

Cyber pricing for SMEs

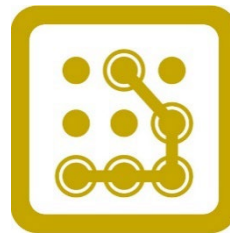
A holistic package to combat digital threats

Cyber attacks are becoming more and more prevalent. At the same time, however, the amount of available data and thus the possibilities of actuarial mathematics have also grown, making it possible to offer sound pricing for cyber insurance.

E+S Rückversicherung AG and Meyerthole Siems Kohlruss have put together a complete package for insurers, which contains non-binding suggestions for a set of terms and conditions, a risk questionnaire, acceptance guidelines, a sector classification and a modular calculation of claim requirements. In close consultation with the insurer, the proposal can be tailored to individual needs and target customer segments.

Tailored pricing

- › Plausible calculation bases: in addition to studies and statistics obtained through extensive research, information from authorities and expert interviews have been incorporated into the pricing.
- › Modular pricing design: the premium-relevant (sub-)components were identified and separately evaluated within the three main modules of *service costs*, *own damage* and *third-party damage*. This enables the calculation of diverse product concepts.
- › Actuarial principles: each individual component was estimated using a severity-frequency approach – the risk of change was largely taken into account, among other things, using safety and trend allowances.
- › Pricing factors: the influence of company size, the sum insured, the amount of the deductible and other optional tariff factors (e.g. backup interval, number of stored data records) was modelled.
- › Protection against major losses and accumulations: In addition to a recommendation for the design of the acceptance guidelines, sublimits are provided for some components, the amount of which is agreed individually with the insurer.
- › Cost parameters, in particular the daily rates of service providers in the claims processing network, can easily be entered.



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The product

- › The product is based on the non-binding AVB Cyber of the GDV.
- › In addition to the coverages listed therein, a comprehensive synopsis of the terms and conditions of existing cyber insurance providers identified further market-standard coverages, which were then integrated into the product proposal.
- › In addition, a compact risk questionnaire has been developed that is particularly suitable for underwriting small companies.
- › A differentiated industry classification was developed based on various studies on the vulnerability of individual sectors.

Your benefits

- › Expertise development and support with product launches from the experts at E+S Rück and Meyerthole Siems Kohlruss
- › Ability to customise pricing based on company-specific factors, such as target customer segment
- › Regular review of the underlying calculation parameters as part of the separate 'cyber data pool'

Meyerthole Siems Kohlruss

Meyerthole Siems Kohlruss was founded in Cologne in 1998 as the first German actuarial consultancy and supports insurance companies in strategic decisions and operational processes. The focus is on data pools, pricing, telematics, cyber, sustainability, balance sheet valuations, reinsurance, Solvency II and IORP II.

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