

Beth Waller Offers Perspective on CrowdStrike Outage

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Woods Rogers Principal and leader of our Cybersecurity & Data Privacy Practice Beth Waller was a frequently cited media source in the aftermath of the July 19 CrowdStrike outage that set businesses around the country in a spiral, scrambling to operate without their systems. Unfortunately for those companies – which ranged from major airlines to 911 call centers – and others that relied on CrowdStrike’s cybersecurity system, there isn’t much that can be recouped financially for the downtime. Thanks to the security company’s limited terms and conditions, little more than a refund could be expected.

Moreover, Beth points out that many companies will turn to their cyber insurance policies, which might govern “contingent business interruption” or “dependent business interruption.” “If I’ve got a big stop sign in front of me – terms and conditions against CrowdStrike – or if I can only get a refund, then I need to go look to my own cyber insurance policy,” she told Business Insider in an interview that has been picked up by multiple media outlets.

While many cyber insurance policies cover only malicious events like hacking, Beth predicts this situation will be tested: “We’ve just got a software glitch. I imagine we’re going to see lawsuits filed against cyber insurance carriers for years to come on this outage. This is pretty big, from a cyber insurance standpoint. I think this is also going to spawn a lot of litigation about what’s covered and what is intended under these different policies.”

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