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## Media Information

Growing threat from cyber risks.  
Munich Re offers more than just insurance.

- **Cyber risks are one of the biggest threats to the digital and networked economy**
- **The most important thing for companies is to ensure they have the best possible technical prevention**
- **Munich Re is developing insurance products and services that offer policyholders the greatest possible protection**

**Torsten Jeworrek, member of Munich Re's Board of Management: "Cyber risks are one of the biggest threats to the networked economy. Munich Re is making highly targeted investments in know-how and development of networks in order to continually improve its services and insurance products. Together with technology partners, we want to keep on developing solutions for these risks in the future."**

Digitalisation undoubtedly offers huge opportunities for people and companies. It can help firms to increase productivity, efficiency and quality as well as reduce risks. Digital services and products can also improve customer satisfaction.

However, the increased networking of machines and equipment in particular can also give rise to very complex risks such as data theft, disruptions in the interaction between networked machines, and even the failure of entire production lines and supply chains. The economic costs of large-scale cyber attacks already exceed losses caused by natural disasters. Where small and medium-sized enterprises are affected, such attacks can soon threaten their very existence.

The biggest economic losses to date have been those caused by ransomware and malware, especially WannaCry and NotPetya, which, due to the growing interconnectedness of the economy, have increasingly led to business interruptions and loss of data. This trend will continue as more and more machines and devices are connected.

Demand for prevention and insurance is growing as companies recognise their exposure and seek protection against the financial consequences of cyber risks. Whereas in 2017 the size of the market for cyber insurance stood at US\$ 3.5 to

4bn, this is expected to grow to US\$ 8 to 9bn by 2020. Insurance is only one aspect, however. At least just as important is prevention through technical measures, as well as rapid response and damage limitation in the event of a loss.

Against this background, Munich Re offers its reinsurance clients and policyholders solutions that include considerably more than just payment for losses. These solutions are aimed particularly at smaller and medium-sized enterprises. What's on offer ranges from a variety of technical analysis services and loss prevention measures, constant monitoring of the safety standards of technical plant, specific insurance products, all the way through to forensic investigations in the event of a loss and data recovery. Companies are thus able to resume operations more quickly.

Munich Re also has a pool of experts to support primary insurers with product design, underwriting and claims management. In this way, the time it takes to launch new insurance products into the market can be shortened and investments reduced. Here, a wide-ranging network with highly specialised technology companies, especially from the software, hardware and IT security sectors, is needed to implement fast-changing technology standards, thereby ensuring that risk assessment and the development of solutions are always state of the art. This is all the more important since, in the case of cyber risks, historical data like that used for natural hazards is of little relevance for potential future events. The risk is constantly changing due to rapid developments in technology and increasing interconnectedness. In addition, legal and political developments also increase the risk of change.

Jeworrek: "We are taking up this challenge. Only by adapting our range of products to changing risks and requirements can we remain relevant for our clients. And only in this way can we open up opportunities for new business sectors."

**Münchener Rückversicherungs-Gesellschaft**

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**Munich Re**

Munich Re is one of the world's leading providers of reinsurance, primary insurance and insurance-related risk solutions. The group consists of the reinsurance and ERGO business segments, as well as the capital investment company MEAG. Munich Re is globally active and operates in all lines of the insurance business. Since it was founded in 1880, Munich Re has been known for its unrivalled risk-related expertise and its sound financial position. It offers customers financial protection when faced with exceptional levels of damage – from the 1906 San Francisco earthquake to the 2017 Atlantic hurricane season. Munich Re possesses outstanding innovative strength, which enables it to also provide coverage for extraordinary risks such as rocket launches, renewable energies, cyberattacks, or pandemics. The company is playing a key role in driving forward the digital transformation of the insurance industry, and in doing so has further expanded its ability to assess risks and the range of services that it offers. Its tailor-made solutions and close proximity to its customers make Munich Re one of the world's most sought-after risk partners for businesses, institutions, and private individuals.

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