

GENEVA ASSOCIATION REPORT ANALYSES CYBER RISK AND CYBER RISK INSURANCE

- Report compiles and analyses a database of 211 of the most significant industry reports and academic papers on cyber risk and cyber risk insurance
- Cyber risk represents a tremendous new market and an opportunity for the insurance industry but also creates a number of challenges to insurability
- The report discusses various ways to overcome cyber risk insurability limitations and makes recommendations to the insurance industry and governments on preventing cyber risks and supporting cyber insurance

(Zurich, 07 December 2016) The leading international think tank of the insurance industry, The Geneva Association, has today published a report, *Ten Key Questions on Cyber Risk and Cyber Risk Insurance*.

The report provides an overview of the main research topics in cyber risk and cyber risk insurance and is intended as a 'primer' on this emerging and dynamic field. It provides an overview of the main areas of research and the key studies conducted in the field to date and makes some initial recommendations about the potential role of insurers and governments in addressing cyber risks. In doing so, the report lays the groundwork for discussion and future research on the development of cyber risk and the cyber insurance market. The report been compiled for the relevant stakeholders in the insurance industry, governments, academia and policymakers as well as for the wider public.

Information and communications technology (ICT) has become an essential contributor to our daily lives. Not only is it the engine of trade and of the global financial system, but it is also a vital component of our most critical infrastructure. However, with our exponentially increasing dependence on ICT come risks related to its security, integrity and failure—so called cyber risk. Currently, cyber risk is still in its infancy, but it has the power to constrain the forward momentum of technology and adversely impact the world economy. The insurance industry will play a fundamental role in addressing these risks in its capacity as the key risk management and mitigation service in our economies and society.

The report is the first product of a new Geneva Association research programme on Cyber and Innovation to deliver insights and provide a platform for industry discussion on cyber risk and insurance. The papers analysed in the report illustrate the challenges to insuring cyber risk, especially due to a lack of data and modelling approaches, the risk of change and incalculable accumulation risks. It also discusses various ways to overcome these insurability limitations and makes recommendations to the insurance industry and governments on how to prevent cyber risks and support cyber risk insurance.

Deputy Secretary General of The Geneva Association and editor of the report, Dr Fabian Sommerrock said, "We are very pleased to publish this report which provides an insight into the current level of understanding about cyber risk and cyber risk insurance. Society's ever-growing reliance on ICT means that the risks of its failure, be it from malicious acts or system malfunction, are increasingly significant. This report has been provided to increase understanding of the risk and support the insurance industry's role in mitigating and managing it for the benefit of individuals, institutions and governments alike."

Professor Martin Eling, co-author of the report and Director of the Institute of Insurance Economics at the University of St. Gallen said, "The report provides us an opportunity to become part of the global dialogue on effective cyber risk management. Future work is necessary not only for the insurance industry and the government, but also much more academic research is needed to improve our understanding of this new and important type of risk."

The report and a summary of its contents are available on The Geneva Association's website:

Report - <https://www.genevaassociation.org/media/954708/cyber-risk-10-key-questions.pdf>

Summary - https://www.genevaassociation.org/media/955487/cyber-risk-10-key-questions_summary.pdf

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About The Geneva Association

The Geneva Association is the leading international insurance think tank for strategically important insurance and risk management issues. It is a unique platform for dialogue between leaders of the insurance industry and key decision-makers at the international and national levels to evidence the important social and economic role of the insurance industry.

The Geneva Association identifies fundamental trends and strategic issues where insurance plays a substantial role or which influence the insurance sector. Through the development of research programmes, regular publications and the organisation of international meetings, The Geneva Association serves as a catalyst for progress in the understanding of risk and insurance matters and acts as an information creator and disseminator.

The Geneva Association membership comprises a statutory maximum of 90 chief executive officers (CEOs) from the world's top insurance and reinsurance companies. It organises international expert networks and manages discussion platforms for senior insurance executives and specialists as well as policy-makers, regulators and multilateral organisations.

Established in 1973, The Geneva Association, officially the "International Association for the Study of Insurance Economics", is based in Zurich, Switzerland and is a non-profit organisation funded by its membership.

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