



Facing a triple threat

Keylogging software breaches one retailer three times before discovery

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: Online equipment retailer

What happened: A keylogger originating from the retailer’s host captured customer credit card data.

How it happened: An online equipment retailer’s server was breached by a keylogger, which captures information typed into the computer. This occurred three times over the course of several months and, with each new breach, customers’ credit card numbers were captured. The retailer’s server was also corrupted each time and needed to be fully replaced. Finally, IT forensics found the keylogger originated from the retailer’s hosting provider but by then 16,000 credit cards had been exposed.

Business impact: Three separate notifications were sent to affected individuals; one for each breach. In total, 315,500 people and 31 attorney generals had to be alerted, all at the retailer’s expense. The retailer also paid a high price to restore its data and systems and suffered greatly from loss of business and a damaged reputation.

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

System restoration	\$20,000
Business income loss	\$5,000
Reputation management	\$7,000
Breach notification	\$108,000
Legal notification	\$21,000
IT forensics and remediation	\$46,500

Total Cost: \$207,500