



Ransomware Payments and Insurance Coverage, Professional Insurance Agents Magazine

What you and your clients need to know -

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The increasing prevalence of ransomware attacks impacts the role of insurance in covering such losses. It also impacts agents who are procuring policies to anticipate the coverage issues that may arise from such events.

Ransomware is a form of malware (i.e., malicious software that gets installed on a computer without the user's consent and is harmful to the computer) in which the access to important data and computer systems are locked or encrypted, unless the victim agrees to pay a ransom to regain access. According to a recent study by Recorded Future, a cyber security firm, there were 230 attacks against municipalities during the first three quarters of 2019. For example, last summer the school district in Rockville Centre, N.Y., paid \$88,000 in ransom after its data was affected by a ransomware attack.