



CRA Announcement

Enforcing cyber insurance coverage

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Enforcing cyber insurance coverage: When the proximate cause is the cyber event

Two recent court decisions reinforce the notion that when policies refer to coverage for losses that are directly related to a particular cyber event, it means losses where the *proximate* cause is the cyber event. Companies with cyber coverage may want to consider action to enforce coverage provisions.

In *American Tooling Center, Inc. v. Travelers Casualty and Surety*, No. 17-2014 (6th Cir. 2018) and *Medidata Solutions, Inc. v. Federal Insurance Company*, No. 17-2492 (2nd Cir. 2018), the Courts ruled that “directly cause” had the same practical meaning as proximate cause and that attenuated arguments advanced by insurers to deny claims didn’t hold water. Victims of cyberattacks may find comfort in pursuing claims where they can meet that proximate cause standard. That should shift the focus of discussions between insureds and the companies to that issue and to the question of whether, “but-for” the cyberattack, the injury would have occurred. That is familiar ground for damages claims and one where robust analytical tools are in place.

See our infographics on [cyber damages](#) and [cyber insurance coverage](#).

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