AGENDA

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- Cyber risks - but only for others?

  - Small market development

- Examples of damage

- Possible solutions

DO YOU KNOW THAT?

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CYBER INSURANCE MARKET
A DECADE IN GERMANY

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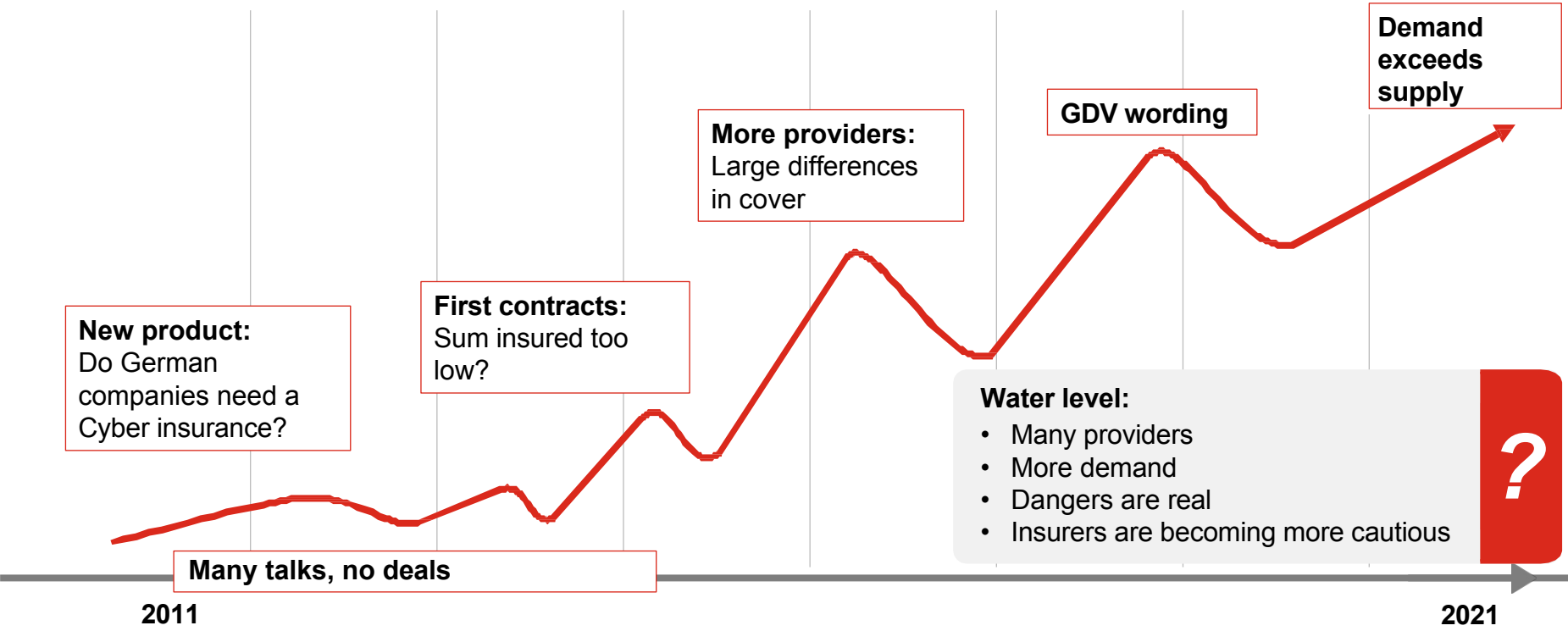

CYBER ATTACKS ON THE RISE INTERNATIONALLY
IN GERMANY CONSISTENTLY HIGH AS IN THE PREVIOUS YEAR

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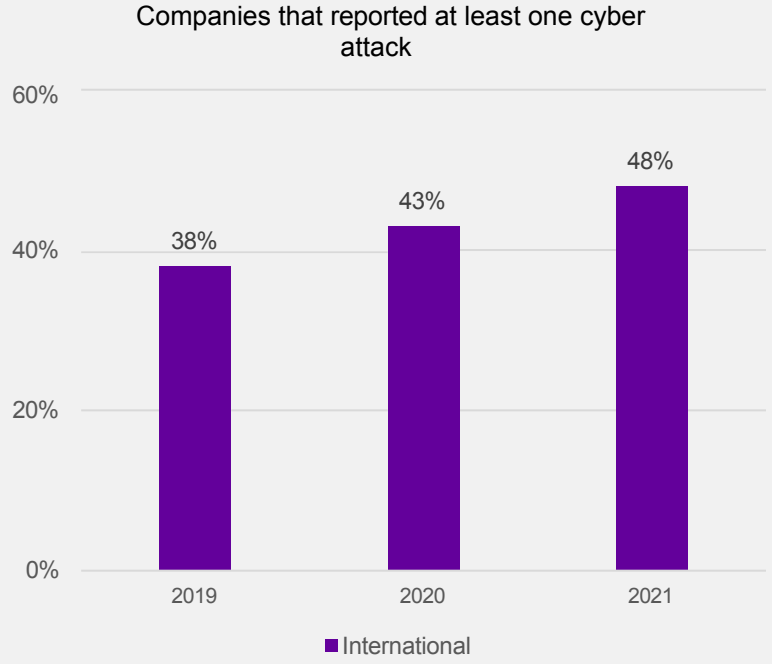

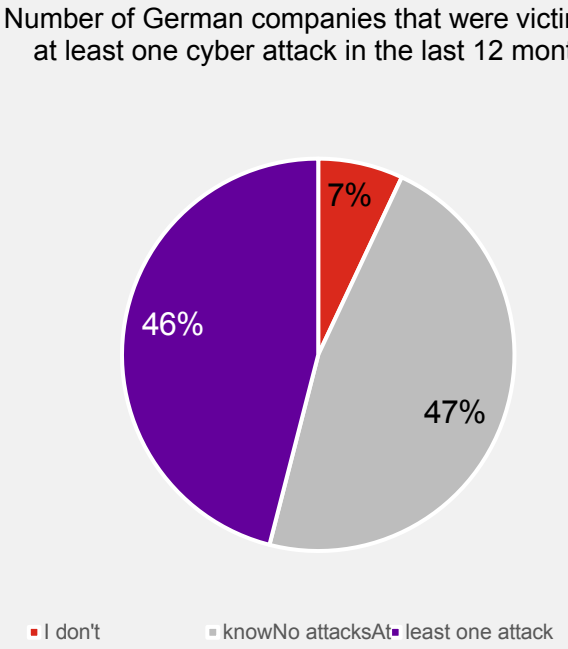

Base: 5,181 professionals responsible for or involved in their organisation's cybersecurity strategy
Source: A study by Forrester Consulting on behalf of Hiscox, 2021/2022

AVERAGE TOTAL CYBER LOSS COSTS ARE HIGHEST IN GERMANY

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German companies recorded the **highest average total cost of cyber attacks in** 2022

Insurers report high loss ratios > 100%

DRAMATIC SLUMP IN THE CYBER SELF-ASSESSMENT OF THE COMPANIES

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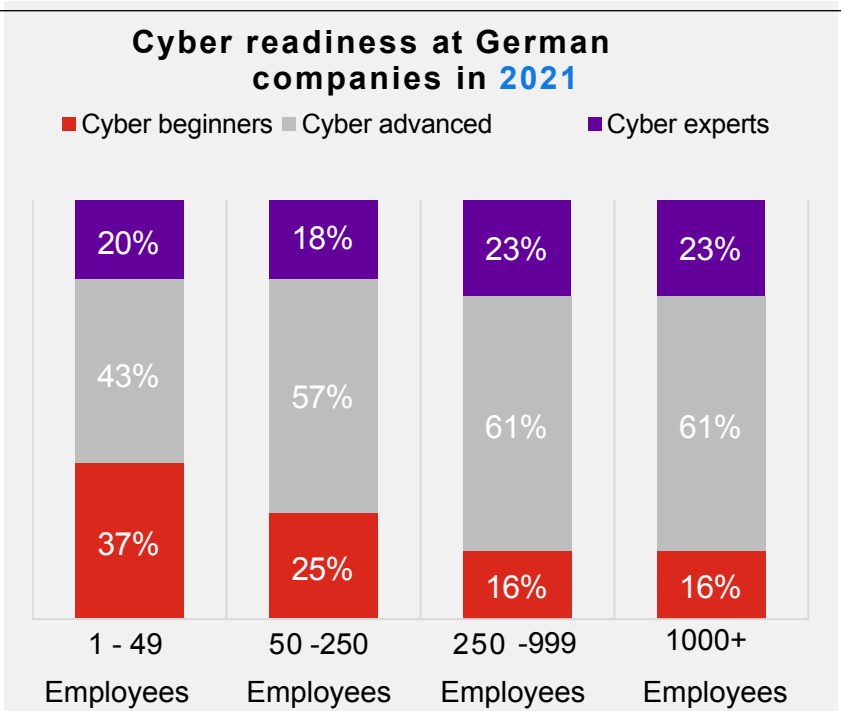

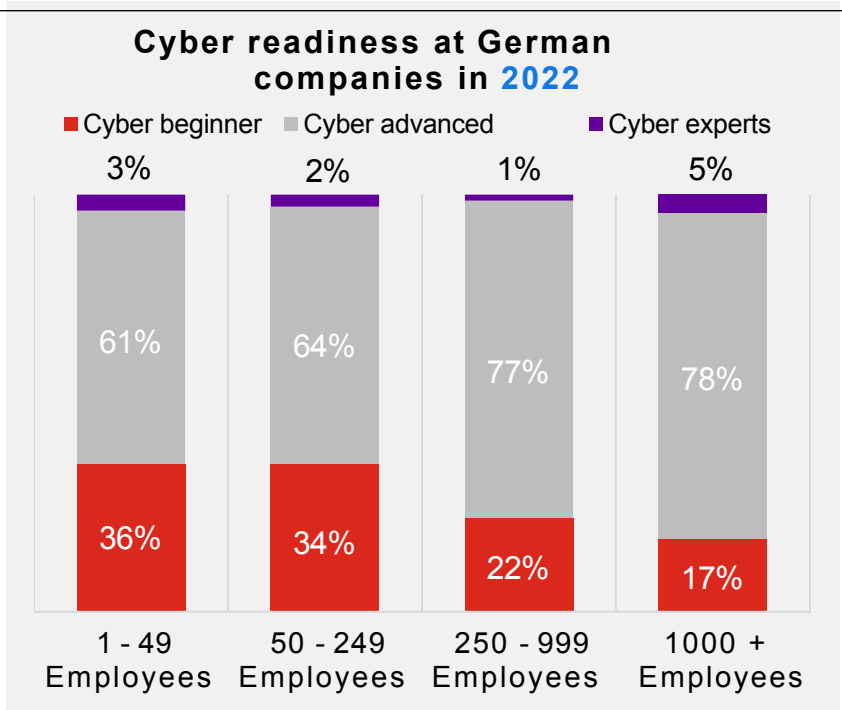

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MOST COMMON ENTRY POINT FOR HACKERS IS CORPORATE CLOUD SERVER

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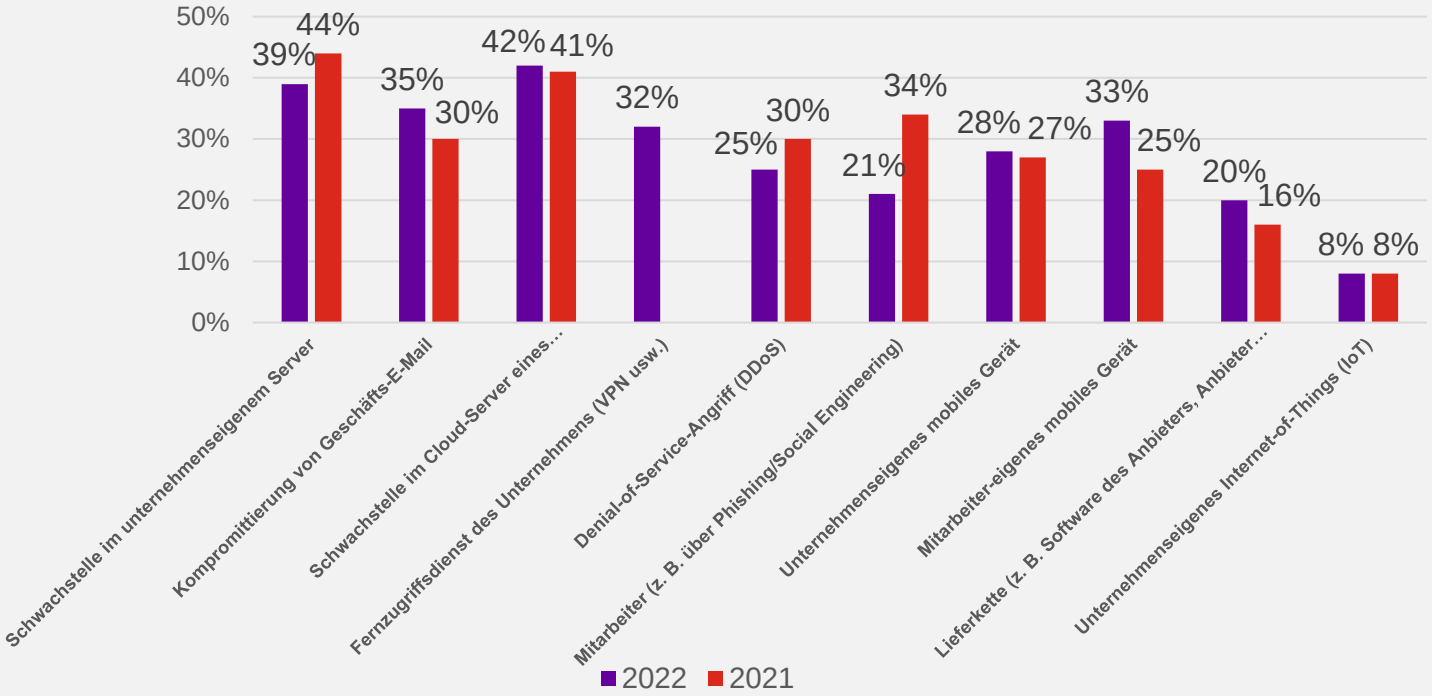

CYBER CRISIS SITUATION
WHAT ELSE CAN LEAD TO THIS?

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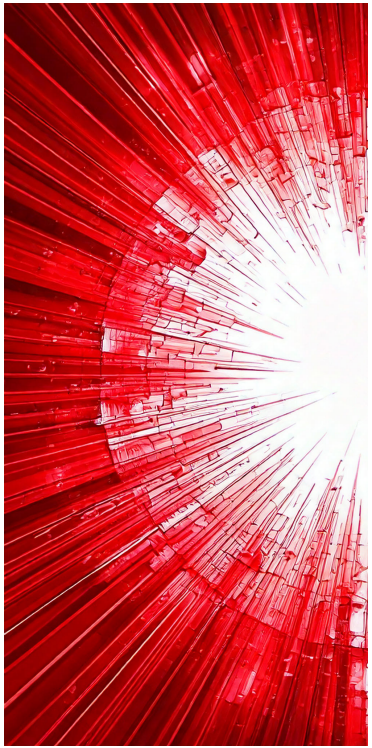

Self-inflicted

- Erroneous sending of data/documents in a letter
- Losing a laptop, USB stick, smartphone, etc.
- Email is sent to the wrong recipient
- Documents with sensitive data end up in the recycle bin (physical)

Third-party fault

- Viruses, Trojans etc.
- Theft of computers
- Hacker attacks, possibly supported by criminal organisations
- Denial of service attacks

ZERO DAYS THE NEW THREAT OF A COLLECTIVE ATTACK ON MICROSOFT EXCHANGE

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Several professional hacker groups gain control of the Microsoft Exchange e-mail server in an automated wave of attacks.

The damage: potentially 60,000 affected installations in Germany.

Claims handling

- More than 45 claims within 48 hours alone
- IT forensic audit of those affected
- Instructions for cleaning up the infected environments

Total amount of loss
Over € 1,000,000

THE DYNAMIC RISK SITUATION REQUIRES CONSTANT PRODUCT INNOVATIONS

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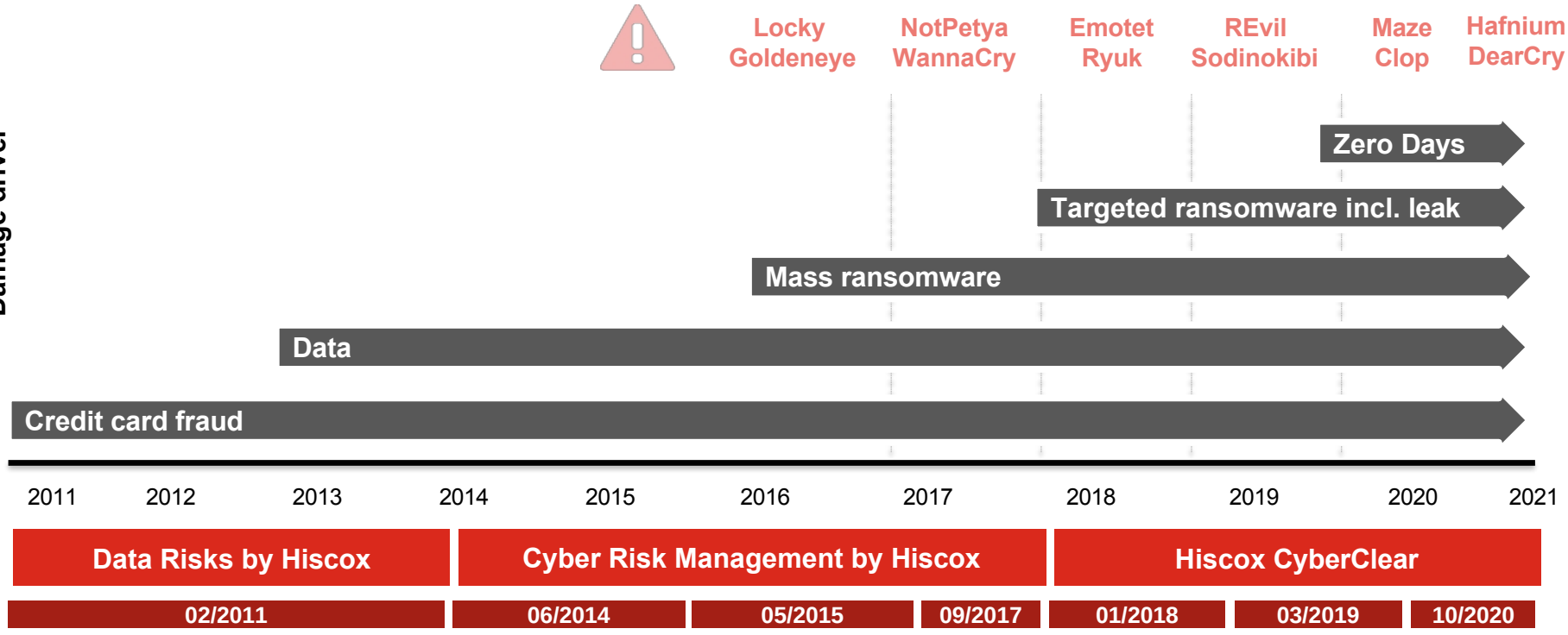

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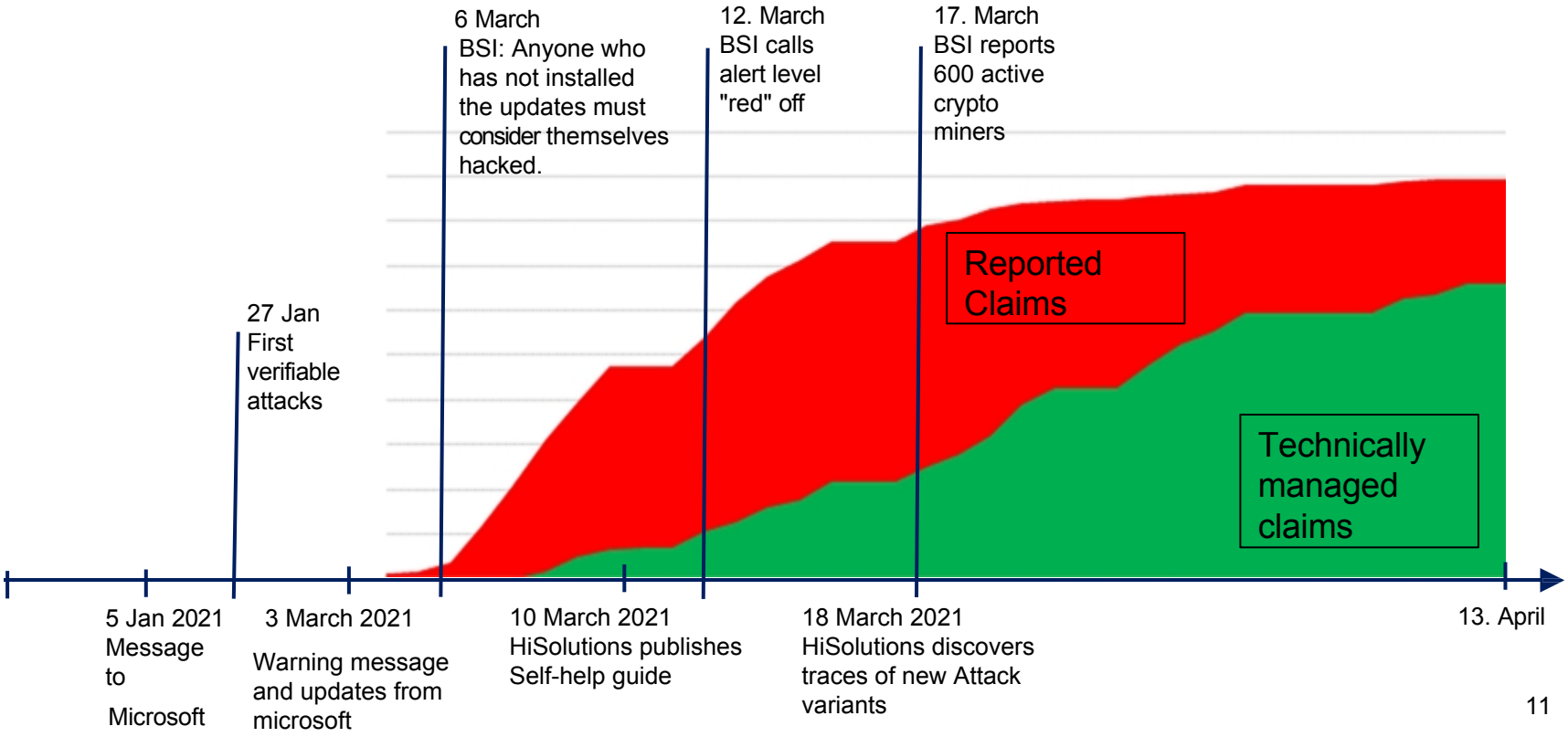

SUPPLY CHAIN ATTACKS

ATTACK ON SERVICE PROVIDER "KASEYA"

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Attack on patch and vulnerability management tool

60 customers directly Affected → 1,500 downstream customers

Ransom demand EUR 70 million

THE ART MARKET IS NOT SPARED

- Boared Ape - Theft from Wallet
- Fake accounting - falsification of bank details on invoices
- Theft of cryptocurrency from crypto trader Wintermute
- Theft of customer data - violation of the BDSG?
- Fake mails from your own e-mail address (captured mail)

PROCESS OF A TYPICAL RANSOMEWARE CLAIM

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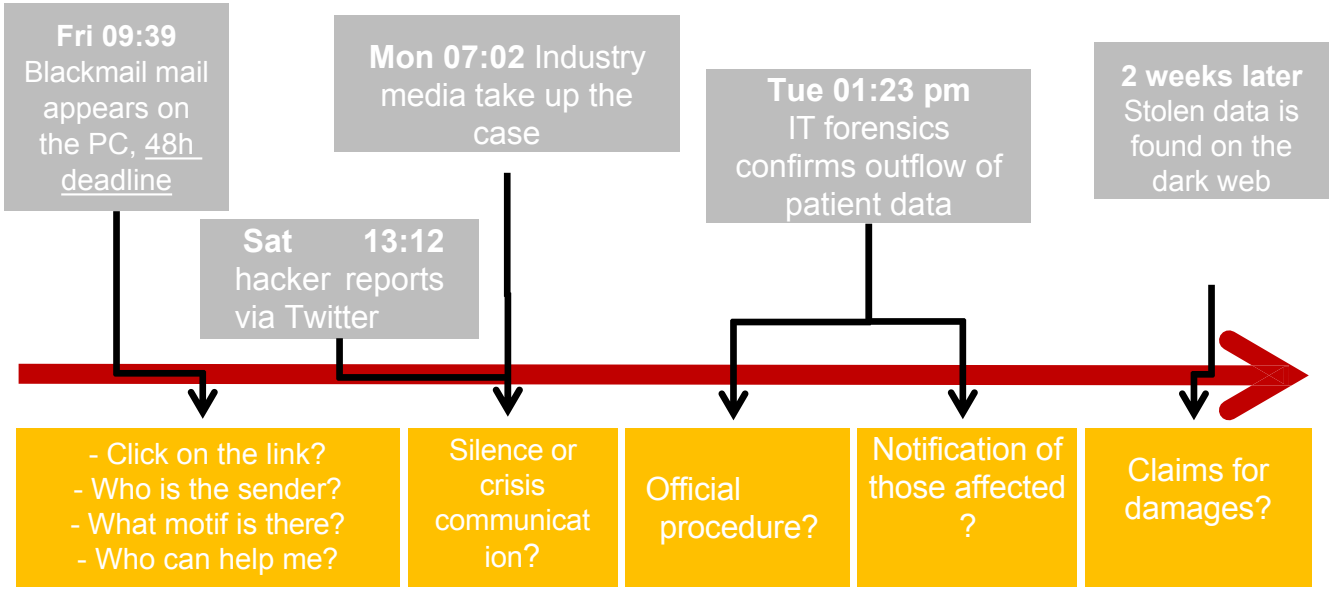

THE BASIC FRAMEWORK OF CYBER INSURANCE

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Risk transfer

Assistance

Insurance

Prevention

Immediate

WHAT SHOULD A CYBER COVER INCLUDE?

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Insurance cover:
Comprehensive services
as a preventive measure, in the middle of the crisis, during claims settlement and in the subsequent safety analysis

Cyber own damage insurance:

- Support from IT crisis experts, PR consultants, data protection lawyers
- Restoration of the IT system and the data
- Notification of those affected

Cyber liability insurance:

- Protection against third-party claims in connection with cyber damage
- Insurer as the policyholder's lawyer:
  - Examination of the liability of the policyholder
  - Defence against unauthorised/ Satisfaction of justified claims

Cyber business interruption:

- Assumption of lost operating profit and ongoing fixed costs in the event of interruption of business operations by the Failure of IT systems as a result of a cyber incident

Services
1. Immediate help in an emergency
2. Cyber training
3. Cyber crisis plan

WHAT YOU SHOULD PAY ATTENTION TO
MARKET COMPARISON

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- Exclusions (e.g. wilful intent, outdated technology, non-targeted Attack, trade secrets)
- Obligations (e.g. state of the art, emergency plan)
- Sublimits (e.g. for forensics or information costs)
- Limited intrinsic damage components

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THANK YOU FOR YOUR ATTENTION

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