

# Finexure

## Cybersecurity Insurance

### An Evaluation of Market Gaps and Key Enablers for Adoption



# OVERVIEW



In this survey we set out to understand how COVID 19 has changed the corporate view of Cybersecurity threat risk and challenges they face.

Our respondents were senior corporate executives from India , Pakistan and Middle East. Many respondents seemed over confident while a lot others were underprepared. The last 12 months have been challenging and has shown the increased pace of cyber security threats organisations and institutions have been facing.

Our survey has shown some interesting findings. The risk with working from home have created a porous environment for hacker attacks and is a concern for the organisations. The challenges is on staying ahead of threats that exploit the system .

Around 80% of our respondents felt the need to have and implement a cyber security policy for their organisation only 66% were willing to insure the cyber risk threat . Identification and quantification of threats and lack of professional advice was the reason.

A lot is to be done by corporate's with respect to readiness on cyber security risk as awareness remains low , at the same time corporate's feel their team is unaware and or ill equipped to handle cyber threats.



We also realised that the current Cybersecurity complexity of risks requires specialised expertise and that Cybersecurity insurance offerings still are not recognised to the same extent as traditional insurance products.

There is a lack of clarity on insurer terms along with a handful of brokers who understand cyber threat risk . In such a scenario it becomes difficult for corporate's to pair insurance coverage and price. This has therefore resulted in low penetration .

We thank all participants who took part in this survey and shared their valuable inputs which have helped us in collecting relevant data . We believe this survey represents the sentiments of the larger corporate ecosystem as we look forward to understanding the Cybersecurity risk landscape.

Tarun Singh  
Founder – Finexure Consulting

# PERCEPTION OF CYBER RISK



**53%** corporates faced challenges in identifying and quantifying cyber risk



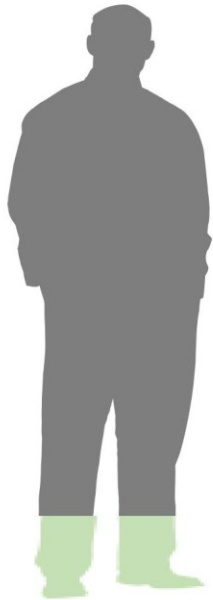
**78%**

Willingness to implement an internal cyber policy by changing existing systems

**66%**

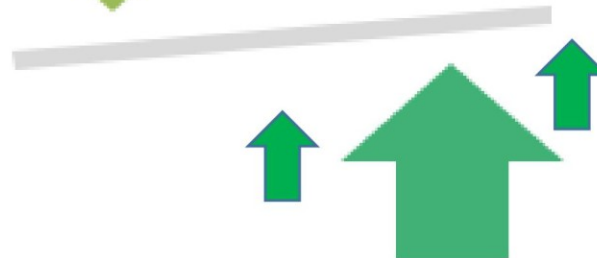
Willingness to insure cyber risk if the process is simple and less time consuming

**83%**



Willingness to buy if an insurance broker can advise on cybersecurity risk gaps

can advise on cybersecurity risk gaps



**73%**

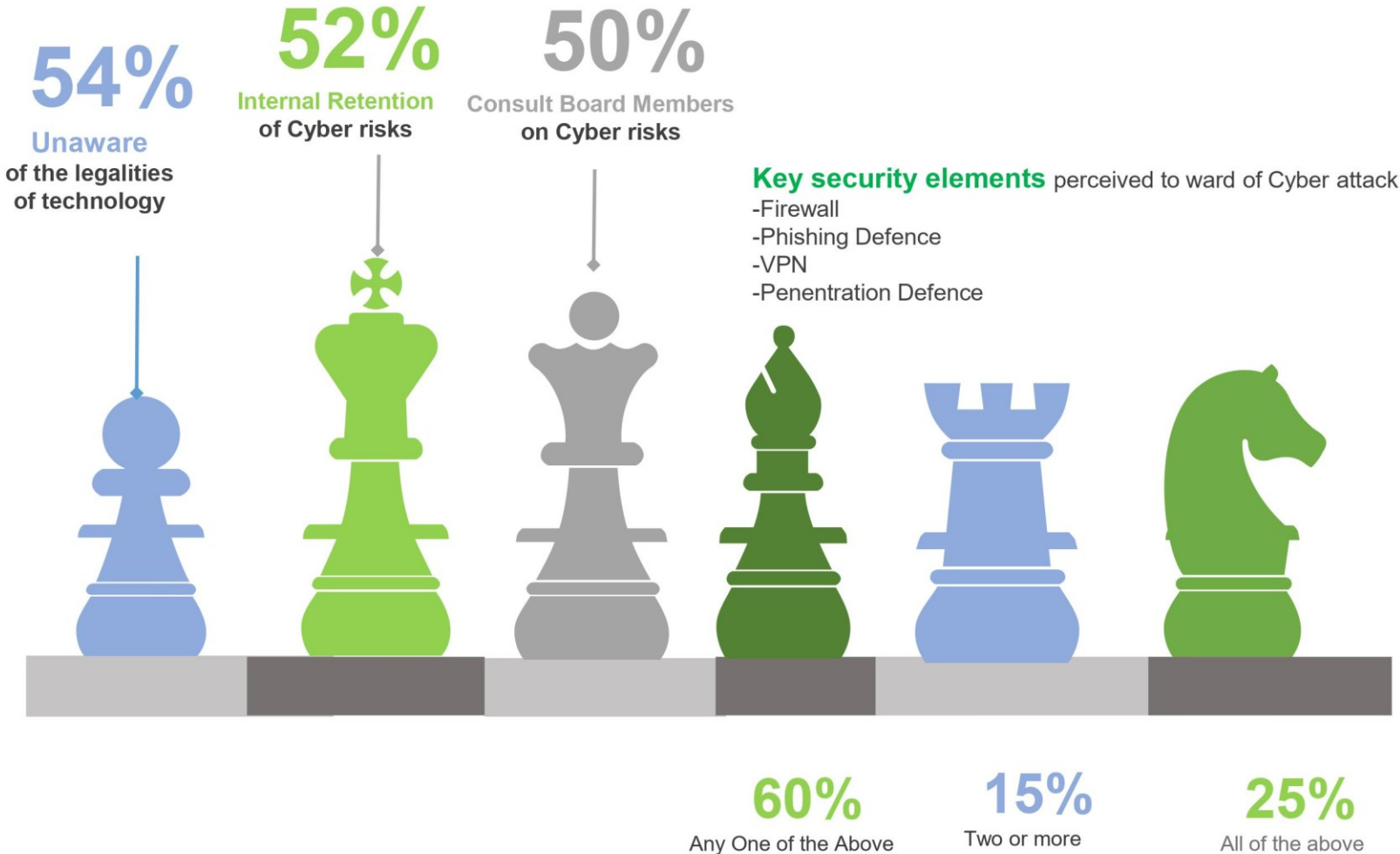
Fast and Timely claim settlement will encourage to buy

**42%**

Tried to purchase a cyber insurance policy in the past

# READINESS ON CYBER RISK

Despite recent cases of cyber breach in India, **awareness on cyber risk remains low** with the **board of advisors being a key strategic sounding board**.



# READINESS ON CYBER RISK

Corporates feel that their Internal team is, unaware and ill equipped to handle cyber threats.

60%



Unaware of potential IT system vulnerabilities

30%



IT systems Professionally managed by full time CTO or in house professional

58%



Do Not have a clearly defined cybersecurity policy

77%



Under-reporting of cyber losses due to fear of bad press or regulatory penalties

70%

Respondents do not have an internal multi department committee on Cybersecurity



60%

Have never participated in a cybersecurity exercise



56%

Feel that the team is ill-equipped to handle cyber threats



50%

Who have purchased cyber insurance feel that the team is aware of product coverages



20%

Feel their employees can easily disable internal cyber security measures



# CYBER INSURANCE

**Lack of Clarity on Insurer Terms** is A Key Barrier to Adoption



**82%**

Buyers found it difficult to align on the price



**78%**

Buyers found it difficult to understand cyber insurance policy coverages



**62%**

Buyers found it difficult to align all team members on the buying process



**Insurance Intermediaries** are Key Enablers for Gap Assessment



**71%**

Corporates are willing to buy cyber insurance if insurance brokers can conduct a risk gap assessment



**4%**

Corporates consulted insurance brokers to evaluate adequacy of Sum Insured Limits in Cyber Insurance policies

# CYBER INSURANCE

**Product Penetration** Remains Low



**4%**

Industry Contracts insist on cyber insurance from the principal

Paradoxically Insurance Brokers do not account for available information on the product though they are seen as critical enablers by corporates



**62%**

Corporates seek information from insurers and industry peers



**71%**

Buyers find it difficult to understand policy conditions

**63%**

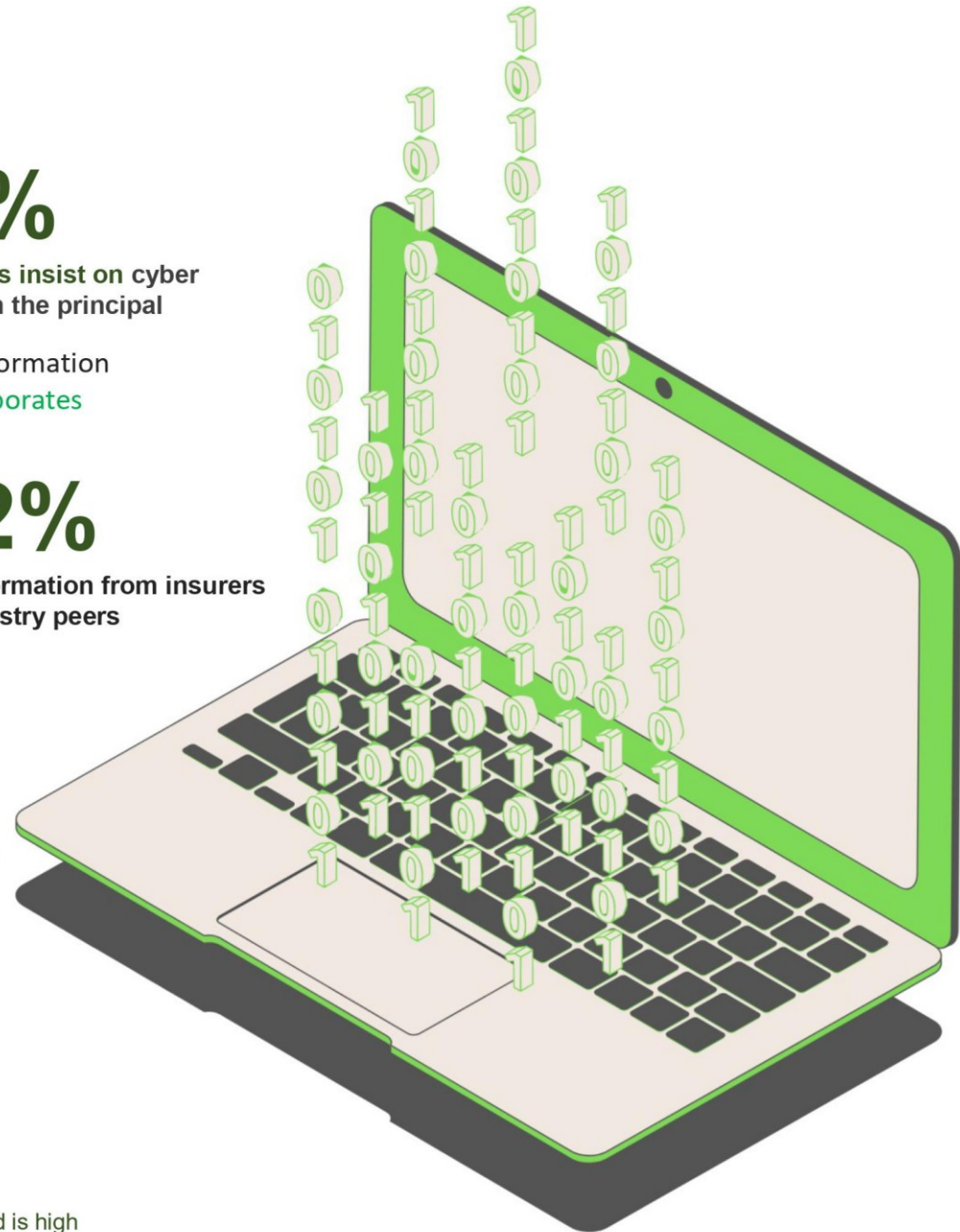


Have not received the coverages expected

**58%**



Feel that premium charged is high





## FINEXURE CONSULTING

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