



Commonality of risk assessment language in cyber insurance

Dr. Athanasios Drougkas and Theodoros Nikolakopoulos | ENISA
Cyber Insurance Validation Workshop | Brussels | 6th October

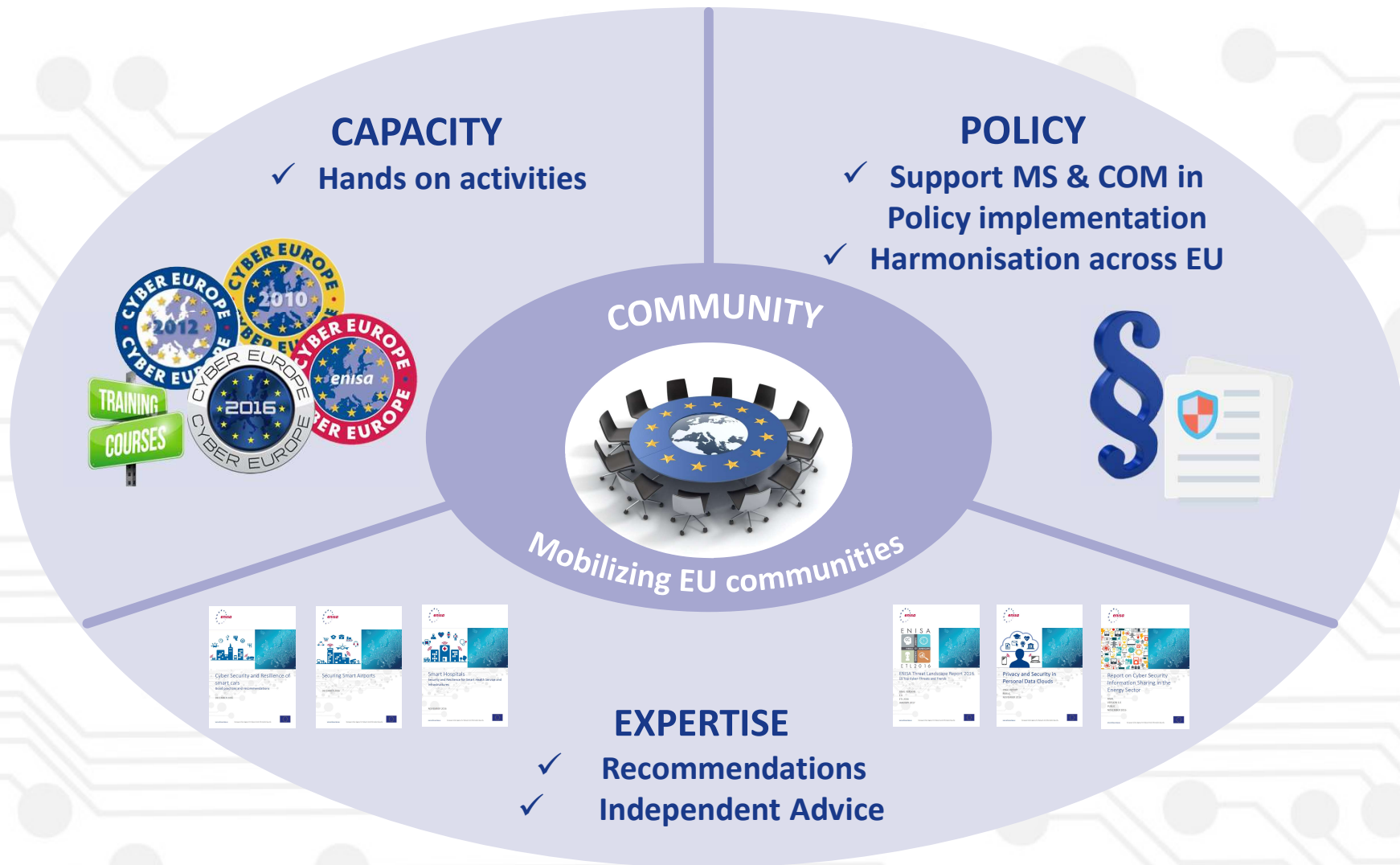
European Union Agency for Network and Information Security



Securing Europe's information society



Positioning ENISA activities



ENISA Work on Cyber Insurance

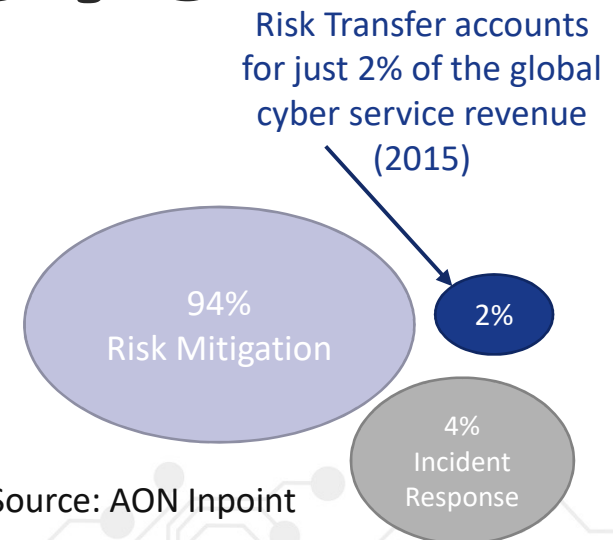
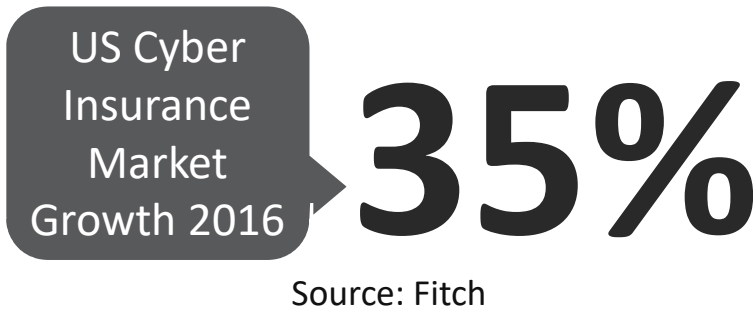


- Incentives and barriers of the cyber insurance market in Europe (2012)
 - *analysis of the structure and the characteristics of the cyber insurance market*
- Cyber Insurance: Recent Advances, Good Practices and Challenges (2016)
 - *good practices and challenges during the early stages of the cyber insurance lifecycle*
- **Commonality of risk assessment language in cyber insurance (on-going)**
 - *incentives and barriers towards harmonization/standardisation of risk assessment language in cyber insurance*

The Global Cyber Insurance Market



- The market is growing rapidly
- Figures refer to standalone cyber coverage
- The US Market has the lion's share (over \$1,35B)



The Global Cyber Insurance Market



- ↑ Currently a small % of overall cybersecurity spending but **rapidly growing**
- ↑ **High growth potential** as organisations become more aware of their cyber exposure
- ↑ Regulation has historically been one of the biggest drivers for market adoption of cyber insurance
- ↑ Growth is fuelled by the fact that cyber is now acknowledged as a **top global risk**
- ↓ Market growth is hampered by **lack of data**, particularly for aggregated loss scenarios
- ↓ **Lack of standardisation in policies** and limited understanding of options are an obstacle from the customer's perspective
- ↓ Constantly **evolving cyber threat landscape** increases complexity of cyber insurance offerings

Specifics of the EU Cyber Insurance Market



- Considered to be at its **early development stages**
- Generally **lagging behind the US Market** in terms of relative size and growth rate
- The **SME market segment** remains largely untapped
- **Data Breach policies** dominate the market but others are rising
- **New regulation** (NIS Directive, GDPR) is expected to drive the market growth in the EU similar to how Data Breach Notification requirements impacted the US market

Context of the study



Analysis of the commonality of Risk Assessment Language:

- Language used by insurance companies as part of their **underwriting process**, i.e. the questions asked to customers in order to feed a risk assessment process with information;
- Language used by insurance companies to define **insurance coverage**, i.e. what each coverage type addresses and/or includes.

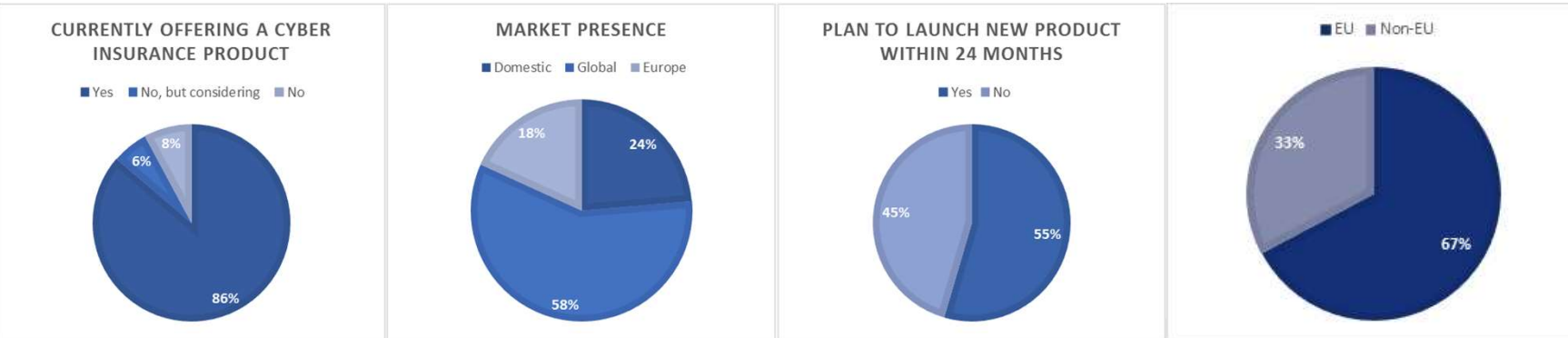
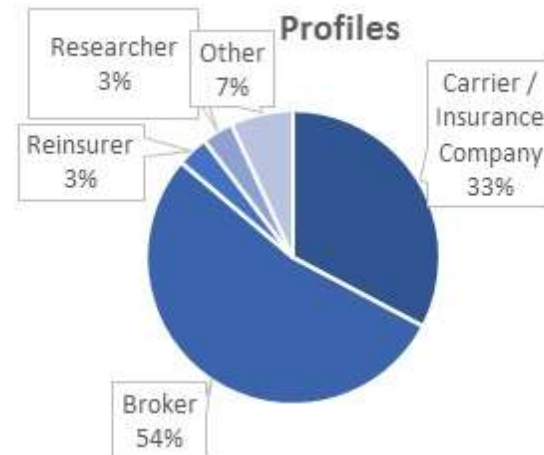
Scope of the analysis includes:

- **Existing risk assessment language frameworks** and how they compare to each other
- Current **industry practices** in terms of risk assessment language
- **Evolution/trends of risk assessment language** over the last years with a focus on points of convergence
- Documentation of the **incentives for and barriers against adopting a harmonized framework** in terms of risk assessment language from the insurance companies' perspective
- Any **challenges deriving from the lack of a common framework** from the consumer perspective

Study Methodology & Demographics



- Desk research
- Commercial Documents
 - *Underwriting questionnaires*
 - *Policies*
- Interviews (19)
- Online Survey (39)
- ANOVA



Project schedule and next steps



Validation of findings and recommendations

- Validation Workshop (6 October 2017, Brussels)
- Review of document by stakeholders – deadline 13 October

Deliverable

- Final deliverable published November 2017

Validation Workshop Agenda




SESSION 1 – Presentation of ENISA study and validation of recommendations		
10:15 - 11:15	Presentation of study findings and open discussion	ENISA, Audience
11:15 - 11:30 COFFEE BREAK		
11:30 - 13:00	Presentation of recommendations and open discussion	ENISA, Audience
13:00 - 14:00 LUNCH BREAK		
SESSION 2 – Evolution of the Cyber Insurance Market – Industry Perspectives		
14:00 - 14:20	Expanding the evidence base for cyber insurance	Ben Dean, President, Iconoclast Tech
14:20 – 14:40	Customers’ perspective on cyber insurance	Philippe Cotelte, Board Member, FERMA
14:40 – 15:00	Evolution of the cyber market	Jean Bayon de La Tour, Cyber Development Leader – Continental Europe MARSH
15:20 – 15:40	Global cyber market overview	Mark Buningh, Cyber Risk Practice Leader, AON Global Risk Consulting
15:40 – 16:10	Open Discussion	ENISA, Audience
16:10 – 16:15	Wrap up	



Thank you

 PO Box 1309, 710 01 Heraklion, Greece

 Tel: +30 28 14 40 9710

 CyberInsurance@enisa.europa.eu

 www.enisa.europa.eu

