



# When Human Error Escalates

## How a charity recovered from a costly employee mistake



### The Client

A charity organisation with revenues of approximately £30 million.

### The Cyber Challenge

In March 2020, an employee of the insured intended to send an email to around 3,500 customers regarding the COVID-19 lockdown. The employee inadvertently sent these customers an unencrypted .csv file containing customers' personal data that had been drawn from the insured's main system. The personal data held in the file included names, addresses, dates of birth, gender, sexual orientations, disabilities and religions.

Following the incident, the insured sent an email to all recipients that same evening apologising for the error and requesting the deletion of the email. The insured also notified the Information Commissioner's Office (ICO).

The incident was reported in local media, industry publications and cybersecurity media, while a national newspaper also contacted the insured. During the 18 months the insurer's file was open, the insured received and settled in the region of 500 claims plus additional data subject access requests.

### The Resolution

The client was covered under the Pen Underwriting cyber insurance policy.

#### Summary

- Expert breach response counsel
- Identity protection and credit monitoring
- Defence counsel
- Claims and claimants' costs

#### Details

Insurers appreciated this was not a straightforward case. Insurers confirmed cover under Section A 1 Cyber Liability — Breach Response Costs and Section A 3 Security and Privacy Liability. Cover was confirmed for breach response counsel's costs, ID protection/credit monitoring, defence counsel costs (the same firm providing breach response counsel), and claim and claimant's costs, including GBP7,000 for Ring doorbells. (the policy limit).

#### Financial position

Claim costs:

**GBP800,706.01**

Excess:

**GBP5,000**

Breach response costs:

**GBP199,293.44**



### Contact Us

Speak to your Pen Underwriting business development manager to secure appropriate cyber insurance for your clients' business, or email [uk.cyber@penunderwriting.com](mailto:uk.cyber@penunderwriting.com).