

# Criminal Financial Loss Claims Examples

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## Cyber Event Protection-004 (CEP-004)

As the volume of electronic funds transfers has grown, so too has the prevalence of cyber-crime. Money is the lifeblood of business – to be kept safe, to be transferred securely – and smart business owners know that there is no substitute for sound risk management. But mistakes happen, and criminals never sleep. When even the best process and procedures somehow slip, insurance can provide a backstop. Make it part of your risk mitigation strategy.

Our Cyber Event Protection insurance policy with optional Criminal Financial Loss cover can round out your risk management by protecting you against direct financial loss from a range of exposures:

- Cyber Theft
- Socially Engineered Theft (an additional option)
- Telephone Phreaking
- Cryptojacking
- Identity-based Theft

Example	Claim Scenario	Cyber Event Protection Solution
Socially Engineered Theft 1st Party Loss	<p>An accountant's employee receives a request from a regular supplier's email address for payment of an outstanding invoice. The employee pays the supplier in good faith and in reliance upon the received invoice.</p> <p>As it turns out, the supplier's invoicing system was hacked and the supplier's bank account details were changed to the hacker's account. The paid amount is unrecoverable as a result.</p>	If the accountant's policy includes Optional Cover for Criminal Financial Loss including Socially Engineered Theft, the direct financial loss to the accountant is covered, including investigation costs.
Socially Engineered Theft 1st Party Loss	<p>A medical centre received communications from a fraudster impersonating the ATO requiring urgent payment of outstanding taxes.</p> <p>The medical centre paid the 'outstanding' taxes in good faith having believed the demand was genuine.</p>	If Criminal Financial Loss coverage including Socially Engineered Theft is applicable, the lost funds are covered including investigation costs.
Cyber Theft Business e-mail Compromise	<p>The CFO received a fraudulent email from the CEO, whose e-mail account had been compromised due to a Cyber Event, requesting the transfer of a large sum of money. The email convinced the CFO to transfer money to a third party bank account. Later its determined that the email was not authored by the CEO, but it's too late for the bank to stop the transfer.</p>	<p>Cyber Event Protection will cover forensic investigation of the crime as well as response costs to remove the threat and secure the e-mail system.</p> <p>If Cyber Theft coverage is applicable, the direct financial loss the insured suffered will be covered as well.</p>
Telephone Phreaking	<p>A marketing firm's phone system gets hacked. The hacker creates a mailbox to route calls overseas. The unauthorised international calls result in thousands of dollars in call charges.</p>	<p>The policy covers the cost to investigate and remove the threat to the firm's telephone system. Our optional Cyber Theft and Telephone Phreaking Cover pays the direct financial loss to the insured.</p>

# Criminal Financial Loss Claims Scenarios

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Example	Claim Scenario	Cyber Event Protection Solution
Cryptojacking	The insured notices their computers are running slower than usual. Upon further investigation, someone has hacked into their IT infrastructure to utilise the processing power to mine cryptocurrency.	Cyber Event Protection will cover response costs to remove the virus.  If Criminal Financial Loss coverage is applicable, the increased bandwidth and electricity costs are also covered.
Cyber Theft	The accounting system of an advertising agency was accessed by a threat actor who altered the bank account details of a supplier. The following day the Insured processed a payment to that supplier, unaware that the bank account details had been altered by the threat actor, resulting in the funds being misappropriated by the fraudulent party.	Cyber Event Protection will cover response costs to remove the virus.  If the advertising agencies policy includes Optional Cover for Criminal Financial Loss, the lost funds are covered.

**Disclaimer:**

These claim examples illustrate the potential scope of coverage provided under Emergence's EME CEP-004 Cyber Event Protection policy wording. Each claim is different and outcomes may vary on a case by case basis depending upon the facts and details of the particular situation.