

Cyber Risk

Data privacy and cyber risk is a leading issue for many organizations as cloud computing, social media, corporate mobile device policies, big data, and state-sponsored espionage have grown. In an increasingly punitive legal and regulatory environment and more frequent contractual insurance requirements specifying cyber liability, insureds must take proactive steps to explore and transfer cyber risk. Policyholders expect their insurance companies to provide products to transfer this risk and help to respond to a breach or claim. This environment creates both a need for insurers to stay current and gives them an opportunity to grow.

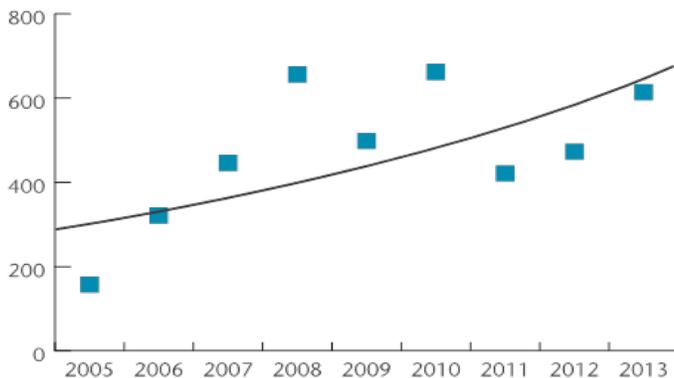
An increasing trend

A recent Advisen Survey showed that only 4 percent of companies with \$2.5 million in revenue or less reported purchasing cyber coverage. The average total cost of a data breach continues to rise however, and in 2013, the Betterley Report estimated \$1.3 billion of premium was spent for cyber insurance.

The number of data breaches occurring per year is also rising. From 2005 - 2013, an estimated total of 4,350 data breaches were reported, exposing over 1.05 billion confidential records (Privacy Rights Clearinghouse, June 2014).

According to the National Small Business Association, 44 percent of small businesses reported they had been struck by a cyber-attack. Symantec also reported that 36 percent of all targeted attacks (58 per day) were directed at small businesses with 250 or fewer employees.

Number of U.S. data breaches by year



Source: The Identity Theft Resource Center

We're here to empower results

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Visit aonbenfield.com to learn more about the world's leading reinsurance intermediary and full-service capital advisor.

Our unique offering

Aon Benfield offers insurance companies access to a variety of embedded breach response and cyber insurance products. The various providers have unique loss control and risk mitigation features. A critical component is the comprehensive services to notify and protect the customers of policyholders that have suffered a data breach. Aon Benfield along with specialist reinsurers offer a seamless process affording a complete complement of underwriting, claims, filing, and administrative support services to insurance companies. The products are priced and underwritten by reinsurers on a portfolio basis and reinsured on quota share basis up to 100 percent. Companies choose whether to have this product included within, or endorsed onto, their existing coverage form.

Provider ¹	Limits	Deductibles	Target Market	Response
Company A	Up to \$1 million	\$1,000 to \$2,500	Small Commercial	Forensics and response via 3rd party.
Company B	Up to \$1 million + by special request	\$500+	Commercial and Professional	Silent
Company C	Up to \$5 million	\$10,000+	Larger Professional, Financial Institutions, Higher Education, Retail	Forensics and response. Own services.
Company D	Up to \$1 million, typically lower	\$1,000 to \$2,500	Small Commercial	No forensics. Provide response via 3rd party.

¹ Aon Benfield has access to several providers of turn-key embedded cyber insurance solutions. The above is for illustrative purposes to outline a few differentiators for consideration.

Increase your market share and business retention with value-added and superior coverage

- Comprehensive data breach and cyber coverage and services
- Services and resources to help insured determine root cause of breach and comply with federal and state laws and their unique notification requirements
- Very competitive rating programs
- Flexible quota-share options with lucrative ceding commission and profit sharing
- Reinsurance arrangements allow participation with limited liability via quota share cession up to 100%
- Financially strong, “A” rated, specialist reinsurance partners available