

CYBER SECURITY

Annual Conference on German and American Law

6th September 2014

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London (Tower Place)

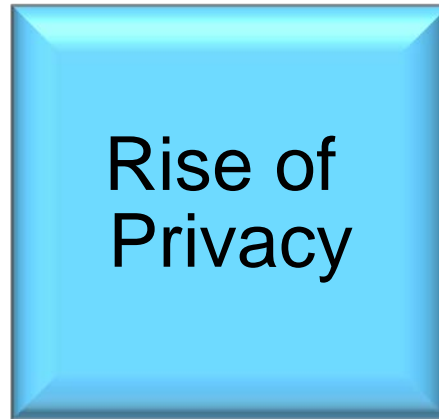
Development of cyber insurance

Reflecting corporate attitudes to risk

1990's



2000's

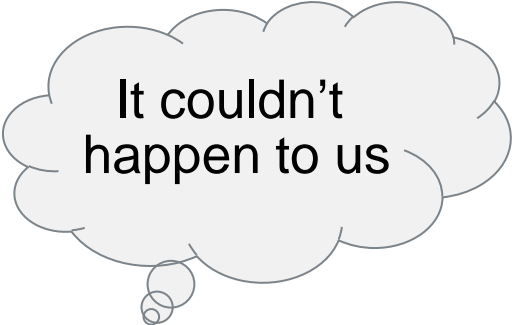


Today



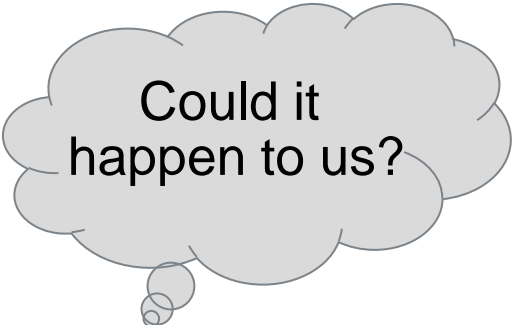
Purchase of cyber insurance

Reflecting corporate attitudes to risk



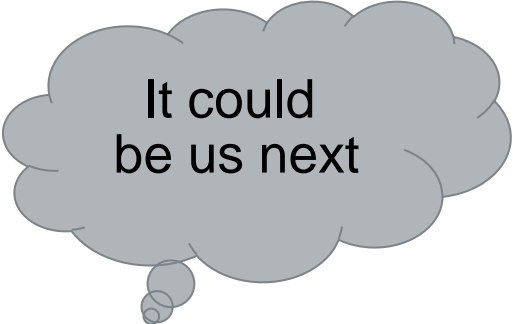
It couldn't happen to us

A culture of denial, where security events are something that occur at other companies



Could it happen to us?

An acceptance that we may be targeted but where there is total reliance on a technological solution



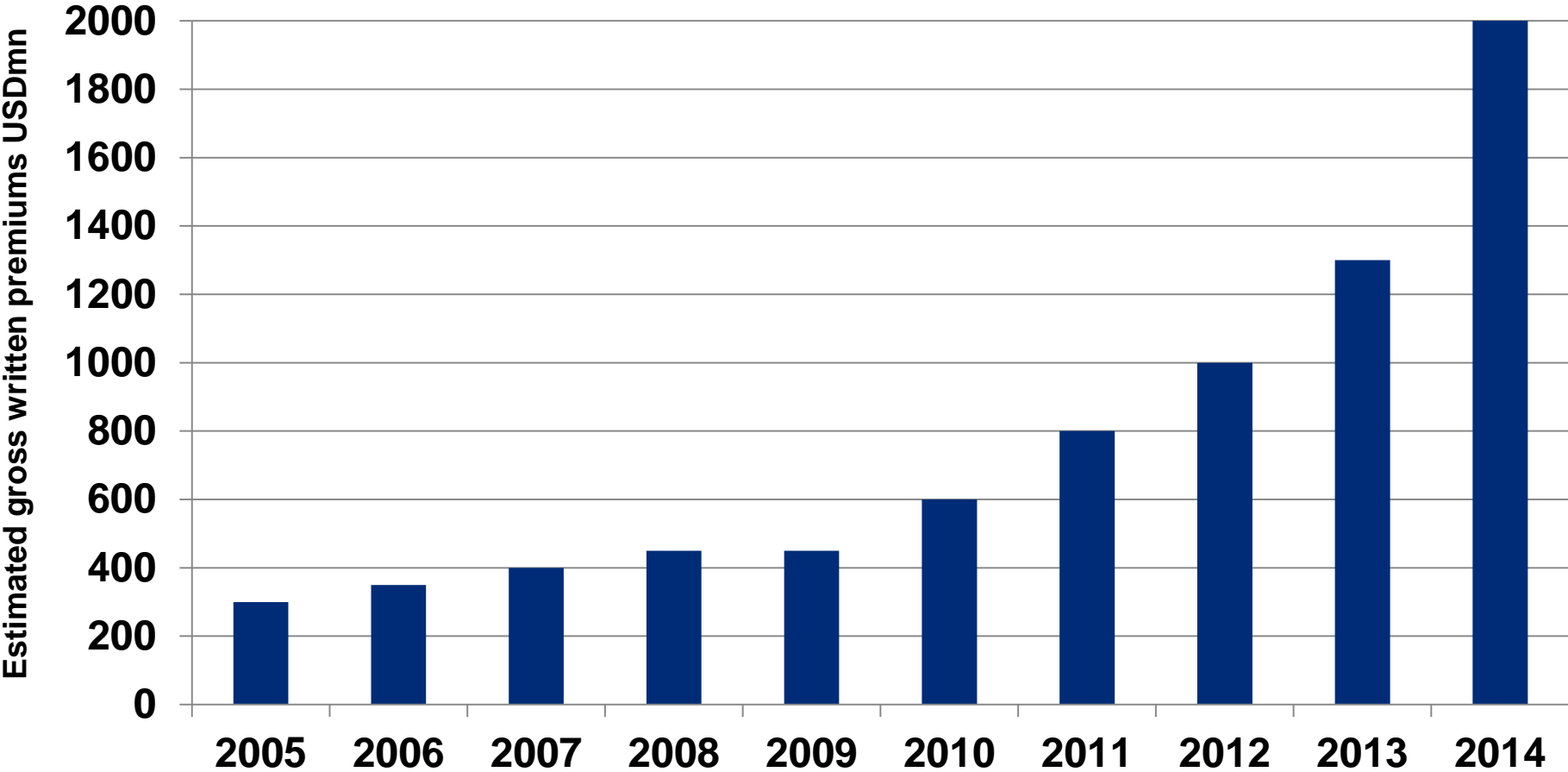
It could be us next

A shift away from 100% confidence in technology towards post event mitigation and preparation

Development of cyber insurance

Reflecting attitudes to risk

US cyber insurance premium growth

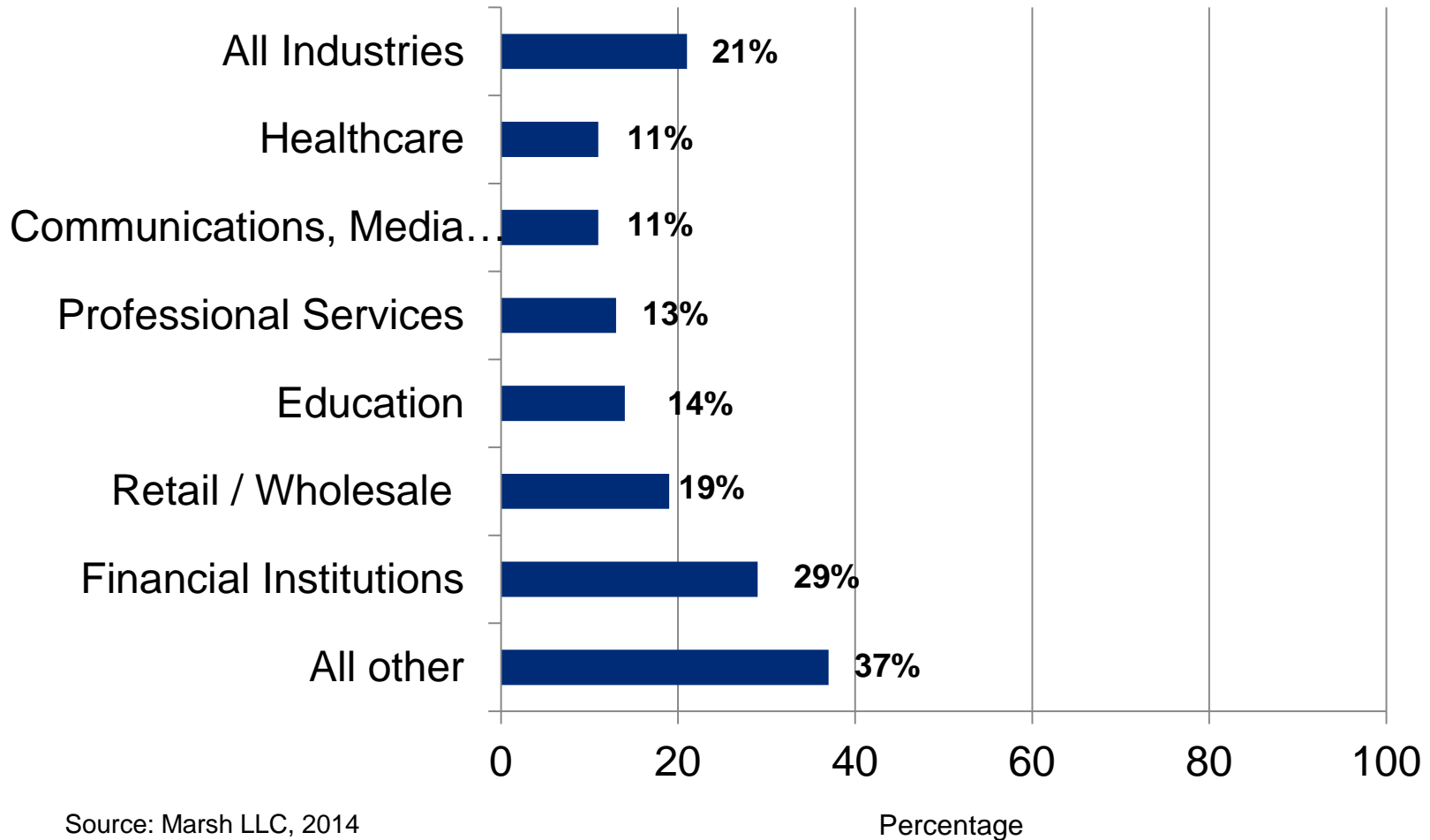


Source: The Betterley Report, Cyber/Privacy insurance market survey reports

Development of Cyber Insurance

Reflecting attitudes to risk

Percentage increase in 2013 of US clients purchasing cyber liability insurance



Defining Cyber Risk

By Information Technology Standards Organisations

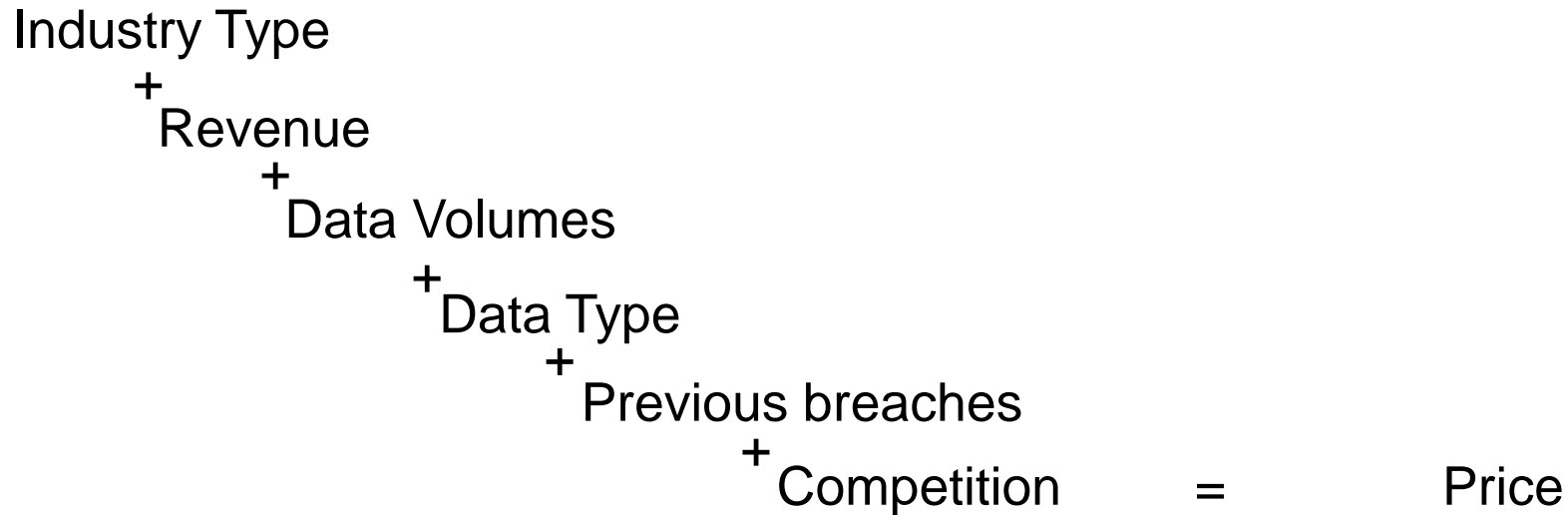
If we exchange the word cyber for IT, then:

- Information Systems Audit and Control Association (ISACA):
 - The business risk associated with the use, ownership, operation, involvement, influence, and adoption of IT within an enterprise.
- International Organisation for Standardisation (ISO):
 - The potential that a given threat will exploit vulnerabilities of an asset or group of assets and thereby cause harm to the organisation. It is measured in terms of a combination of the probability of occurrence of an event and its consequence.



Assessing and valuing cyber risk

Insurance premium drivers



Maturity of security controls with occasional external validation of security controls
=
Coverage

How will insurance influence risk activity in the future

Mandated minimum controls

No risk transfer though insurance



Aggregation

Loss data aggregation

Security by design



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