

Scott Seaman Discusses Court Ruling that Held War Exclusions Do Not Bar Coverage for Government-Sponsored Cyberattacks

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Scott Seaman—Chicago-based partner and co-chair of Hinshaw’s global Insurance Services Practice Group—reacted to a New Jersey appellate court decision that held that war exclusions in insurance policies do not bar coverage from a government-sponsored cyberattack. Seaman stated in *Law360 Insurance Authority* that government-sponsored cyberattacks can inflict harms that potentially reach into the trillions of dollars.

Seaman referenced a report issued by the U.S. Government Accountability Office, which warned that cyberattacks on critical infrastructure may “affect entire systems and result in catastrophic financial loss” beyond what can be covered by private insurance or government backstops.

“There are some losses — like pandemics and terrorism — that are capable of producing losses beyond which insurers can adequately calculate, control, or respond to without threat to their solvency,” Seaman said. “Large cyber events, particularly government-sponsored events, may fall into this category.”

[Read the full article](#) (subscription required)

“Merck’s War Exclusion Appeal Win May Shift Policy Language” was published by *Law360 Insurance Authority* on May 3, 2023.

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