



A Fast-track Breach Response

**How a model railway manufacturer
managed ransomware impact**



The Client

A manufacturer of model railway accessories, with revenues of approximately £10 million.

The Cyber Challenge

The insured discovered they had been a victim of a ransomware attack, and their computers, which host backups and replication servers, had been encrypted.

The attack affected employee payroll data, hindered company email access, damaged hardware and software, and interrupted the company's business operations — including the publication of their railway magazines and sales activities.

The company did not have sufficient logging capabilities or appropriate backups, which complicated the recovery process and forced them to temporarily use paper documents for orders and manual stock/inventory checks.

The Resolution

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

Summary

The cyber insurance policy provided access and covered costs for:

- Breach response counsel, forensic IT vendor and PR experts, including analysing the ransomware attack, assisting ICO notification and managing stakeholder communications.
- Digital asset restoration.

Details

Cover was confirmed under Section A 1 — Breach Response Costs for breach response counsel, forensic IT vendor and PR expert's costs.

The data recovered by the forensic vendor was corrupt or incomplete, and it was not possible to determine if any data was exfiltrated by the attackers since there was no network log to identify external access. The insurers declined business interruption cover under Section B 1 — Cyber Business Interruption and Section B 3 — Cyber Reputation Business Income Loss for a claim consisting of hardware (GBP11,450.37), software (GBP26,881.50) and services (restoration costs and staff overtime GBP101,638.71) on the basis that the insured's backups were not stored off-site.

However, loss adjusters were appointed to review the insured's claim for restoration costs and overtime expenses. A full and final offer was made and accepted for GBP69,014 under Section B 2 — Digital Asset Restoration of the policy, which provides cover for "Restoration Costs that You incur because of the alteration, destruction, damage or loss of Digital Assets resulting from a Security Compromise that is discovered during the policy period."

Financial position

Breach response Counsel:	Digital asset restoration:
GBP50,080	GBP69,014

PR costs:	Excess:
GBP4,472.50	GBP1,250

Forensic costs:
GBP128,667.72



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.