

CASE STUDY

Former Contractor Disrupts Operation After Stealing Devices



INDUSTRY

Healthcare

EVENT TYPE

Insider Threat

REVENUE

\$1–3M

EMPLOYEE COUNT

1–25

LOCATION

New York

KEY COVERAGE

- Breach Response
- Business Interruption & Extra Expenses

Businesses that experience business interruption must keep track of any lost income and be able to provide proof to an insurance carrier for full coverage.

Hours after a healthcare company terminated a contractor, employees found themselves locked out of the network. The business suspected that the former contractor had taken devices that were critical to the infrastructure of its network and quickly contacted Coalition to help resolve the issue.

We connected the company with breach counsel, and Coalition Incident Response¹ (CIR) launched a forensic investigation. CIR verified that the company's suspicions were correct and that the former contractor was responsible for the security failure. Our team attempted to contact the former contractor about returning the stolen devices, but he did not respond.

Ultimately, CIR determined the best recovery option was restoration. The company purchased new hardware and worked with a managed service provider (MSP) to install the new devices and upload missing data to help the company resume operations.

The healthcare company claimed it lost more than \$3 million in revenue during its downtime but was only able to provide proof of loss for \$8,000. After a lengthy discussion, we came to an agreement of \$25,000 to settle the business interruption costs.

Breach Response² covered the cost of CIR forensics investigation and claims counsel fees. Business Interruption and Extra Expenses covered a portion of payroll and lost revenue during the security failure, as well as the costs of replacing stolen hardware and the MSP's work on restoring the systems. After the healthcare company paid its \$5,000 self-insured retention, its policy covered the remaining \$204,000.

▶▶ Lesson Learned: Keep a Detailed Account of All Impacts Related to a Cyber Event

Cyber events can be chaotic, but remaining level-headed is essential to recovery. This includes documenting everything that transpires, before, during, and after an event — it can also be part of a business' incident response plan.

Coalition brings together active monitoring, incident response, and comprehensive cyber insurance designed to help mitigate your organization's cyber risk. To learn more, visit coalitioninc.com.

¹ Coalition Incident Response services provided through Coalition's affiliate are offered to policyholders as an option via our incident response firm panel.

² The claim scenarios described here are intended to show the types of situations that may result in claims. These scenarios should not be compared to any other claim. Whether or to what extent a particular loss is covered depends on the facts and circumstances of the loss, the terms and conditions of the policy as issued and applicable law.