

Partner Eric Stern quoted extensively in Information Week article: Merck's Cyberattack Settlement: What Does it Mean for Cyber Insurance Coverage? 1-12-2024

Pharmaceutical giant Merck reached a confidential settlement with its insurers regarding its 2017 \$1.4B cyberattack damages claim.

"It's confidential settlement, so it's hard to really use as a predictor," Eric Stern, a partner at national law firm Kaufman Dolowich, tells InformationWeek.

"We are talking about a 2017 attack, policies that were written almost a decade ago," says Stern. "Cyber has changed and developed so much in that time."

Buying Cyber Insurance

Stern recommends working through exclusions when purchasing a policy, rather than risking a surprise when filing a claim. "When you're purchasing the policy, everyone wants the same thing. The insured wants the policy. The insurer wants to sell the policy, and [they] want to come to terms on what they're actually insuring to be able to set the price accordingly," he explains.

The Future of Cyber Insurance and Cyberwarfare

"I think that the cyber litigation is just getting started," says Stern.

But the road forward likely won't be without bumps for insurers and insureds. "With new products that get out on the market, they'll probably [disagree] about how it applies to any given claim and the lawsuits will ensue," says Stern.