



## Cyber Loss Extra Expenses– Potential Insurance Claim

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“There are only two types of companies: those that have been hacked, and those that will be.”  
~ Robert Mueller, FBI Director, 2012

Quality documentation and forensic analysis is the cornerstone to effectuate a positive result on a cyber claim. Most cyber risk policies include coverage for business interruption or loss of income and extra expenses associated with a breach, which typically can make-up some of the more significant costs. When a cyber business interruption loss occurs, it is the responsibility of the Risk Manager or Policyholder to lead the development and presentation of losses caused by the event. Immediately after a loss, significant attention, leadership and data analysis are required to fully document a claim.

Keep in mind that a complex loss will be evaluated for insurance purposes or for a general audit, therefore it is essential to quickly establish a claim validation and presentation process to capture and document all loss-related costs.

### **Potential Extra Expenses**

- Replacement of destroyed servers, processors and other hardware
- Cost of purchase or replacement of software
- Cost of integrating new software into legacy systems
- Cost of recreating lost data and customized programming
- Costs of forensics to determine point of failure in the systems
- Extra costs of operating at hot/warm site
- Public relations expenses
- Crisis management expenses, rapid response security professionals
- Cost for notifying customers impacted by the breach and or the subsequent potential issues
- Increased costs to source alternative product
- Additional cost shipping of the alternative product
- Inspection of alternative product
- Government regulations issues
- Spoilage of WIP inventory
- Employee overtime
- Forensic investigators and accountants

### **About Us**

The ProcCor team has worked on over \$10 billion worth of insurance claims. Ranging from the largest disasters and losses in history to everyday business losses, our experts have intimate claim knowledge in virtually every industry including hotels, casinos, retailers, manufacturers, chemical plants, hospitals, financial institutions, oil & gas, transportation, distributors, technology, pharmaceuticals and others. Our experts are respected by both policyholders and insurance companies alike because we prepare comprehensive, logical and well-documented claims that result in fair and timely insurance claim settlements.