



Cyber Extortion

Criminals Use Your Data to Fine-Tune Demands



CYBER CRIMINALS are increasingly stealing companies' data to bolster their ransomware extortion demands, according to a new report by cyber insurer Resilience.

As part of these tactics, hackers are infiltrating company databases before launching attacks to better understand their defenses and the value of their data and maximize ransom demands. They are also searching for companies' cyber insurance policies to tailor demands to coverage and maximize payouts.

The results emphasize the importance of employers adapting their defenses to evolving cyberattacks that, if large enough, can cripple an organization's ability to recover.

This shift toward a focus on data has been rapid. Data theft-only attacks rose from 49% of extortion claims in the first half of 2025 to 65% in the second half, according to the "Resilience 2025 Cyber Risk Report."

Criminals now infiltrate networks, quietly move through databases and assess which data has the highest regulatory, legal or competitive value — then structure ransom demands accordingly.

In some cases, threat groups have gone further by searching stolen files for cyber insurance policies. Groups such as Interlock have reviewed policy details to calibrate ransom demands within coverage limits and increase the odds of payment.

Extortion has also become layered. Attackers may:

- Demand payment to decrypt systems.
- Demand additional payment to suppress stolen data.
- Threaten customers or business partners directly.

Points of failure: Where attackers are getting in

The report emphasizes that hackers are primarily focused on gaining access by stealing or abusing employees' login credentials.

According to the Resilience report, key points of failure include:

Phishing: The resurgence of phishing in 2025 suggests AI is making campaigns more believable and scalable. AI-generated phishing campaigns are achieving success rates as high as 54% compared with 12% for traditional methods.

New tools allow attackers to craft highly personalized messages, impersonate executives and bypass language barriers. Deepfake audio and video are expected to raise the risk of executive impersonation and fraudulent wire transfers next year.

Vendor compromise: When critical vendors are breached, losses can cascade across entire industries.

Ways vendors are compromised

- Vendor ransomware that spreads business interruption to clients
- Vendor data breaches that expose customer information
- Non-malicious vendor outages that disrupt operations

Credential theft via infostealers: More than 2 billion credentials were harvested in 2025, often serving as an early warning sign of a larger ransomware attack.

How to protect your firm

As threats evolve and cyber attackers use new tactics, employers will need to react accordingly. Organizations may consider:

- Investing in data loss prevention and zero-trust software.
- Deploying multifactor authentication and e-mail authentication protocols.
- Monitoring for stolen credentials on the dark web and rotating session tokens immediately when a compromise is detected. This will often require contracting with vendors that specialize in this area.
- Developing vendor incident contingency plans that address supply chain failures.
- Conducting tabletop exercises to rehearse coordinated legal, technical and communications responses.
- Reviewing cyber insurance policy limits to ensure coverage reflects current severity levels rather than historical averages.

If you have concerns about potential cyber risks, give us a call to discuss your cyber insurance options.

Cal/OSHA Proposes New First-Aid Kit Rules

THE CAL/OSHA Standards Board is in the final stages of approving updates to its first-aid kit rules, which could take effect later this year.

The proposal aims to ensure that kits are easily located in the workplace and that they can be accessed within three or four minutes from any part of a worksite. Employers will also be required to assess any “unique hazards” in the workplace and provide additional specialized first-aid supplies as needed to address those risks.

According to the Standards Board, the goal of the changes is to reduce the time it takes an injured employee to receive first aid treatment and improve the effectiveness of treatments.

Under the proposal, Class A first-aid kits would be required to meet the American National Standards Institute/International Safety Equipment Association Standard (ANSI/ISEA) known as the “Minimum Requirements for Workplace First Aid Kits and Supplies.”

If employers don’t want to use a kit that complies with the new standard, the proposed rules would allow employers to consult with a physician or other licensed health care professional about their choice of first-aid kit supplies.

While first-aid kits are primarily for minor injuries, the Standard Board said it included ANSI/ISEA-required breathing barriers to improve the effectiveness of resuscitative breathing and cardiopulmonary resuscitation, which can improve a person’s chances of survival while waiting for emergency services.

Employers will also be required to evaluate the need for first-aid supplies and ensure that there are adequate quantities and types of first-aid materials readily available for employees at each job site.

At a minimum, employers shall furnish at least one approved first-aid kit. But based on the employer’s size and the type of hazards in the workplace, employers shall evaluate the need for:

- Additional first-aid kits,
- Additional types or quantities of first aid equipment and/or supplies.

The required contents of kits are changing, with four new items and four items being jettisoned. The proposed regulations would require the below to be in most first-aid kits



Proposed Kit Contents

- Adhesive dressings
- Adhesive tape rolls, 1-inch wide
- Eye dressing packet
- 1-inch gauze bandage roll or compress
- 2-inch gauze bandage roll or compress
- 4-inch gauze bandage roll or compress
- Sterile gauze pads, 2-inch square
- Sterile gauze pads, 4-inch square
- Sterile surgical pads suitable for pressure dressings
- Triangular bandages
- Medical exam gloves (NEW)
- Tweezers
- Cotton-tipped applicators
- Antibiotic treatment, single-use application (NEW)
- Antiseptic, single-use application (NEW)
- Flashlight
- Magnifying glass
- Single-use disposable barrier device for CPR in workplaces where performance of CPR may be required (NEW)
- Appropriate record forms
- Up-to-date “standard” or “advanced” first-aid textbook, manual or equivalent

The above eliminates the following from the list of items currently required:
Safety pins, scissors, forceps, emesis basin, portable oxygen and its breathing equipment.

Is Your Property Covered During Renovations?

COMMERCIAL PROPERTY owners are often surprised to learn how strict insurance policies can be once a building is considered vacant.

Under commonly used property insurance forms developed by the Insurance Services Office, coverage for certain types of damage can be sharply limited if a building has been vacant for more than 60 consecutive days.

At the same time, those ISO forms – and decades of court rulings – recognize an important exception: a building that is under construction is not treated as vacant. Just as important for property owners planning upgrades, that exception has been extended to buildings under renovation as well.

How vacancy exclusions work

Most ISO-based commercial property policies include a “vacancy loss condition.” If a covered building has been vacant for more than 60 consecutive days before a loss, coverage is either reduced or eliminated for certain causes of loss.

For buildings vacant beyond that 60-day window, ISO forms typically provide:

- No coverage for vandalism, sprinkler leakage (unless protected against freezing), building glass breakage, water damage and theft or attempted theft.
- Reduced coverage for other covered causes of loss, usually a 15% reduction in the amount paid.

What counts as “vacant” depends on who is insured. For tenants, vacancy generally means the space does not contain enough business personal property to conduct customary operations. For building owners, vacancy usually turns on whether at least 31% of the total square footage is rented or used for normal operations.

These provisions are designed to address higher risk. Empty buildings are more vulnerable to vandalism, undetected water leaks and theft because fewer people are present to spot problems early.



Construction and renovation exemptions

ISO forms carve out an important exception: buildings under construction are not considered vacant, even if they would otherwise meet the definition of vacancy.

Construction sites usually have workers present, materials moving in and out and regular activity that reduces the risks vacancy exclusions are meant to address.

Over time, courts have extended that same reasoning to renovation work on existing buildings. A key case is *TRB Investments, Inc. v. Fireman’s Fund Ins. Co.*, decided by the California Supreme Court in 2006. In that case, the court ruled that a policy’s exception for buildings “under construction” also applied to a building undergoing renovation.

The court reasoned that renovation activity can involve just as much – or more – daily presence as new construction. From a risk standpoint, it would not make sense to treat a building undergoing renovation as vacant while protecting one under construction.

That reasoning is now reflected directly in ISO’s commercial property forms.

The takeaway

Vacancy exclusions are one of the most misunderstood parts of commercial property insurance. ISO forms and court decisions offer meaningful protection for buildings under construction or renovation, but that protection depends on real activity taking place.

Before you start a renovation, call us for a review of your policy language to confirm how your policy defines vacancy and to discuss whether supplemental coverage makes sense. Doing so can help ensure that a temporary period of renovation does not turn into an unexpected coverage problem after a loss.

How to Avoid Employee Retaliation Claims

RETALIATION IS the most common employment-related claim filed with the U.S. Equal Employment Opportunity Commission and OSHA and often accompanies discrimination, harassment complaints, workplace injury and work safety whistleblower complaints.

These claims can be more difficult to defend than the underlying allegation because courts interpret retaliation broadly and juries closely scrutinize timing and intent. As a result, these cases can be costly to defend even if the complaint is found to be meritless.

Retaliation occurs when an employer takes an adverse employment action against a worker because that individual engaged in protected activity, including termination, demotion, suspension, denial of promotion, reduced hours or reassignment to a less desirable shift.

It can also involve more subtle conduct such as heightened scrutiny, exclusion from meetings or workplace ostracism if it would dissuade a reasonable person from raising concerns.

Protected activities

- Filing or threatening to file a discrimination charge.
- Reporting harassment to a supervisor or human resources.
- Participating in an investigation or testifying in a proceeding.
- Requesting a reasonable accommodation for a disability or religious practice.
- Taking leave under the Family and Medical Leave Act.
- Reporting a workplace injury or filing a workers' compensation claim.
- Raising workplace safety concerns under the Occupational Safety and Health Act.

How employers can reduce their risk

- Publish and regularly communicate a clear anti-retaliation policy.
- Train managers and supervisors on what constitutes protected activity and prohibited conduct.
- Promptly investigate complaints. Document the process thoroughly.
- Keep knowledge of complaints on a need-to-know basis.
- Conduct follow-up check-ins after investigations close.
- Ensure discipline is consistent with past practice.
- Review the timing of employment decisions if they occur after a worker raises issues.
- Use documentation that is factual.

Urgent: New Notice Requirement

IF YOU have not yet distributed the state's new required "Workplace Know Your Rights" notice to your workers, you've missed the Feb. 1 deadline to do so and need to get on it immediately.

California's Workplace Know Your Rights Act (SB 294) mandates that employers provide all employees with an annual, stand-alone written notice detailing key workplace rights, including immigration protections, union organizing, workers' compensation and law enforcement interactions. Under the law, notices must be distributed by Feb. 1, 2026, and to new employees upon hiring.

One more deadline: The law also requires employers, by March 30, 2026, to give employees the opportunity to designate an emergency contact and indicate whether that contact should be notified if they are arrested or detained at work.

The Labor Commissioner has issued downloadable templates in English and Spanish.

If you have any questions regarding any of these articles or have a coverage question, please contact your broker at:

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