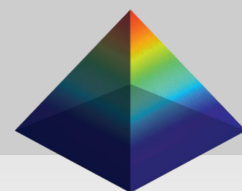


Investment in annual cyber insurance policy saves-the-day for local business

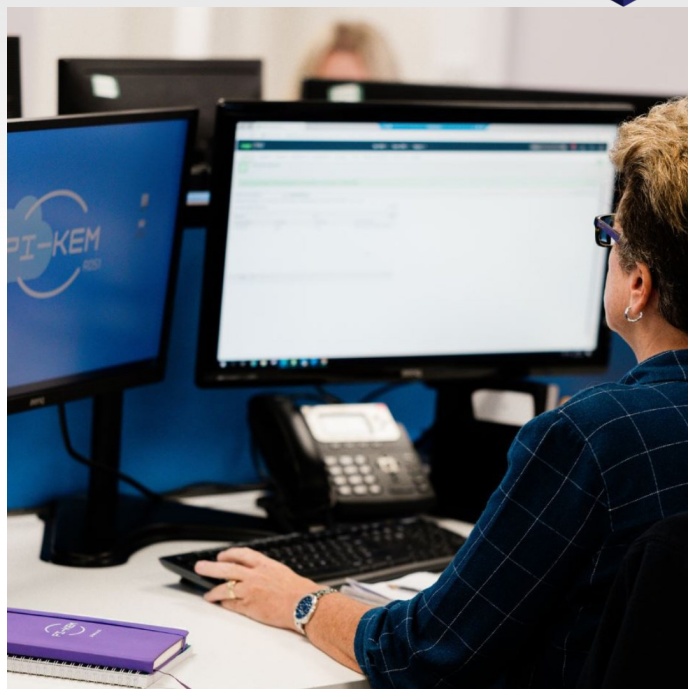


Investment in an annual cyber insurance policy helped a local company when it found itself the victim of a cyber-attack.

PI-KEM Ltd, based in Tamworth, is a specialist supplier of advanced materials and equipment for innovative research and technical manufacture. Over the last 30 years, the company has supported some of the most innovative minds in the science and technology sectors across a broad spectrum of areas, from battery development and energy storage, to cutting edge material research.

As a family business, the company used the services of the same insurance broker for many years. When the running of the business passed to the next generation, insurances were moved to local broker, Prizm Solutions, and a cyber insurance policy was strongly recommended.

Fiona Rouse, Operations Director at PI-KEM says: "As business owners, we take out insurance policies, quietly confident that we'll never need to claim on them. At PI-KEM, we never expected to have to use the benefits of the cyber policy, but as the cost of it was relatively low, we decided to invest. We're now grateful that we did. An email had been sent out to one of our customers, attaching a proforma invoice. However, the bank details had been amended from PI-KEM's details to a different bank. Although, at a glance, the email looked to have come from PI-KEM, further investigation revealed a very small difference in the email address format, with an additional full stop added, so the amendment was hardly noticeable if you weren't looking properly."



With suspicions of a cyber-attack aroused, PI-KEM's first call was to insurance broker, Prizm Solutions. Fiona explains: "Once we'd called Prizm, all the benefits of having a cyber insurance policy kicked in. Within minutes, we had a cyber support team on the phone, asking questions to understand the gravity of the situation. As we use an external IT supplier to manage our tech requirements, the cyber support team were able to talk directly with the IT team, to investigate the circumstances and plan the next course of preventative action."



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All PI-KEM colleagues had to come off the computer system, to allow the IT forensics team to undertake the relevant investigations and identify the source of the breach. The investigations revealed that a tag/macro had been added to a previous email between PI-KEM and a customer. That tag had sat quietly on PI-KEM's system, just waiting for the right opportunity. When the hackers detected an email containing an invoice, that was the chance they were waiting for, to change bank details and try to divert the payment from PI-KEM to their own account.

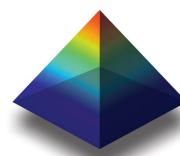
Fortunately, in this instance, the cyber-crime was thwarted before any damage was done. Due to PI-KEM being vigilant and spotting something suspicious, they were able to call the company and prevent the invoice being paid to the false bank account.

Fiona says: "Having experienced a cyber-attack first hand, we were grateful we'd had the foresight to take out an insurance policy. Whilst everyone hopes that an insurance policy will never be needed, we knew the value for securing our business, providing an extra layer of protection for both us and our customers. Whilst we had processes in place to deal with a security breach, it was also great to be able to take advice from the cyber insurance team who were able to assist us with our concerns when a threat was detected."

Peter Robinson, Managing Director of Prizm Solutions Ltd says: "One of the most worrying elements about this cyber-attack is that, as a company, PI-KEM was not an easy target. The cyber specialists said that PI-KEM had a very secure IT system, and there was no user error that had led to the breach. Whilst it's re-assuring for PI-KEM to know that its level of cyber protection is good and there isn't much more they could have done internally to prevent an attack, it goes to show the lengths that the cyber criminals will go to. And that's why cyber insurance is so important!"



The UK Government estimates that, as of October 2023, there were approximately 2.39 million instances of cyber crime and approximately 49,000 instances of fraud in the past 12 months as a result of cyber crime affecting UK businesses & charities.



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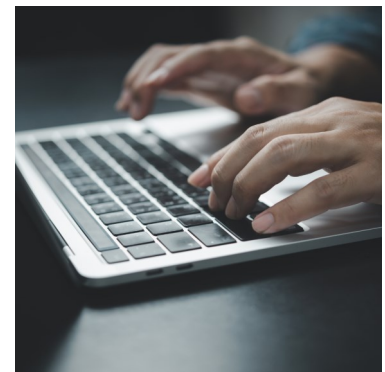
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Fiona continues: "As part of the investigation, we learnt that the tag carrying the macro was added to the email whilst it was in transit between our two companies, so there was very little we could have done to stop it. As we're determined that we never want to go through anything like this again, we've now increased our cyber security further. We've locked down our IT system to block access to our cloud system from other non-UK IP addresses. This extra level of security does mean that, if any of the team are travelling abroad, we have to ask IT to authorise work from that country, and then lock it down again once the travel is completed, but it's worth doing to keep the system as safe as possible. We've also run cyber awareness refresher training for all colleagues, especially about how to identify phishing emails. Even though we know our colleagues were in no way responsible for the attack, we have also heard that many cyber attacks occur because of human error, so we want to keep our colleagues as informed about cyber prevention as possible.

"We're so grateful that Peter Robinson suggested we add cyber insurance. Before we moved to Prizm, we didn't have cyber cover, it wasn't something that our previous broker ever mentioned. I'd hate to have been through what we've been through without cyber insurance. Technically, we've been a victim of cyber fraud,

"These days, no business should be without cyber insurance, as the risks are just too great."

not cyber-crime, as nothing was taken and no losses were made. We were so lucky we spotted that something looked suspicious. If we hadn't, one of our valued customers could have inadvertently paid the hackers rather than us, which would have left them out of pocket. Due to the work we do, that would have lost us that sale, as our clients are generally new businesses or educational establishments that get funding for our products, so they wouldn't be in a financial position to be able to just pay again.



"The speed of response by Prizm Solutions and the cyber team was phenomenal. The team at Prizm kept checking in with us to make sure we were OK. Peter and the team really care about their clients, and we can't thank Prizm enough for the advice and support provided."

Peter explains: "These days, no business should be without cyber insurance, the risks are just too great. It has been estimated by Aviva that any business is 5 times more likely to have a cyber claim than any sort of property insurance claim, yet most businesses are far more likely to insure their office tables and chairs rather than their data, which is scary!"

For more information on PI-KEM, visit www.PI-KEM.co.uk