

**Date:** [Insert Date]

**To:** [Insert Recipient Name/Board of Directors]

**From:** [Insert Name/Title]

**Subject:** Advisory on Cyber Insurance Coverage and Ransomware Payment Policy

Dear [Recipient Name],

This letter provides a formal advisory regarding our organization's cyber insurance positioning and our strategic stance on ransomware payments in the event of a critical security breach.

## 1. Cyber Insurance Coverage Overview

Our current policy with [Insurance Provider Name] includes coverage for:

- Incident response and forensic investigations.
- Legal counsel and regulatory notification costs.
- Business interruption and lost revenue recovery.
- Data restoration and system recovery.

## 2. Ransomware Payment Policy

Regarding the payment of ransoms to threat actors, our advisory stance is as follows:

- **Prioritization of Restoration:** Our primary strategy is to restore operations via secure offline backups rather than engaging in financial negotiations with attackers.
- **Legal and Regulatory Compliance:** We must ensure any potential payment complies with OFAC (Office of Foreign Assets Control) regulations and local laws to avoid criminal liability.
- **Insurance Limitations:** While our policy may include a "Cyber Extortion" clause, reimbursement is subject to strict evidence of "no other viable alternative" and prior written consent from the insurer.

## 3. Immediate Action Requirements

In the event of a ransomware demand, the following protocol must be observed:

- Immediate notification of the IT Security Team and Legal Counsel.
- Activation of the Cyber Insurance claims process before communicating with threat actors.
- Engagement of a certified third-party ransomware negotiation firm if deemed necessary.

## 4. Conclusion

Cyber insurance is a risk-transfer mechanism, not a guarantee of data recovery. We recommend a semi-annual review of our policy limits to ensure they align with the current threat landscape and organizational valuation.

Sincerely,

[Signature]

[Insert Name]

[Insert Title]

[Insert Organization Name]