

Security & Privacy Insurance Landscape

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The National Association of Insurance Commissioners (NAIC)

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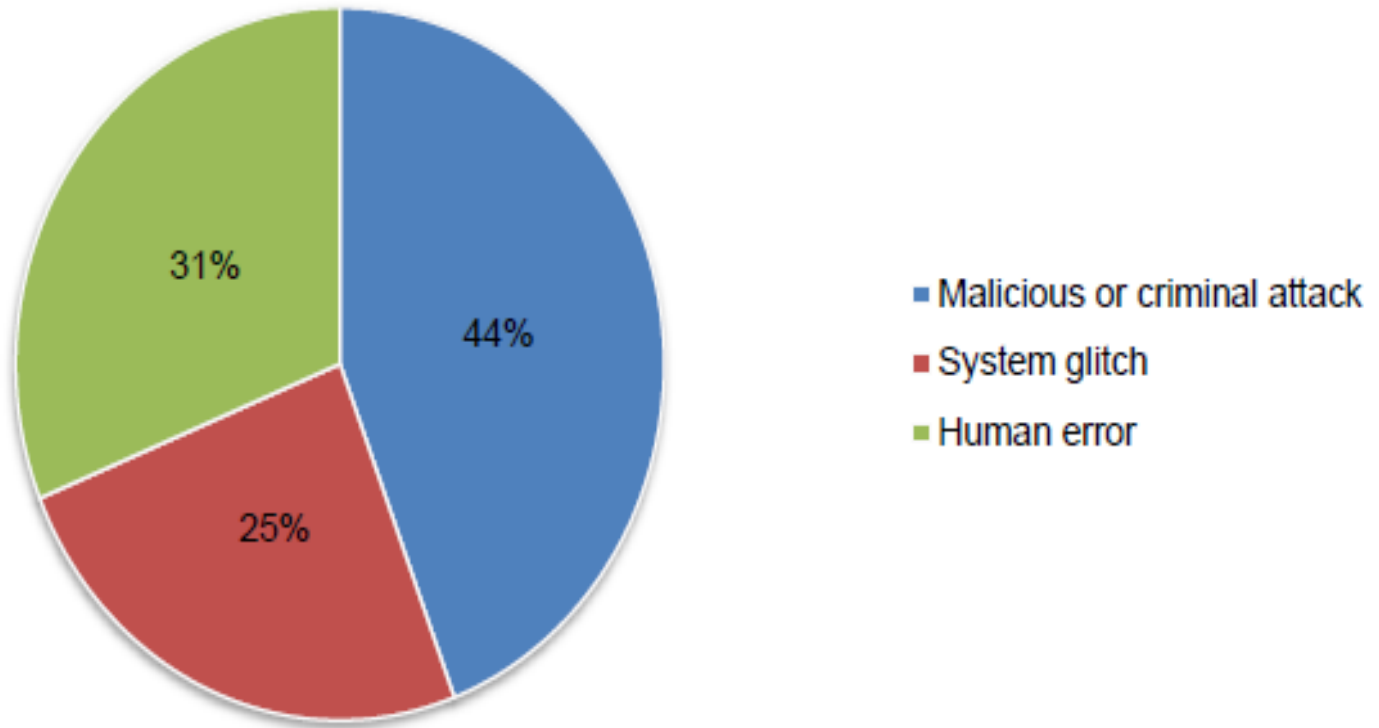
Security & Privacy Marketplace

- Estimated \$1.0-\$1.3B GWP market YE 2013¹
- Approaching \$2B GWP in the next 1-2 years.
- S&P insurance growth trends: +35% in 2011, +52% 2013²
- In 2013, Global brokers saw:
 - 30% increase in the number of new buyers
 - 20% increase in additional limits purchased
- Relatively young market with new entrants and varied capacity
- Shortening sales cycle
 - New industries
 - Increased awareness by boards of directors
- Evolving exposures create a dynamic underwriting environment

1. Guy Carpenter's State of the Tech/Cyber market report (2012) and Management Liability – Market Overview report (Oct. 2013)
2. Advisen 2014 Information Security & Cyber Liability Risk Management Survey of Risk Managers

Cost Per Record Based on Type of Breach

Figure 5. Distribution of the benchmark sample by root cause of the data breach



Source: Ponemon Institute; 2014 Cost of Data Breach Study United States, May 2014

Direct v Indirect Expenses

Cost of a Data Breach - 2014

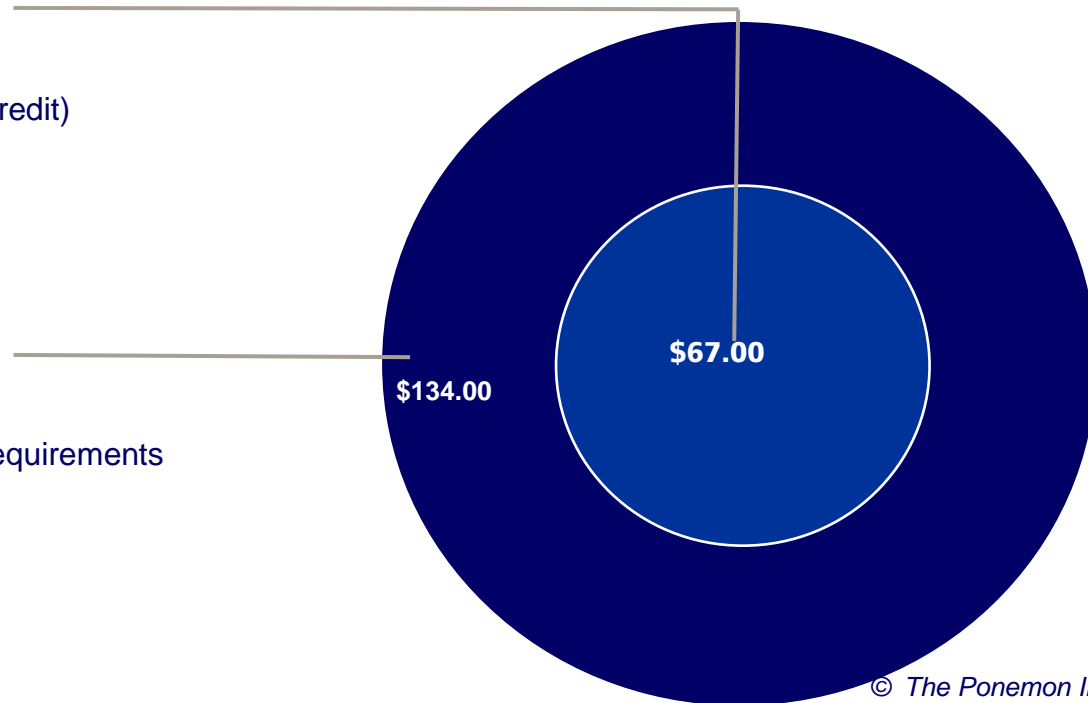
DIRECT COSTS

- Notification
- Call Center
- Identity Monitoring (credit/non-credit)
- Identity Restoration
- Discovery / Data Forensics
- Public Relations
- Data Reconstruction
- Legal Advice

INDIRECT COSTS

- Restitution
- Additional Security and Audit Requirements
- Lawsuits
- Regulatory Fines
- Loss of Consumer Confidence
- Loss of Funding
- Loss of Employee Productivity

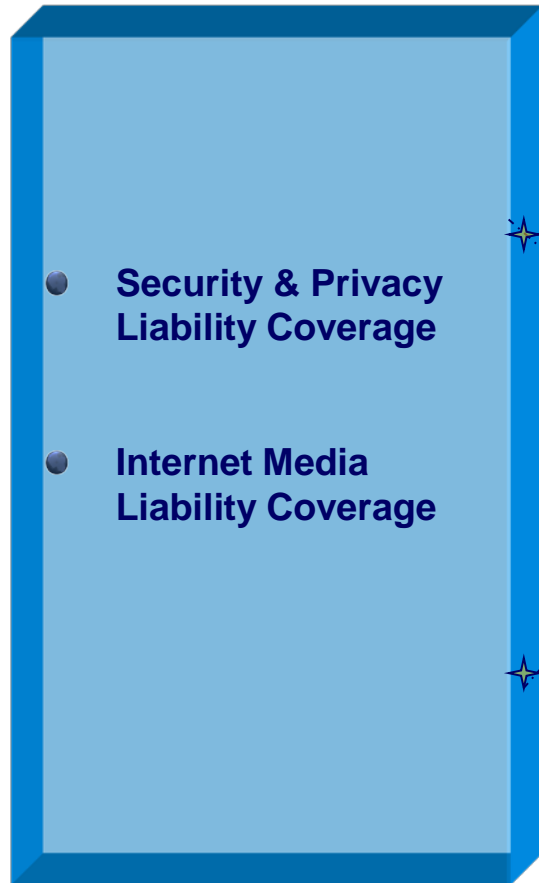
Cost per record:
\$201



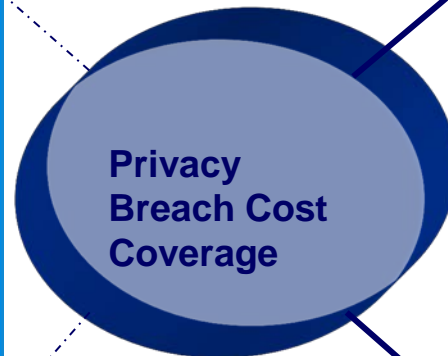
© The Ponemon Institute : May 2014 US Cost of a Data Breach

Coverage Overview

3rd Party Coverages



1st Party Coverages



Discussion

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