Abstract

The purpose of this study is to present the cyber risks facing all organisations, how they treat these risks, and the options available when risks are transferred. An overview of the cyber insurance industry is then laid out providing a background into the development of cyber cover, common types of cover available, and how cyber risks are underwritten. The specific challenges facing insurers include a lack of historical data, accumulation risks, data sharing and quantification of risks, and how risks are managed. Organisations should treat cyber risk as an operational risk and one which is central to business strategy and objectives. Not all risk can be retained so potential insureds need to navigate an array of insurance products which may include certain cyber risks, but not others. Legal developments also present certain challenges for both insurers and insureds. The study concludes with a future outlook for the cyber insurance industry.