

CASE STUDY

Property manager experiences funds transfer fraud through compromised vendor



INDUSTRY

Real Estate

EMPLOYEES

<25

COVERAGES

Funds Transfer Fraud

A property manager was purchasing a new property as part of a portfolio expansion. They enlisted the help of one of their vendors, a bookkeeper, to help with this transaction; unfortunately, the bookkeeper's email had been compromised.

A threat actor intercepted emails sent to the property manager and provided alternative account information for where payment should be sent. Unaware of the compromised email account, they completed the transaction and sent more than \$180,000 to the threat actor's fraudulent account.

After realizing something was wrong, the property manager contacted Coalition the next day.¹ Our Claims team immediately contacted the receiving bank and attempted to recover the funds but was unsuccessful. The Funds Transfer Fraud (FTF) and Breach Response coverages in their policy¹ covered more than \$167,000 after a \$12,500 self-insured retention. We also connected them with a breach counselor for a consultation to review the claim and determine any next steps. In the end, the property manager learned that the cybersecurity posture of your vendors is just as important as your own.

Coalition¹ brings together active monitoring, incident response, and comprehensive insurance to solve cyber risk. To learn more, visit coalitioninc.com.

¹ 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.