Cyber Space and its Risks
Cyber Protection Gap

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Economic costs of cybercrime expected to continue growing and reaching ~14 $ trillion in 2028

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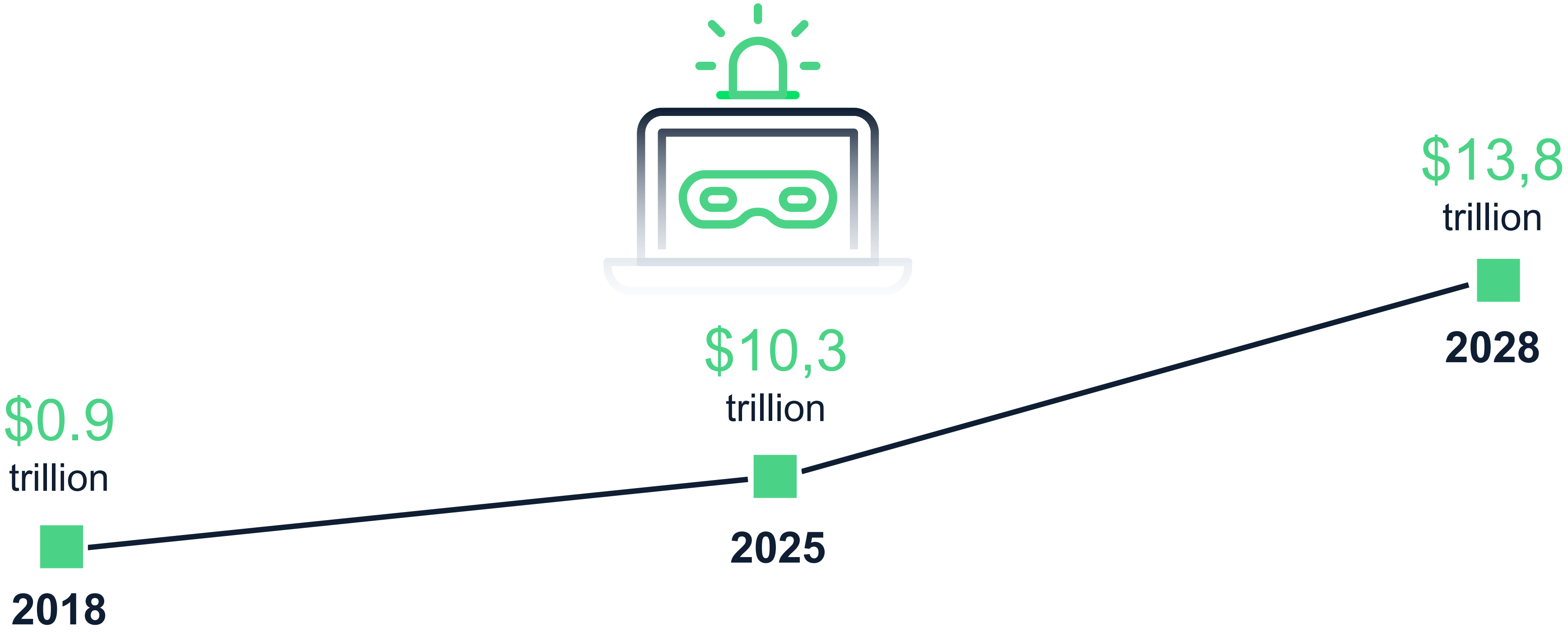

Source: Estimates by Munich Re

C-Level leaders are concerned…

89%

of all C-Level respondents globally report that their company is **not adequately protected against cyber-attacks**.

Source: MR Global Cyber Risk and Insurance Survey 2026

…so why do we have a Protection Gap in Cyber?

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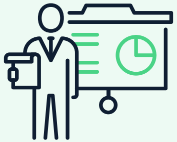
Share of Cyber premiums on P&C premiums (%)

	2017	2025	2030
World	0.2%	0.6%	0.8%
North America	0.5%	0.8%	1.1%
Europe	0.1%	0.5%	0.9%
Asia	0.1%	0.2%	0.3%

- Cyber insurance continues to be one of the biggest growth opportunities
- In 2025, less than **1%** of the P&C premium volume worldwide will come from the cyber segment



Source: Estimates by Munich Re

Cyber Insurance

Typical coverages

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1st Party Coverages

(Contingent) business interruption

Lost profits and extra expenses incurred due to the unavailability of data and IT systems at the insured or resulting from the IT failure of an external third party (e.g., cloud provider).

Data restoration & recreation costs

Reimbursement of costs to restore data and software after a cyber incident.

Incident & breach response costs

Reimbursement of cost of responding to an event such as IT forensics, notification, credit-watch services.

Cyber Extortion

- (Threat of or) loss, leak or destruction of (customer) data
- Includes payment of ransom where legally permissible

Cyber Crime

Covers any funds (e.g. money) illegally taken from the insured as a direct result of a third party's fraudulent electronic transfer from the bank account of the insured or alteration of data on the insured's computer system

PCI DSS

- Reimbursement for contractual fines and penalties for non-compliance against Payment Card Industry Data Security Standards (PCI DSS)
- Costs can cover a PCI forensic investigation, PCI-DSS recertification, reissuing of credit/debit cards

3rd Party Coverages

Network security liability

Covers insured's legal liability (incl. legal defense costs) due to a cyber incident on the insured's computer system and which has caused damage to a third-party computer system

Privacy & data breach liability

Covers 3rd-party claims following a data breach relating to confidential information or personal data of a 3rd-party made against the policyholder.

Media liability

Cost for investigation, defense cost and civil damages arising from defamation, libel, slander, copyright/ trademark infringement, negligence in publication of any content in electronic or print media.

Key Project Findings

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- There is a correlation between investments made into cyber by primary insurers and the sales success.
- SMEs consider cyber insurance to be a "nice-to-have" rather than a "must-have“ product.
- Many sales agents and brokers consider Cyber insurance not as “must-sell” product.
- Many sales agents and brokers feel “uncomfortable” on potential consequences if cyber is not addressed.
- Sales materials must be easy to understand, practical and up-to-date.
- SMEs perceive cyber fraud as their biggest cyber risk.
- Extensive, technical risk questionnaires are often perceived as a hurdle by SMEs.

→ CONCLUSION

1. There is no single silver bullet to increase cyber market penetration
2. The challenges are manifold – and so must the solutions

Potential Initiatives for addressing the protection gap

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1. **Cyber as a strategic priority**
2. **Partnering with multipliers and industry associations**
3. **Simplified approach to risk assessment**
4. **Sales support material**
5. **(Modular) Coverage concept for micro-enterprises**
6. **Potential consequences of non-advice to brokers and sales agents**
7. **Incentives for brokers and sales agents**
8. **Pre-incident service offering**
9. **"Cyber fraud“ coverages**
10. **Cyber as an embedded coverage component in other insurance products**
11. **New ways in Marketing and Communication**