Pen underwriting

Shutting Down Cyber Extortion Fast

A wholesale company's experience with ransomware and a network security breach

The Client

A supplier of laboratory equipment, diagnostic and critical care products to the veterinary market with revenues of approximately £15 million.

The Cyber Challenge

The insured's IT consultant was alerted to suspicious activity on their network, and immediate steps were taken to shut down their systems. A phishing attack was suspected.

During the attack, the threat actor encrypted most of the insured's server infrastructure and may have had access to the insured's P: drive, which contained customer and employee data.

A ransom demand was made, albeit the sum and threat actor behind the attack were unclear. The insured had ten days' worth of backups, and their servers remained offline whilst they restored a new server.

The Resolution

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

Summary

- Cover for breach costs and cyber extortion expenses.
- Access to breach response counsel and an IT forensic vendor.
- Advice on the insured's UK, European and US legal and regulatory obligations.

Details

The policy was triggered under Section A1 — Breach Response Costs, which provides cover for 'Breach Response Costs following a Breach Event'.

Insurers also confirmed cover for dark-web monitoring under Section A6 — Cyber Extortion Expenses are reasonable and necessary expenses that the Breach Response team incurs in responding to a cyber extortion threat.

To address concerns about potential impacts on non-UK data, including employees in France and the USA, breach response counsel sought legal advice for these jurisdictions. The ICO was notified and closed the case without further action. US counsel advised on notifying affected employees and regulators in specific states and offering credit monitoring to these employees.

The forensic vendor concluded their investigations, confirming there was no evidence of data exfiltration, and the insured was not named on the threat actor's leak site. Following the recommended six months of dark web monitoring, it was confirmed no data had been leaked.

Financial position

IT vendor costs:

GBP50,080

Excess:

GBP5,000

Breach response counsel costs:

GBP27,132

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.**