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FLORIDA'S BUSINESS LAW FIRM

HELD HOSTAGE BY RANSOMWARE? THERE IS INSURANCE FOR THAT.

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The recent “WannaCry” ransom attacks have highlighted the vulnerability of networks and computer systems around the globe. These attacks can essentially shut down the operations of a business and come at a significant cost to the victim. The media has focused on the prevention of such attacks with general advice to avoid clicking on unknown links, installing software updates and backing up your data. While this guidance is prudent, there is a lack of discussion regarding ways a business can mitigate the financial impact of an attack through the purchase of a cyber insurance policy.

Most business owners purchase insurance to cover the cost of damage to physical property but often ignore threats to non-tangible assets. Given the rise of ransomware attacks, cyber insurance is more important than ever. While there are various options available under a cyber policy, “network extortion” coverage is essential to protecting the financial impact on your business from a ransomware attack. According to Ben Myers, commercial lines producer with the Insurance Office of America, the standard “network extortion” coverage includes the cost of the ransom, experts to assist with removing the ransomware and the loss of income to your business in the event you are forced to cease operations during the attack. Additionally, as cyber insurance is a relatively new market, Mr. Myers advises that the varying insuring provisions can be purchased at a relatively low rate given the risk being assumed by the insurance company.

A ransom attack can wreak havoc on any business. Thoughtful planning and the right insurance coverage will provide you with much needed assistance in protecting your company’s assets. Don’t let the threat of a cyber-attack hold you hostage. Should you have any questions about how cyber insurance could benefit your company, please do not hesitate to contact Gina Clausen Lozier or Michael Higer in our Insurance Litigation Department.

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