

CASE STUDY

Financial advisor avoids FTF claim with \$3.5M clawback



INDUSTRY

Finance

EVENT TYPE

Funds Transfer Fraud

REVENUE

\$5-10M

LOCATION

New York

EMPLOYEES

<50

COVERAGES¹

- FTF
- Breach Response

A financial advisor planned on making a few charitable donations, but a threat actor had another plan for their good deed. Our policyholder attempted to wire two transfers, totaling \$3.5M, to their preferred charities. Instead, a threat actor intercepted emails between our insured and charities and diverted the money. The financial advisor called Coalition² 11 days after the fraudulent transfers, and we swiftly began to work on recovering the funds.

Coalition Claims advised the insured to contact the receiving bank; they informed us they had already done so. Coalition Claims also suggested they move forward with breach counsel and a forensic investigation, but the insured had an in-house IT team and was confident they could determine if their network had been breached.

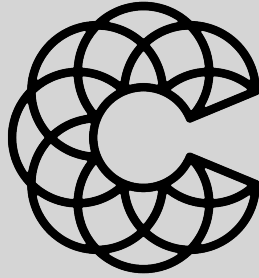
After the insured provided the receiving bank's information as soon as possible, we worked with U.S. law enforcement to notify the bank. Coalition Claims also advised the insured to contact their bank to freeze the funds. At this point, Coalition Claims notified the insured that partial recovery was possible — and they were ecstatic.

Just over a week later, the insured informed Coalition the bank could recover all but \$405 of the \$3.5M! Due to the recovery, the insured did not need to proceed with filing a funds transfer fraud claim with Coalition. The insured's internal investigation determined the compromise was not on their network, so they did not move forward with breach response. Coalition Claims reassured them it would be available should any new developments arise.

Coalition brings together active monitoring, incident response, and comprehensive cyber insurance designed to help mitigate your organization's cyber risk. To learn more, visit coalitioninc.com.

¹ Although the insured had the coverages listed, in this claim scenario a claim was not filed and the coverages outlined did not take effect

² The claim scenarios described here are intended to show the types of situations that may result in claims. These scenarios should not be compared to any other claim. Whether or to what extent a particular loss is covered depends on the facts and circumstances of the loss, the terms and conditions of the policy as issued and applicable law.



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