



## Cyber Today

Outlook, Underwriting Challenges and Recommendations  
Thursday, August 17, 2017



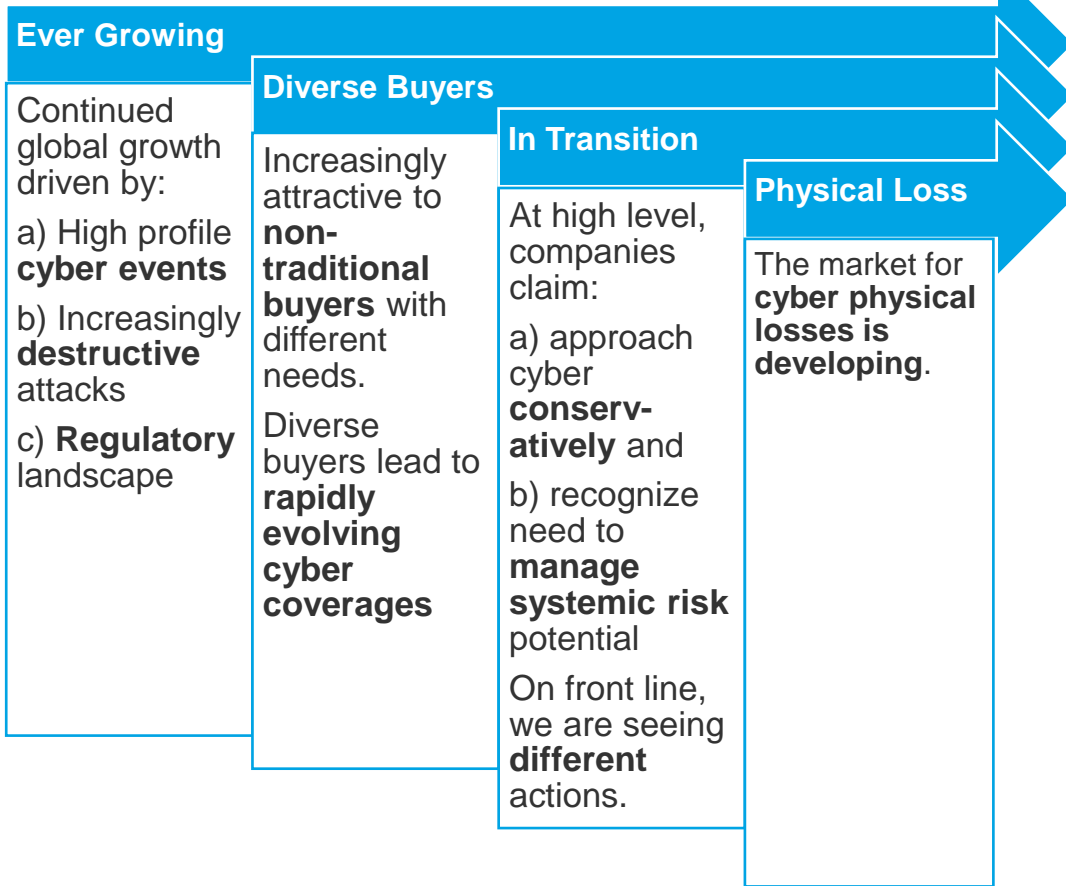
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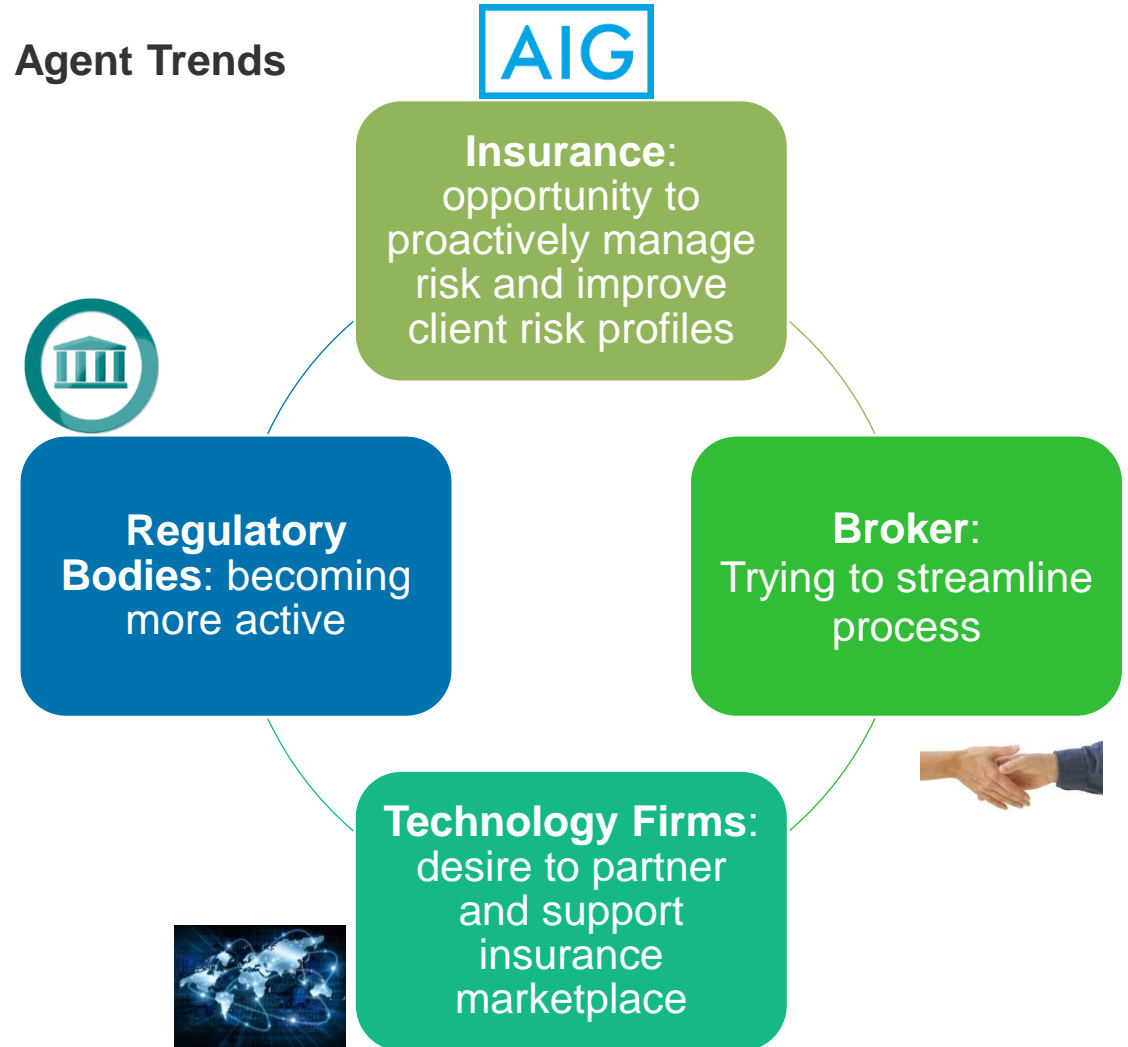
# Outlook

The cyber security market is rapidly evolving to meet the commercial sector's growing dependence on information networks to conduct business

## Market Trends



## Agent Trends



# Underwriting Challenges

Underwriting challenges are evolving as the nature of cyber risk expands. High quality data, risk management and partners are essential to ensure the insurance industry's ability to meet cyber security risks.

## Data Quality

Quality data is crucial to the sustainability of expansive cyber insurance

- Data required to properly differentiate risk is **extensive**
- There is a lack of visibility on **supply chain**, which makes risk analysis more difficult

## Risk Management

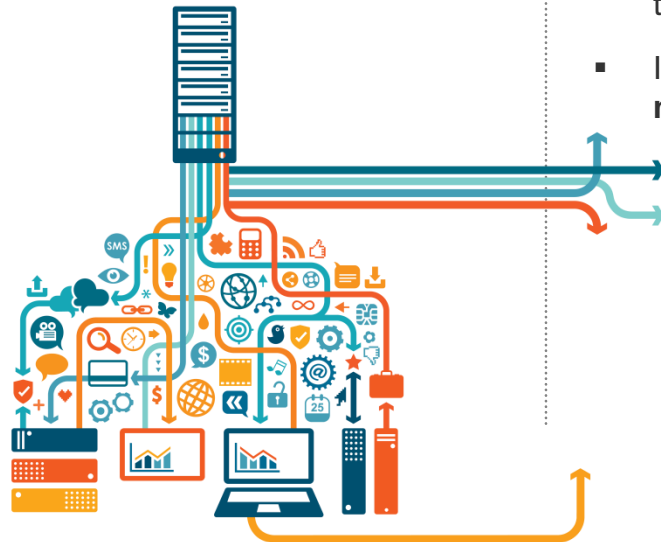
Aggregation risk and coverage expansion require dedicated, data-equipped risk management

- Managing **systemic cyber risk** across all coverage lines
- Management of resources and expertise as **non-physical cyber coverage expands** into traditional physical loss based policies
- Identification, evaluation and modeling of the **nodes of aggregation**

## Partners

Coverage comparability and education are essential to healthy competition

- As more carriers enter the market, **coverage comparison** becomes more challenging for brokers
  - Brokers are responding with broker forms and a desire to streamline the process
- There is a significant **education gap** as more brokers, clients and underwriters enter the cyber insurance market,



# Recommendations

Proper education, risk management and cyber security incentives can lay the foundation for national cyber security as the threat landscape continues to grow and evolve.



# Q&A