



News

Scott Seaman Analyzes Recent Ransomware Coverage Decision in Business Insurance Magazine

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Hinshaw attorney Scott Seaman, a Chicago-based partner and co-chair of the firm's global Insurance Services Practice Group, was quoted by Judy Greenwald of *Business Insurance* in an article titled "Ransomware case's impact could be far-reaching." The article discusses a recent Maryland federal court ruling that ruled an insurer must indemnify a business owner for costs incurred in a ransomware attack under a BOP policy. Significantly, the policyholder's computer system continued to function following the attack, albeit more slowly.

Several policyholder lawyers suggested the ruling showed that the concept of "silent cyber" is real, and that there can be coverage even in policies not marketed as cyber insurance. However, Seaman damped the notion that the decision somehow opened a floodgate for cyber coverage under traditional property and liability policies. He pointed out a single federal court decision in Maryland is "not a watershed moment." He also noted that insurers are moving to channel coverage for cyber losses into tailored products, and that the coverage for this case was written under a 1999 Insurance Services Office Inc. form, and that more recent policy forms have exclusions that likely would have applied to circumstances in this case, and the insurer has issues to raise should it decide to appeal.

[Read the full article](#)

"Ransomware case's impact could be far-reaching" was published by *Business Insurance*, February 4, 2020.

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