

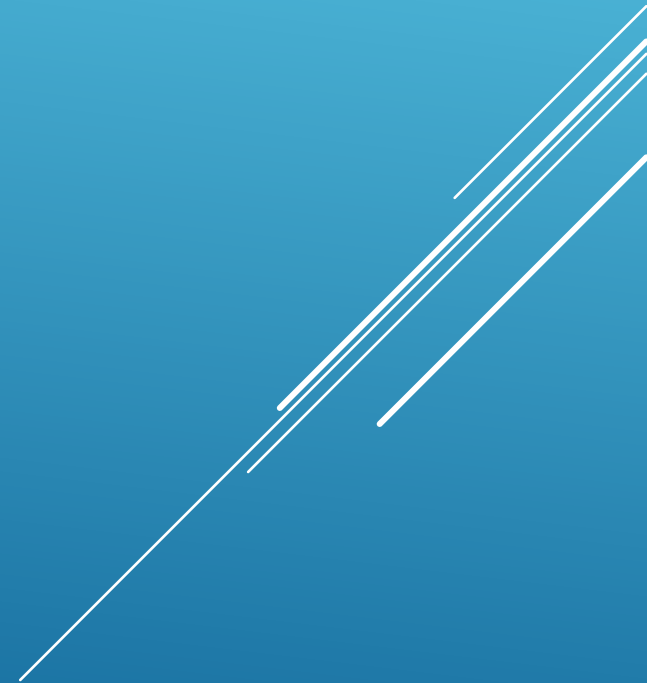
# HOW TO MANAGE CYBER RISKS IN SHIPPING INDUSTRY


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A decorative graphic consisting of several parallel white lines of varying thicknesses, extending diagonally from the bottom left towards the top right of the slide.


- ▶ Cyber risk means any risk of accidents, incidents, financial loss, business disruption or damage to reputation of an organization through failure of its electronic systems or by the persons using those systems.


(North of England P&I Association, July2017)



- ▶ Scope of cyber risks.
  - ▶ Catastrophe scenarios are possible the likelihood of such an incident for most companies is low.
  - ▶ Cyber Threats:
    - ▶ Activists,
    - ▶ Criminals,
    - ▶ Opportunists,
    - ▶ States or terrorists,
    - ▶ Human factor – lack of awareness or insufficient understanding about systems
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- ▶ Cybersecurity is today a priority in the international maritime sector.
- ▶ Guidelines.
- ▶ *“Interim guidelines on maritime cyber risk management”* by IMO, May 2016.
- ▶ MSC adopted a Resolution on maritime cyber risk management in safety management systems, June 2017.
- ▶ Industry guidelines – prepared by Cybersecurity working group with members from BIMCO, InterManager, INTERCARGO, INTERTANKO, ICS, IUMI, OCIMF and WSC.
- ▶ The third edition of the industry *“Guidelines on Cyber Security Onboard Ships”* was published in December 2018 and addresses the requirement to incorporate cyber risks in the ship’s safety management system (SMS) as decided by IMO

- ▶ Rather than technical guidance, the guidelines are designed for use by owners, managers and seafarers to develop understanding and awareness of key aspects of cyber security.
  - ▶ The EU Network and Information Security Directive (NIS).
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- ▶ Marine insurance market and Cyber Risk.
  - ▶ Cyber Attack Exclusion Clause (cl.380) 10/11/2003 – deletion?
  - ▶ Option for Cyber coverage for Owners.
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▶ Coverage in Marine Cyber policies:

A) MARITIME CYBER RESPONSE COSTS

B) MARITIME IT SYSTEM RESTORATION COSTS

C) INSURED'S NETWORK FAILURE – INCOME LOSS AND EXTRA EXPENSE

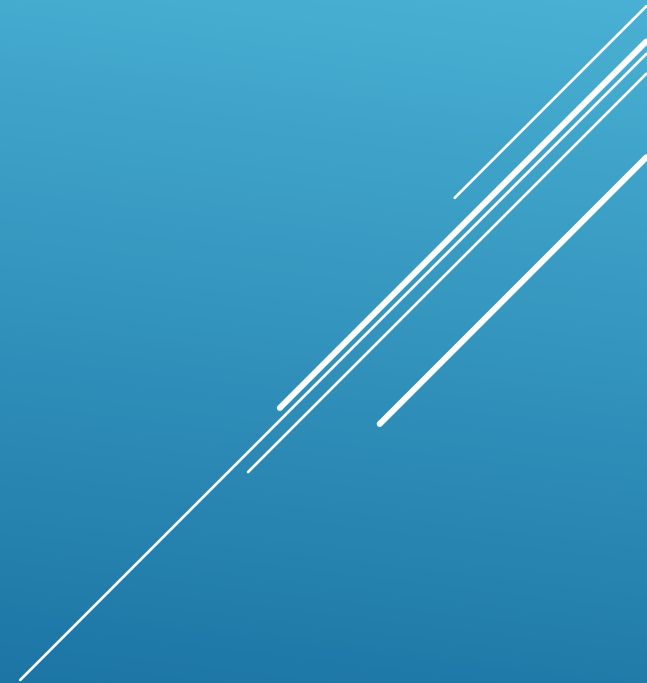
D) OUTSOURCE SERVICE PROVIDER – INCOME LOSS AND EXTRA EXPENSE

E) CYBER EXTORTION AND RANSOMWARE

F) THIRD PARTY INSURING AGREEMENTS

G) CYBER ATTACK CL380 BUYBACK

H) CUSTOMER CARGO DAMAGE MITIGATION CLAUSE



▶ Thank you for your attention!

