



Oseberg Vestflanken. Source - Statoil

An Introduction to Cyber Risks in Offshore Energy

7th March 2018
Charlie Hann

Risk Solutions

Munich RE 

1. Facts & Statistics
2. Traditional Offshore Risks – Policy Cover Available
3. Cyber Risk – Physical Damage “Buyback”
4. Cyber Risk – Data Breach / Sensitive Data, Extended Cover, Ransomware
5. Cyber Risk – Breach Response

To what extent do Cyber Risks differ from Traditional Risks?

A) They are completely different

B) It depends

C) They're practically the same, just more expensive to manage

D) There is no difference

The Facts & Stats...

Hundreds of Norwegian energy companies hit by cyber-attacks

Cybersecurity spend expected to reach \$1.87bn in 2018

61% of organisations suggest that their security is inadequate!

68% of organisations have suffered disruption or loss of confidential information in the Operational Technology environment

Shamoon malware returns to again wipe Saudi-owned computers

Deloitte: Oil Firms Face Increasingly Sophisticated Cyber Attacks

Ukraine power cut 'was cyber-attack'

Examples of Remotely Controlled Operations



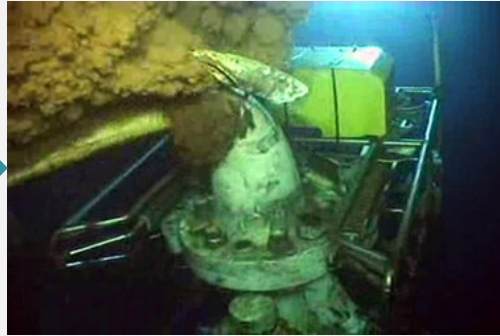
Traditional Offshore Energy Risks

- Control of Well – Operators Extra Expense Policies
- Physical Damage – Standard Platform Wording / Nordic Plan etc. Usually “All Risks”, some exclusions
- Liabilities – Pollution, Third Party Liabilities, Protection & Indemnity
- Financial Losses – Business Interruption, Loss of Production Income (LOPI) etc.



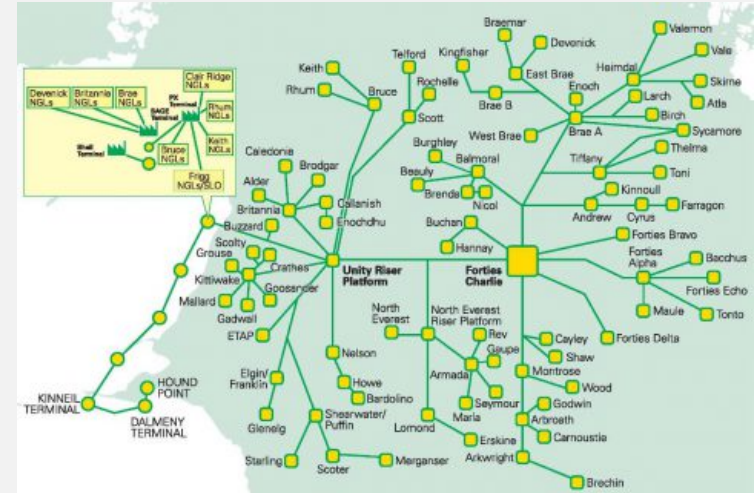
Gryphon A FPSO – Source – Fleetmon.com (Photo by Aleksí Lindstorm)

Cyber Risk – Exclusion “Buybacks”



Other Cyber Risks

- Failure to Supply
- Contingent Business Interruption
- Intellectual Property Loss
- Sensitive & Confidential Data
- Extortion
- Reputational Damage
- Non-Operating Interests



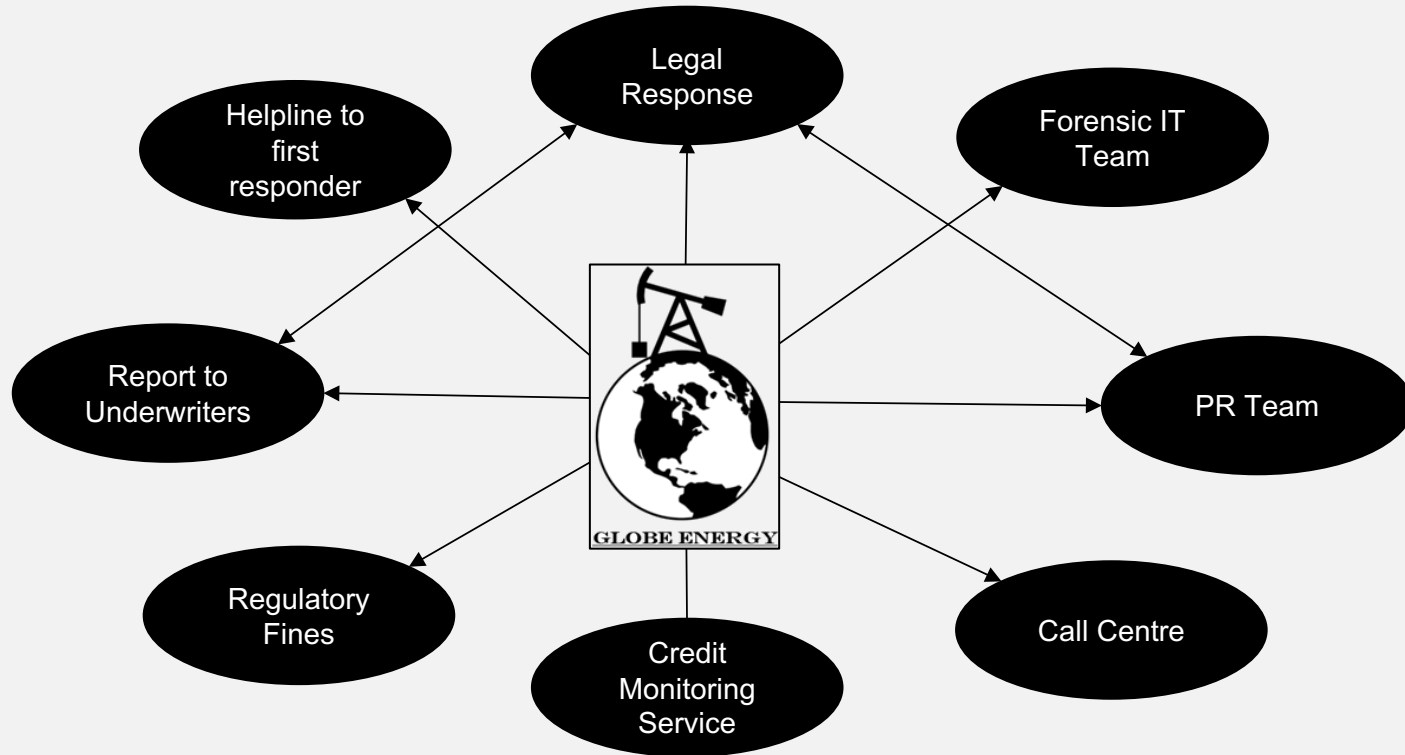
Forties Pipeline System – Source – subseaworldnews.com

Case Study – Extended Cyber Risks & Cover Available

- Worldwide Company
- Main Plays in North Sea
- Refinement and Wholesale Activities in Northern Europe
- Purchased an “Affirmative Cyber” Policy



Case Study – Extended Cyber Risks & Cover Available



To what extent do Cyber Risks differ from Traditional Risks?

A) They are completely different

B) It depends

C) They're practically the same, just more expensive to manage

D) There is no difference

Any Questions ?

Risk Solutions

Charlie Hann
Munich Re Syndicate 457

© 2018 Münchener Rückversicherungs-Gesellschaft
© 2018 Munich Reinsurance Company