

# Cyber Risk

Two of the biggest challenges often encountered in underwriting cyber insurance are structuring a program to meet the ever-evolving needs of the market and strategically pricing coverage with minimal historical data.

## Cyber risk is pervasive

Cyber incidents affect organizations of all sizes and across industries.

**64%** of cyber breach victims are small to midsize businesses.<sup>1</sup>

### Percentage of historic losses incurred (by industry)<sup>1</sup>



## Constant evolution of frequency and severity

Data theft and privacy breach pose an ongoing threat to many businesses. We've also seen an emergence of growth in the number of ransomware incidents and denial-of-service attacks reported.



More than 1,100 data breach incidents affected U.S. companies in 2016.<sup>1</sup>



The number of ransomware attacks worldwide rose 50% in 2016 compared with a year earlier.<sup>2</sup>

## Are you rating your cyber risks accurately?

ISO's analysis of more than 1.7 million distinct risks and \$2.5 billion in loss-causing cyber events revealed that cyber insurance pricing doesn't always reflect the specific risks.

ISO  
Insights



Education risks could be underpriced up to 2X



Legal structure of an organization may affect loss potential up to 50%



Severity is rising faster than average for financial institutions



For more information

E-mail [cyberinsurance@verisk.com](mailto:cyberinsurance@verisk.com) or visit us online at [www.verisk.com/iso/cyber-risk.html](http://www.verisk.com/iso/cyber-risk.html).

