

## CASE STUDY

# When digital risk meets the physical world:

Cyber insurance for bodily injury and property damage

**INDUSTRY**

Manufacturing

**EMPLOYEES**

51-250

**COMPANY**

- Extortion
- Bodily injury and property damage - 1st party
- Business interruption
- Breach response

Unlike other carriers, Coalition covers business interruption due to property damage. Coalition will pay on behalf of the losses you incur due to the impairment or loss of use of tangible property that results from a security failure. We won't cover the cost of the property itself, but we can help make up for the time lost while your organization recovers from a cyber event.

In May of 2020, in the early hours of the morning, an alcohol manufacturer received an alert that the network at one of their plants was having issues. They called their processing engineer and saw a strange file — '**Name-WASTED.**' The file directed them to click a link; instead, they called their IT provider immediately. After realizing they had been hit by a ransomware event, the policyholder contacted Coalition. We quickly reached out to a forensic firm and negotiating entity who contacted the threat actor to start negotiations.

The initial demand by the threat actor was \$2,300,000. Coalition worked with the policyholder and the forensic vendor to gather relevant information and confirm that the threat actor was out of the system. At the same time, negotiations moved forward, reducing the demand from \$2.3M to \$705,000, and ultimately, \$609,000. That's a \$1,700,000 difference.

We worked tirelessly to find a solution to allow the policyholder to bring some systems back up and continue working. The effort was urgent; when an industrial system is down, that downtime causes property damage. Ultimately, we were able to bring the computer system back online, but the industrial system (the machinery) had suffered harm and could not come back online until parts were replaced or repaired. Because the policyholder had the proper endorsement, we covered the cost of their business interruption and the extra expenses from the repair.

Just when you think your policy covers everything, you need to think about all tangential losses that can occur. We offer the most comprehensive cyber insurance policy in the industry.

Coalition brings together active monitoring, incident response, and comprehensive insurance to solve cyber risk. To learn more, visit [coalitioninc.com](https://coalitioninc.com).