

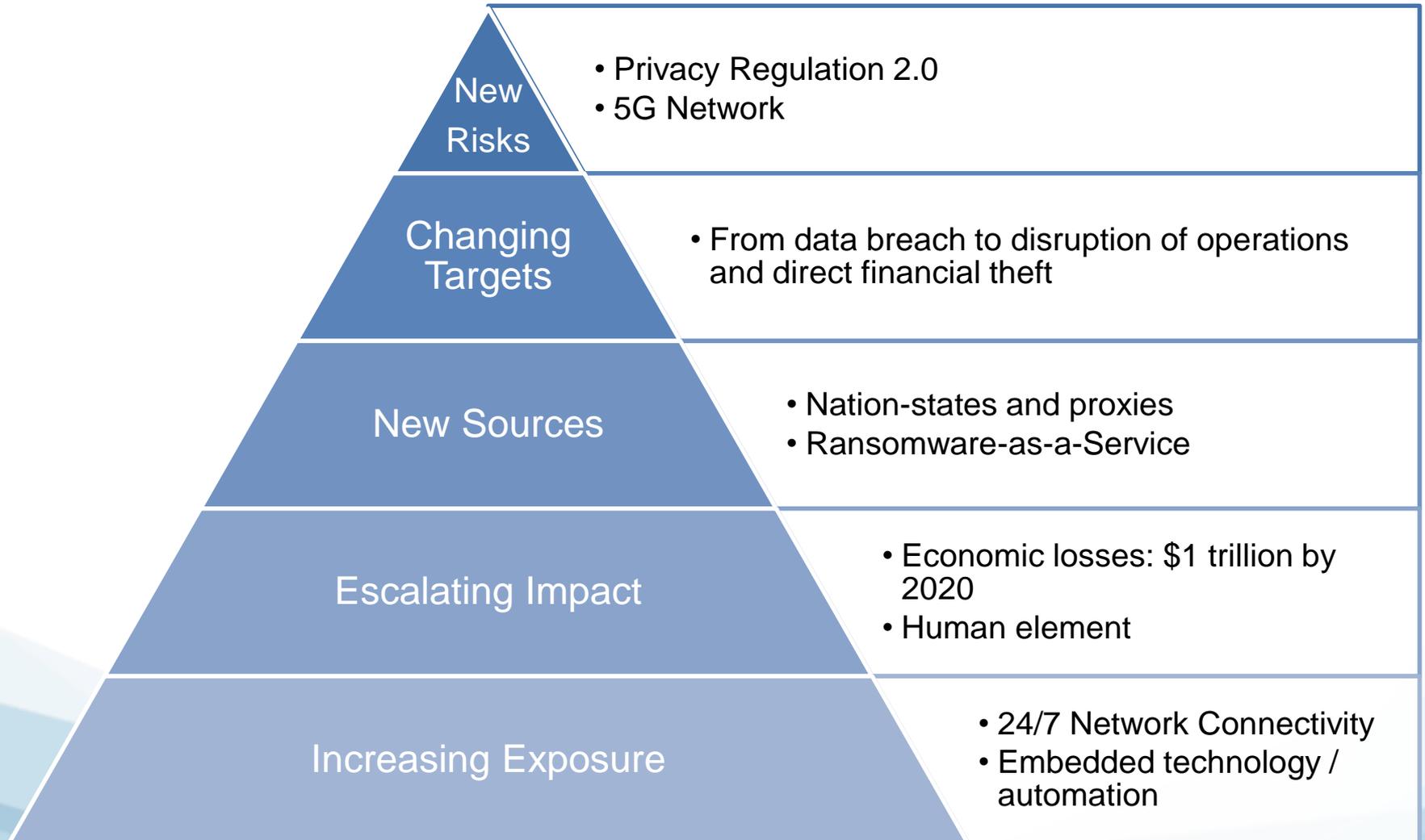
# CYBER: BEYOND DATA BREACH

April 18, 2019



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Cyber risk is expanding in scale, scope, severity and source



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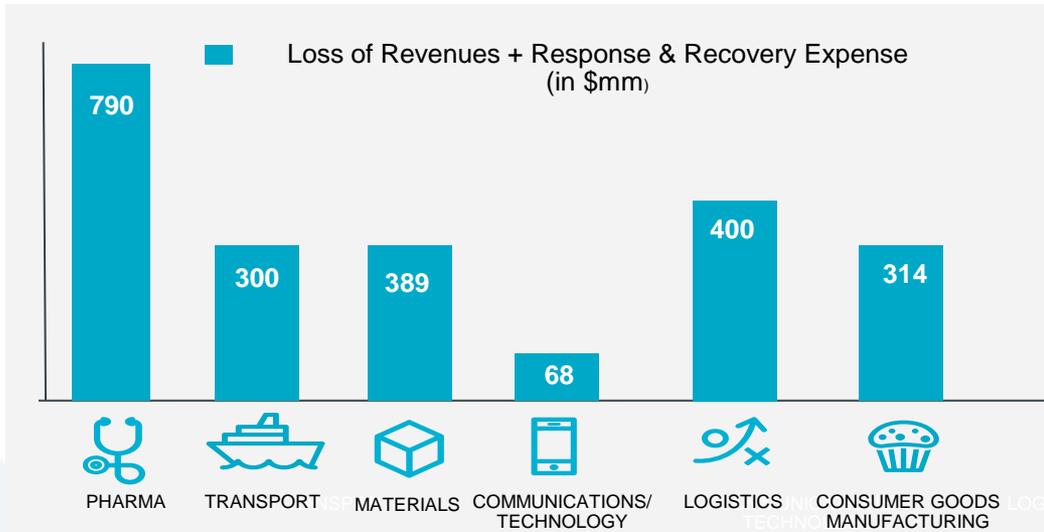
## NotPetya - A Multi-Billion Dollar Cyber Event



The goal of the attack was seemingly only pure destruction, although victim businesses collectively incurred over **\$2b in aggregate losses**.



Impacted businesses represented several industry sectors, some of which (transport, logistics and manufacturing) weren't previously considered susceptible to cyber risk, **largely due to their not holding large amounts of private data**.



### Elements of (Insurable) Loss:

- Revenues
- Investigation (forensics) expense
- Costs to replace hardware and software
- Additional payroll for employee overtime/ temporary staffing
- Costs to restore, recreate and replace digital assets
- Costs to replace third party outsourced services (where third party was infected)

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## “Silent Cyber” and Great Expectations



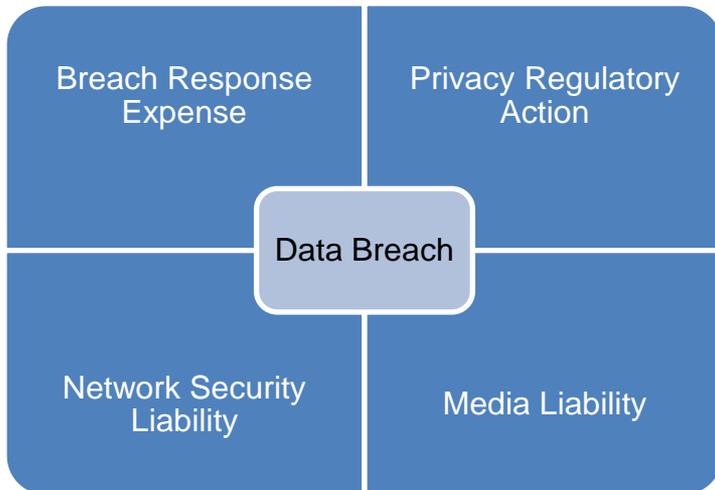
### **Major global consumer goods manufacturer – system disruption by NotPetya**

- Compromise to sales, distribution and financial networks across the organization, resulting in negative impact of 0.4% on \$25.9B revenues and despite execution of business recovery and contingency plans
- Additional, incremental expense incurred to investigate and remove malware, and restore systems
- Filed \$100M claim against its property policy, which included some element of cyber coverage
- Coverage has been denied on the basis of the war claim exclusion

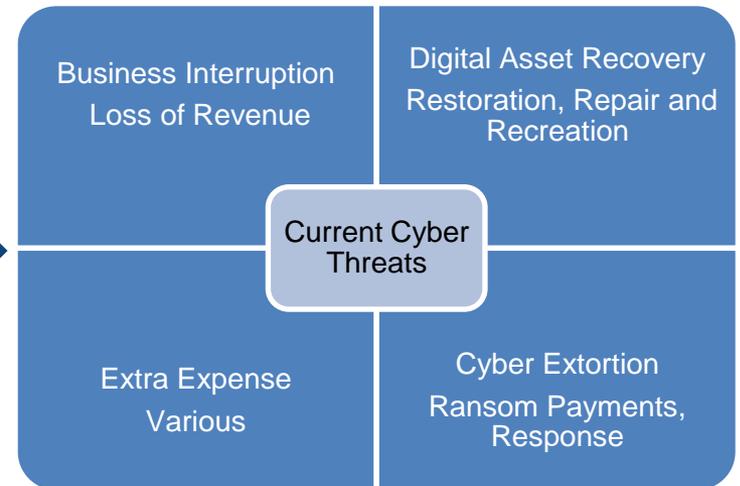
# CYBER: BEYOND DATA BREACH

## Evolution of the Cyber Insurance Market

### Prior to 2017



### 2017 and beyond



# CYBER: BEYOND DATA BREACH

## Current State of Cyber Insurance Offerings



### First Party

- Data Breach Response
- Data Restoration
- Network Business Interruption & Extra Expense
- Cyber Extortion

### Third Party

- Privacy Liability
- Network Security Liability
- Privacy Regulatory Actions
- Media Liability



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