



Recipe for disaster

A phishing attack puts customers from 21 franchise locations at risk

HSB, a Munich Re company, is a technology-driven company built on a foundation of specialty insurance, engineering and technology, all working together to drive innovation in a modern world.

Class of business: Retail

Business description: Restaurant franchise

What happened: Thieves installed malware in 21 franchisees' computer systems, stealing 64,000 credit card numbers.

How it happened: Hackers used a phishing scheme to access and monitor a franchisor executive's email account. When the executive sent emails to franchisees with details of a franchise-wide software transition, the thieves impersonated the software company and tricked 21 franchisees. They were then able to access the franchisees' systems, install malware and steal credit card information.

Business impact: The thieves infected 21 systems and stole 64,000 credit card numbers—8,800 of which included names. Also, the infected hard drives became evidence for IT forensics experts and had to be replaced. Income was lost while a third party worked to restore systems. The franchisor was legally required to notify all those affected, damaging the reputations of both the company and franchisees.

HSB
One State Street
P.O. Box 5024
Hartford, CT 06102-5024
Tel: (800) 472-1866

HSB.com

This is a summary of coverages. For all coverages, terms, conditions and exclusions, refer to the actual insurance policy.

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What it cost

Forensic investigation	\$100,000
Business income loss	\$12,300
Breach notifications	\$50,300
System restoration	\$26,800

Total Cost: \$189,400