. Stronger building codes are now being implemented, global positioning systems to identify damaged properties are being put in place

and claims procedures have been streamlined to cut red tape and unnecessary paper work.

It's nice to know that when disaster strikes, the insurance industry, globally, has the will and the funds to respond quickly and decisively. 🐻



## Work, rest and play.



With a theme of 'Get Connected' the 15th Annual COIB Convention was held over the May Day long weekend at Surfers Paradise.

This yearly get together for COIB members is the highlight of the Queensland insurance broker's calendar and a great opportunity for members to meet industry colleagues and service providers, catch up with old friends, make new ones and attend industry specific seminars in a typical, laid back Queensland atmosphere of (relative) relaxation and good fellowship.

This year the Convention theme laid emphasis on 'getting connected', a broad concept that embraces technological and human issues but open to interpretation and addressed with flair and creativity by many of the seminar presenters at the Convention.

Many valuable 'connections' were made over the weekend which will most likely improve the way many brokers run their businesses. The end result of course will be to provide a better service to our valued clients. 🐻

## Lend me your ear

**The famous Dutch painter, Vincent Van Gogh, came from quite a large family. Come and meet a few of them...**

His dizzy aunt - Verti Gogh

The brother who ate prunes - Gotta Gogh

The grandfather from Yugoslavia - U Gogh

The cousin from Illinois - Chi-ca Gogh

His Mexican cousin - A Mee Gogh

The Mexican cousin's American half-brother - Grin Gogh

The nephew who drove a stage coach - Wells-far Gogh

The ballroom dancing aunt - Tan Gogh

The bird lover uncle - Fla-min Gogh

His nephew the psychoanalyst - E Gogh

The fruit loving cousin - Man Gogh

An aunt who taught positive thinking - Way-to Gogh

The little bouncy nephew - Poe Gogh

A sister who loved disco - Go Gogh

And his niece who travels the country in a van – Winnie Bay Gogh

So, there you Gogh! 🐻

# Hotelier's Liability

There has been considerable media coverage recently regarding death or serious injury of patrons while being evicted or refused entry to hotels or nightclubs, most notably the tragic death of former international cricketer David Hookes.

Although the bouncers involved have avoided criminal convictions in a number of cases, it is possible that the owners or operators of the venue may still be held liable for damages depending on the circumstances leading up to the injury or death of the patron. Even if they are exonerated, their legal defence costs could be substantial.

The owners or operators still have a duty of care to their patrons and may still be vicariously liable for the actions of their bouncers who could be their own employees or individual security contractors.

Public and Products Liability insurance policies usually exclude assault and battery which may cause injury, death or damage to property "unless committed for the purpose of preventing or eliminating danger to persons or property" or sometimes "unless reasonably necessary

for the protection of persons or property".

It may be argued that someone being refused entry because of dress standards and who nevertheless insists on entry and is subsequently injured by the bouncer, would not have been a danger to persons or property, nor would other patrons need to be protected by excluding him. Unless of course he becomes physically aggressive in the process of trying to get in.

There could also be cases where someone who was drunk may not be a danger to other patrons but was evicted because the venue operator wished to maintain a certain standard of behaviour. This is admirable but if the patron were assaulted in the process, there may be no Public Liability insurance protection.

Hoteliers and operators of nightclubs or other venues requiring crowd control therefore need to be very careful in selecting and training security staff and others such as bar managers who may need to refuse entry or service or evict drunk and disorderly patrons.



## wisewords

**Why is it drug addicts and computer aficionados are both called users?**

*Clifford Stoll*

**Imagine if every Thursday your shoes exploded if you tied them the usual way. This happens to us all the time with computers and nobody thinks of complaining.**

*Jeff Raskin*

**Be sure ...before you insure!...ask your Council of Queensland Insurance Broker about...**

### COMMERCIAL AND RETAIL INSURANCE

- Business Property
- Business Interruption and Loss of Rent
- Liability, Money, Glass Breakage
- Burglary
- Machinery Breakdown
- Computer
- Goods in Transit
- Contractors Risk
- Motor
- Tax Audit

### LIABILITY

- Public Liability
- Products Liability
- Professional Indemnity
- Directors and Officers
- Employment Practices Liability

### PRIVATE AND DOMESTIC INSURANCE

- Home and Contents
- Car, Caravan, Boat and Trailer
- Travel

### INCOME PROTECTION INSURANCE

- Long Term Disability
- Sickness and Accident

### LIFE, SUPERANNUATION, PARTNERSHIP

- Mortgage Protection
- Key Man
- Term Life
- Superannuation



The CQIB represents over 50 Queensland firms employing nearly 400 staff

and placing \$400,000,000 in annual premiums. The CQIB charter is to maintain the level of professionalism of its members by the sharing of knowledge, information and ideas.

For more information visit [www.cqib.org.au](http://www.cqib.org.au)

### Acknowledgements

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**Deacons Lawyers**

**Council of Queensland Insurance Brokers Inc**

PO Box 124  
SANDGATE QLD 4017

**Phone: 07 3314 0189**

**Fax: 07 3314 0689**

E-mail: [execsec@cqib.org.au](mailto:execsec@cqib.org.au)

Web: [www.cqib.org.au](http://www.cqib.org.au)