

CYBER RISK – Claims Examples

1) DENTIST OFFICE > \$24,500

- Dentist office received a phishing email > employee CLICKED > all medical records encrypted.
- IT forensics appointed to investigate, contain, recover data if possible. Lawyers appointed as sensitive data potentially leaked / in wrong hands.
- Total cost of loss – CAD \$24,500

2) MANUFACTURER > \$365,500

- Manufacturer (annual revenue + CAD 15m)
- Ransomware encrypted their server and back-ups, on a different server, were deleted
- The insured's operation had ground to a halt as systems could not be restored
- Aim of the ransomware was not to steal information and there had not been a breach of personal information
- CAD \$55,000 ransom paid in Bitcoin after 7 days of business interruption
- Operations restored once payment made
- CAD \$60,000 incident response costs
- CAD \$250,500 business interruption loss from cancelled orders + increased costs of working

3) LAW FIRM > \$792,000+ USD

- Data Liability & Business Interruption Loss – Ransomware
- Law Firm - an employee of USD \$5MM revenue firm clicked on a link in a phishing e-mail that provided access to the firm's network.
- Able to restore critical and sensitive client data without the need for the decryption key.
- IT forensics confirmed that a significant amount of client confidential and financial data was exfiltrated onto the dark web.
- Ransomware gang requested payment of a ransom of USD 1m in exchange for deletion of the exfiltrated data. Potential data liability from clients and significant business income loss from reputational harm.
- Eventual settlement of USD 750,000 ransomware payment (following sanctions checks being cleared). Incident response costs USD 42,000 for Legal Counsel, IT forensics and incident responder's services.
- Business Interruption loss to be assessed after 3 months to establish any loss of income from any departing clients with further costs potentially incurred for any adverse media following notification to clients of security breach.

Note: the above situations are provided as examples only – in the event of a claim, coverage eligibility is determined by the applicable coverages, forms and exclusions attached to a policy.

4) **COMPUTER NETWORK SUPPORT > \$1.7M**

- Computer network support company with dozen clients. Server was attacked and data held for ransom.
- No breach of confidential information but brought operation to a halt and affected business of the company's customers.
- Over \$1.7M paid including response costs and operations restored once payment made

5) **ONLINE FLORIST > \$147,000**

- Distributed Denial of Service (DDOS) & business interruption.
- Online retail florist with 90% of flowers sold online
- 15% of annual revenue came from the Tulip Festival Season in April / May
- Hit by DDOS run by foreign hackers > IT forensics appointed.
- Down for 5 days > significant business interruption period
- CAD \$50,000 on IT Forensics Costs (rebuilding and debugging website)
- CAD \$97,000 business interruption indemnity

Visit www.forwardinsurance.ca for tips on selling cyber insurance, a glossary of common cyber terms, and to access the JET platform for instant Cyber Liability quotes and policy issuance.

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