

# Security & Privacy Insurance Landscape

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Federal Advisory Committee on Insurance  
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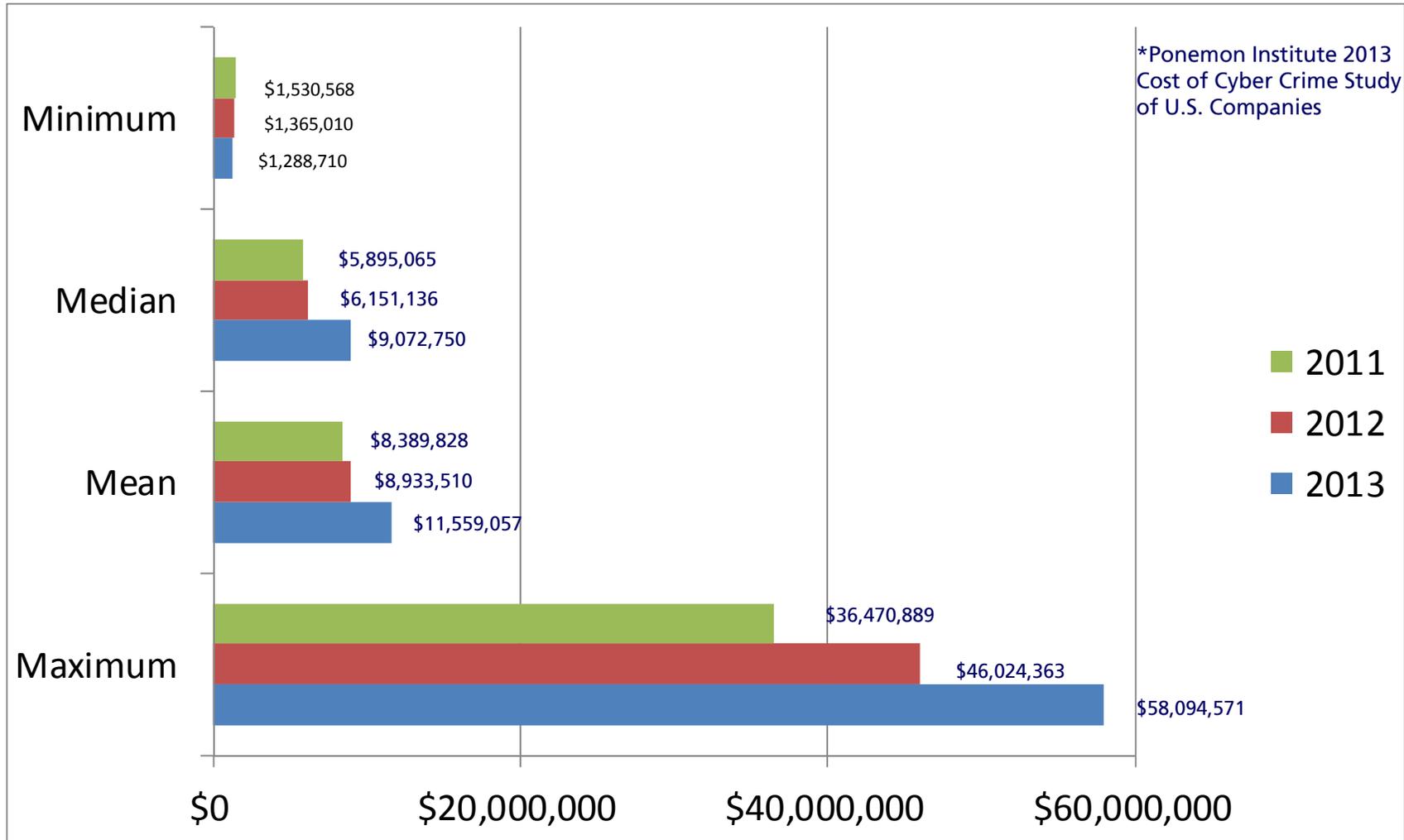
# Security & Privacy Marketplace



- Estimated \$1.0-\$1.3B GWP market YE 2013<sup>1</sup>
- Buyers of S&P insurance: 35% in 2011, 52% in 2012 and 2013<sup>2</sup>
- Global brokers:
  - 30% increase in new buyers
  - 20% increase in new limits
- New and varied capacity
- Shortening sales cycle
  - New industries
  - Increased BoD awareness
- Emerging exposures
- Loss data is a moving target

1. Guy Carpenter's State of the Tech/Cyber market report (2012) and Management Liability – Market Overview report (Oct. 2013)
2. Advisen 2014 Information Security & Cyber Liability Risk Management Survey of Risk Managers

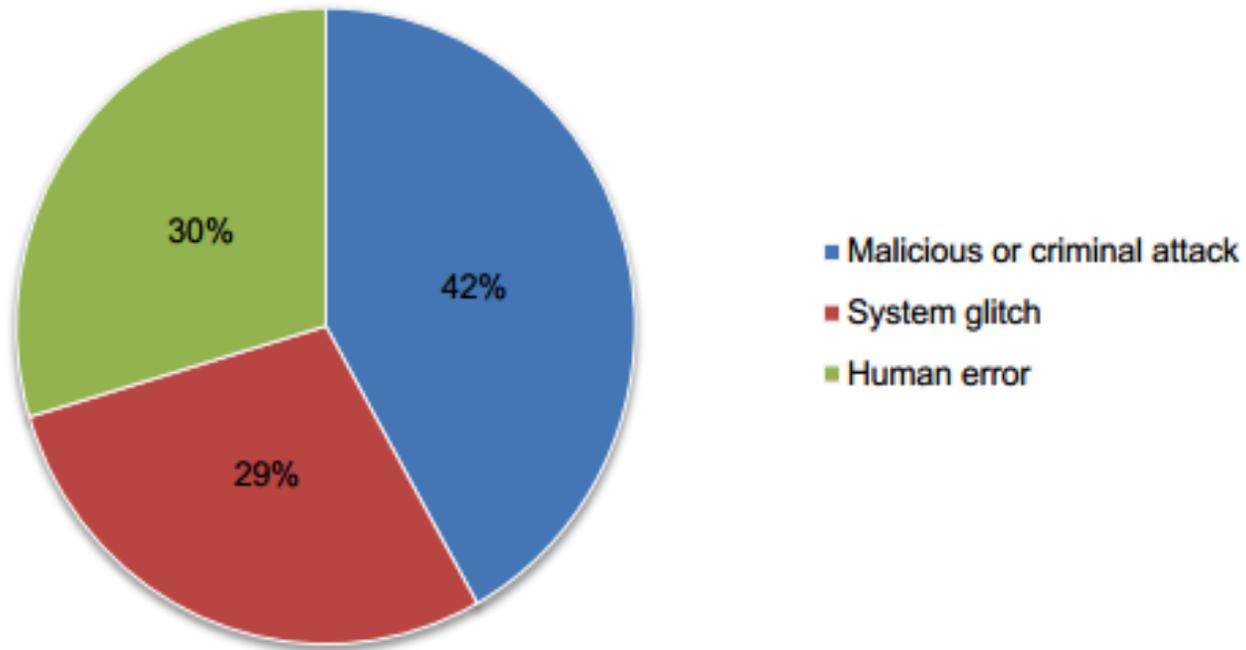
# Total Cost Trend of U.S. Cyber Crime 2011 - 2013



# Cost Per Record Based on Type of Breach

## Distribution By Cause

**Figure 5. Distribution of the benchmark sample by root cause of the data breach**  
Consolidated view (n=314)



# Overview of Breach Exposures:

## •Crisis Management Costs

- Legal, public relations or other service fees
- Advertising or related communications

## •Costs of Notification

- Forensic investigation
- Printing, postage or other communications to customers
- Credit monitoring services

## •Business Interruption Losses

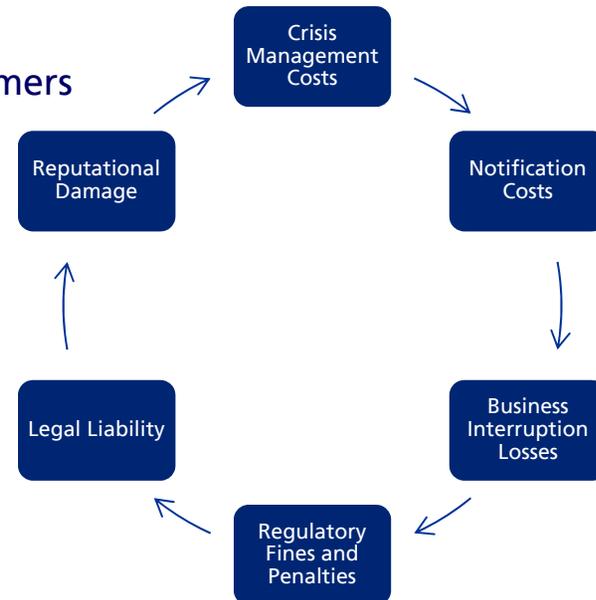
- Loss of Income
- Costs to Recreate Lost or Stolen Data
- Extra Expenses

## •Regulatory Fines and Penalties

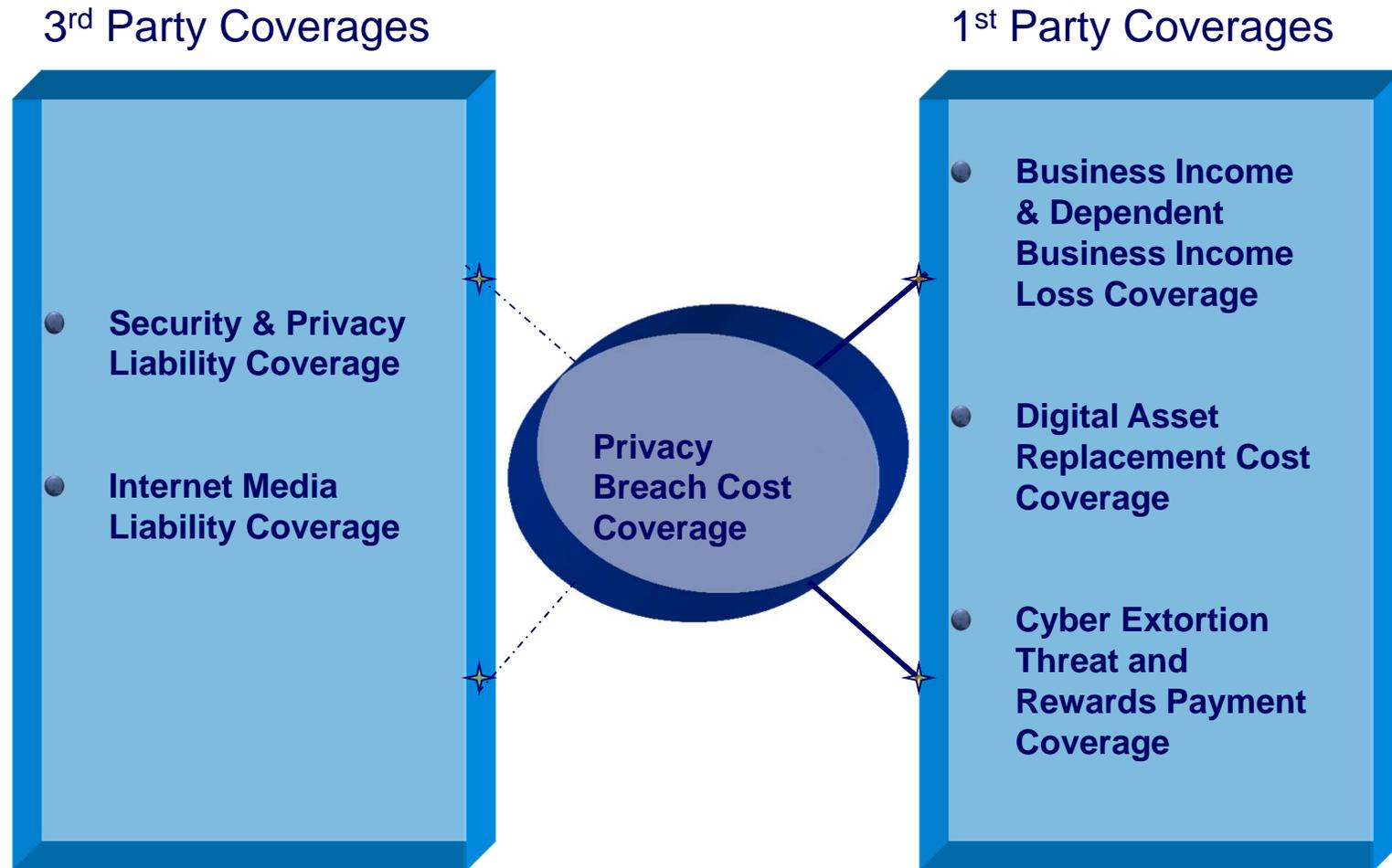
## •Legal Liability

- Class action litigation
- Suits from Customers and Vendors

## •Reputational Damage



# Coverage Overview



## Other exposures and resources

- “C.H.E.W”<sup>1</sup>
  - Crime
  - Hacktivism
  - Espionage
  - War
- Hyperconnectivity
  - System-wide risk
  - Local risk
  - Recommendations
  - The Atlantic Council “Risk Nexus” report
- Legislative items
  - State-specific
  - SEC Guidance
  - Executive Order and N.I.S.T. framework

# Thank you