



XL CATLIN

The world of Cyber: Challenges and Opportunities

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Agenda



- 2016 Cyber Status
- Cyber Challenges for the insurance industry
- Cyber Opportunities for the insurance industry

2016 Cyber Status



Big challenges:

- # of security breaches rises again

90% of large organisations had a security breach (up from 81%)*

- Cost of breaches continue to soar

£ 1.46m - £ 3.14m average cost (up from £600k - £1.15m)*

- Human factor still the main cause of breaches

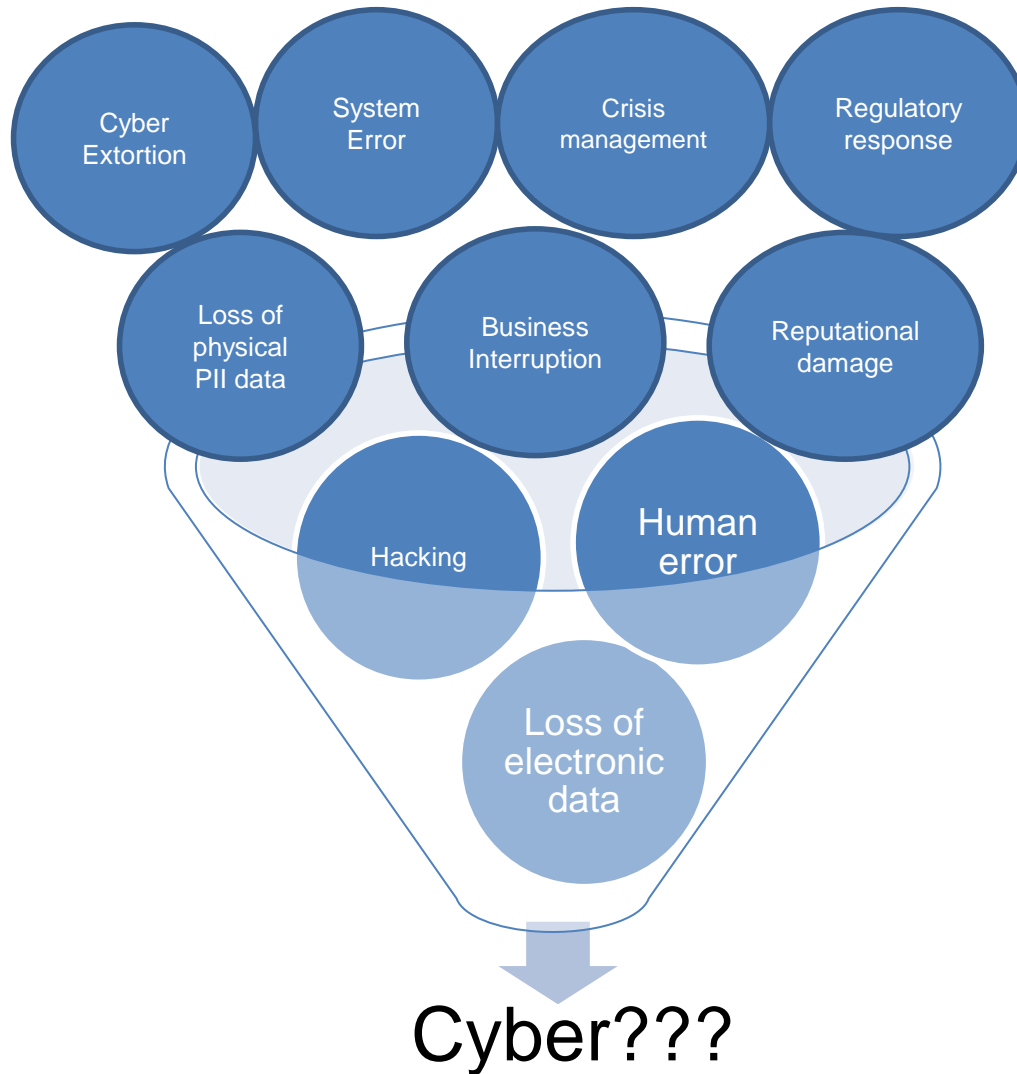
50% of the worst breaches in the year caused by inadvertent human error*

CYBER RISKS ESTIMATED TO COST BUSINESSES SOME \$400B EVERY YEAR**

*2015 Information Security Breaches Survey conducted by PWC

** PwC's 'The Global State of Information Security Survey 2015

Cyber Challenges for the Insurance Industry



Cyber Challenges for the Insurance Industry



Underwriting challenges:

- Constantly evolving risk
- New exposures: IoT, Drones, Cryptolocker, contactless payment etc...
- What industry class is most affected? Who is next?
- Standalone cyber vs. merged (request to merge into current placement)
- Aggregation (Industry/other placements)
- Increased regulatory scrutiny (Lloyd's, PRA...)

Cyber Opportunities for the Insurance Industry



Big Opportunity:

- Global cyber insurance market expected to grow to \$20b by 2025
 - Increased awareness = increased investment in security
 - Organizations are becoming more prepared to handle a data breach
 - Claims = some lessons are learnt (i.e. better wordings, etc...)
 - European Data Protection legislation
 - Lloyd's/London market opportunity to be innovative and maintain relevance as centre of excellence!
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Questions





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