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Media Information

Demand for cyber insurance growing rapidly: Munich Re offers more than just insurance

- Cyber risks are among the greatest risks arising from digitalisation and interconnectivity
- Cyber risks are global: no market, sector or company is spared, irrespective of its size
- Munich Re is pursuing a holistic approach, offering its clients not only insurance products and services but also recommendations regarding loss prevention

Doris Höpke, member of Munich Re's Board of Management: "The losses from cyber attacks clearly demonstrate that cyber constitutes one of the biggest global risks. It presents the insurance industry with both a challenge and an opportunity to develop and offer solutions for cyber risks."

Digitalisation is progressing at a tremendous pace. In almost all sectors, processes are being automated and brought online in order to increase efficiency and improve client satisfaction.

At the same time, digitalisation and interconnectivity are changing the risk landscapes of companies. Cyber risks are without doubt one of today's greatest threats. Unlike traditional lines of insurance such as nat cat, fire and motor, cyber risks are global: no market, sector or company is spared, irrespective of its size.

Cyber risks are presenting the insurance industry with significant challenges. Very little long-term loss data is available, making it impossible to conduct a risk assessment using conventional models. In addition, the risks themselves are changing as digitalisation gains pace. This calls for flexible solutions that offer much more than just insurance cover. Unknown cyber risks can even be found in many existing traditional insurance policies, as the contractual conditions either did not

exclude these risks or did not draft the exclusions with sufficient accuracy.

Demand for suitable insurance cover and prevention and recovery services is growing exponentially. According to estimates, the market volume for cyber insurance will grow to US\$ 8–9bn by 2020 – more than twice that of 2017. Höpke stresses: “The demand for cyber risk covers is growing continuously. We therefore see it as our duty to develop solutions.”

Small and medium-sized enterprises and primary insurers in particular require support. Alongside insurance cover, Munich Re’s offering includes services related to technical analysis, prevention measures, ongoing review of the security standards of technical equipment, forensic investigation following a loss, and the recovery of data. In order to best meet these demands, Munich Re has in recent years cooperated and partnered up with numerous highly specialised technology companies. This secures access to the knowledge that is required for our holistic approach. Working closely with cedants allows us to better analyse client needs and draw up tailor-made solutions.

Höpke emphasises: “Protection against cyber risks could successively develop into an important field of business in its own right. As a global reinsurer, we accept the challenge of drawing up solutions for this new risk profile. Not to do this would be the biggest risk of all.”

Links:

[What the Hack!](#)
[Cyber Solutions from Munich Re](#)

[Topics Online](#)
[Cyber Overview](#)

[Cyber Video](#)

[Munich Re Image Archive](#)
[Board of Management](#)

Münchener Rückversicherungs-Gesellschaft
Aktiengesellschaft in München
Media Relations
Königinstraße 107, 80802 München
Letters: 80791 München
www.munichre.com
Twitter: @MunichRe

Note for the editorial staff**For further questions please contact:**

Group Media Relations: Ellen Quadfaß

Tel.: +49 (89) 3891-4913

Mobile: +49 (0)151 23486011

Fax: +49 (89) 3891-74913

equadfass@munichre.com

Media Relations North America: Jodi Dorman

Tel.: +1 (609) 243-4533

Mobile: +1 9083912427

Fax.: +1 (609) 951-8206

jdorman@munichreamerica.com

Media Relations Asia Pacific: Faith Thoms

Tel.: +65-63180762

fthoms@munichre.com

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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