



Cyber Risks

Examples of cyber attacks

Risk Solutions

Hartford Steam Boiler

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

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Business computer systems are at risk

Businesses rely on their data and computer systems. When these systems experience a virus or other computer attack, a business is at risk of losing critical information necessary for daily operations and potentially exposing itself to third party liability. Cyber attacks can significantly impact a business' bottom line – just take a look at these examples below.

Cyber risk case examples

The office manager at a doctor's office failed to change passwords after an employee left on bad terms. Shortly thereafter, the practice discovered that its system had been hacked. The system began to act erratically, crucial software programs were unavailable and large amounts of data appeared to have been deleted.

– **Cost for data restoration, data recreation, system restoration, public relations and business interruption: \$33,850**

The clients of a property management firm received strange email messages that appeared to have come from the firm. Worried

that something wasn't right, the firm's owner called an outside IT consultant who investigated and fixed the problem. He confirmed that the firm's computer had indeed been infected by a virus. Several weeks later, the firm received a certified letter from a local lawyer alleging that a former client of the property management firm had been infected by a virus received in an email message sent by the firm. The former client had suffered a variety of different kinds of harm related to the virus and had incurred significant cost to have the virus removed. The firm engaged an attorney of its own and resolved the matter by writing a \$30,000 check to the former client and having both parties sign a release. The firm's attorney left a bill for \$18,000.

– **Total first party loss: \$200**
– **Total third party loss: \$48,000**

The website of a marketing firm that relied heavily on its web presence to cultivate clients and deliver services was taken over by cyber criminals. Extensive IT work was required in order to regain control of the site, and a significant amount of business was lost while the work progressed.

– **Cost of system restoration and lost business: \$45,000**



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