

BUSINESS INTERRUPTION CYBER CLAIM



A Manufacturing Plant company that specialises a production of bottles for Coca-Cola was under a contract for 1 million glass bottles production a day. On a busy Friday morning, the company experiences a massive ransomware attack.

IMPACT ON BUSINESS OPERATIONS

- ❑ Loss of Revenue: The company cannot honour the contract of 1 million glass bottles production a day resulting in an immediate loss of revenue.
- ❑ Service Disruption: The lockout led to an interruption in service.
- ❑ Damage to Reputation: The prolonged outage of the manufacturing plant damaged the company's reputation, leading to a loss of customer trust and potential long-term impacts on customer retention.
- ❑ Remediation Costs: The Manufacturing plant must invest in cybersecurity experts and consultants to identify and mitigate the security vulnerabilities, as well as implement measures to prevent similar attacks in the future.

BUSINESS INTERRUPTION CYBER CLAIM PROCESS

- ❑ Incident Detection: The manufacturing plant quickly identifies the ransomware attack and initiates its incident response plan, which involves isolating affected systems to prevent further damage.
- ❑ Notifying Insurance Provider: The company contacts its cyber insurance provider to report the incident and file a claim for business interruption losses.
- ❑ Loss Assessment: The insurance provider conducts an investigation and assessment of the incident's impact on the Manufacturing Plant business operations, revenue, and reputation.
- ❑ Coverage Verification: The insurance provider reviews the Manufacturing Plant's cyber insurance policy to verify coverage for business interruption losses caused by this ransomware attack.
- ❑ Business Impact: Four weeks after the ransomware happened the Manufacturing Plant was still not operational leading to a loss of £10 million. The client, who had a loss of around 20 million bottles suffered a loss of around £50 Million.
- ❑ Remediation and Recovery: The Manufacturing Plant had a Cyber insurance policy in place. With the financial support from the insurance claim, the Manufacturing Plant works to restore its platform and strengthen its cybersecurity measures to prevent future attacks.

KEY TAKEAWAYS

Please note that the specifics of a business interruption cyber claim would depend on the company's insurance policy and the terms and conditions outlined in the coverage. Each insurance policy may have different coverage limits, deductibles, and exclusions, which can impact the claim process and compensation amount.

This case study illustrates how disastrous this situation would have been if the Manufacturing Plant had no cyber insurance in place.