



"Barracuda Hack May Highlight Cyber-Linked Property Damage", Law360 Insurance Authority quotes Kaufman Dolowich Partner Avery Dial, 6-20-2023

Article by Law360's By Daniel Tay

A malware incident at cybersecurity vendor Barracuda in which it advised clients to physically replace security hardware to counter the threat could weaken insurers' arguments about cyberattacks not being able to...

*...a situation like Barracuda's is distinguishable from EMOI because the Barracuda situation involves the actual functioning of a physical device, as opposed to the integrity of software or data independent of the functionality of the physical device in EMOI, said **Avery Dial**, a partner with Kaufman Dolowich & Voluck LLP.*

*...the court's final analysis held that the damage to the software is only covered if the physical media that contains it is physically damaged, **Dial** said. ... "If you've got damage to information on a hard drive, and the hard drive's not damaged, it's really the information you care about. Because theoretically, you could just wipe that hard drive and use it again," **Dial** said. "But here, you've got a device that you can't use anymore for its intended purpose of being an email gateway."*

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