



Making a Cyber Attack U-turn

How a freight company recovered from fraudulent transactions



The Client

Freight company with revenues of approximately £7 million.

The Cyber Challenge

A member of the insured's finance team received an email purportedly sent by the company's chairman, requesting the payment of an invoice for c. GBP18,750 for a Cartier watch for his wife's birthday.

A second email requested payment for a further watch for c. GBP23,000, followed by a third for GBP29,000. A total of c. GBP42,000 was wired to a fraudulent bank account before suspicion set in.

Our policyholder discovered the email accounts of the chairman and another employee had been compromised, and the threat actor had sent hundreds of phishing emails from these accounts.

The Resolution

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

Summary

- The fraudulent activity and costs were covered, and the money paid to the threat actor was reimbursed, subject to the excess.
- Access to cyber breach experts was swiftly provided, so the policyholder could act quickly and be confident in the advice given.
- The policy covered the breach response costs.

Details

Insurers confirmed cover for Crime Loss under Section C 1. as defined by the policy as “direct financial loss sustained by You, resulting from the theft of... Your funds or other assets under the direct or indirect control of a computer system by dishonest manipulation or misuse of computer hardware or software programmes or systems by Any Other Person who has not been granted authorised access to such computer system by You.”

The policy was also triggered under Section A 1 — Breach Response Costs, which covers “Breach Response Costs following a Breach Event or following a Cyber-Extortion Threat.”

The insured sought initial advice from breach response counsel, who advised that the threshold for notifying the ICO had not been met. As the breach response counsel was not formally engaged, their costs were written off.

Financial position

Indemnity costs:

GBP40,464.59

Excess:

GBP1,250

Breach response costs:

GBP6,899

for cybersecurity and post-breach services.



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.