

Cyber Claims Study – Distressing Data Breach

A Targeted Phishing Attack Leading to a Data Breach and Privacy Liability Claim

Background to the company: The Insured is an aged care facility and healthcare provider based in rural Adelaide. They have over 2,500 patients at 18 facilities.

Incident: A new starter in the admin department received an email from 'Microsoft' telling them to register their details online to verify their account. Not knowing this wasn't standard procedure for someone who has just started at the company, the staff member obliged, handing over their login credentials to a cyber criminal. The client did not have Multi Factor Authentication Enabled, nor did they limit staff access to data based on their role. The criminal had open access to all the client's data. They downloaded every single health record they could find, then sent an email to a board member demanding ransom payment to prevent the data being released to the public.



Initial Response: At this point, the client rang the Incident Response Hotline and engaged with forensic investigators who confirmed that the vulnerabilities had led to almost 1,000 health records being accessed and exfiltrated. A legal team was consulted, and they determined that the Insured was required to notify all the individuals affected of a potential data breach.

Impact: The result of the incident was that \$98,740 was spent in IT forensic, legal and notification costs. The IT team recommended solutions to the client to make sure they are protected from an incident like this in the future such as implementing Multi Factor Authentication. It was not recommended to pay the ransom demand because the data had already been compromised and they were required to notify all individuals anyway. It is worth mentioning that healthcare data is considered to be more sensitive than ordinary PII and so the rules are different. It turns out, the information has not yet been seen online or on the dark web. To mitigate any future damage, a PR firm was appointed to manage the press surrounding the incident and limit any reputational damage, costing a further \$11,230.



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