RIMS Executive Report

The Risk Perspective

2016 RIMS CYBER SURVEY

RIMS
the risk management society™

2016 RIMS CYBER SURVEY

Concern about cybersecurity is ubiquitous in today's corporate world. Our second annual RIMS Cyber Survey highlights the measures that an increasing number of organizations are relying on, while also showing that opinions are far from aligned on reporting requirements.

As far as handling cyber exposure, this year's survey saw a leap in the number of organizations who are transferring the risk. Nearly 70% reported some form of transfer, an increase of 10% over 2015. Stand-alone cyber insurance policies seem to be the preferred route: a resounding 80% of survey respondents reported purchasing this type of cover, an increase of 29% compared to the 2015 collection.

Many organizations are being pushed in this direction by multiple forces. For example, a quarter of respondents said that they are required to buy cyber insurance as a result of contractual obligations, a leap of 17% from 2015. Here we can see evidence of organizations with large supply chains pressuring their vendors to increase their cybersecurity.

Premium paid for coverage varies widely. That said, nearly a quarter of respondents said they are paying more than $500,000 for their policies.

Regulators and legislators in many countries have been debating whether or not to mandate and standardize cyber breach reporting. Among our U.S. respondents, opinions of this approach are split: 48% think that the federal government should mandate reporting, while the rest are opposed or unsure. Meanwhile, there seems to be a lack of familiarity among risk managers about information sharing and analysis organizations (ISAO) that were created by federal legislation in 2015. Only 20% could confirm that their organizations were participating, and 40% confirmed that their companies were not.

The world of cybersecurity is, of course, rapidly evolving. That is also true for the insurance and risk management components. Please visit RIMS resources such as *Risk Management Magazine*, Risk Knowledge database, courses and webcasts to stay in the loop.

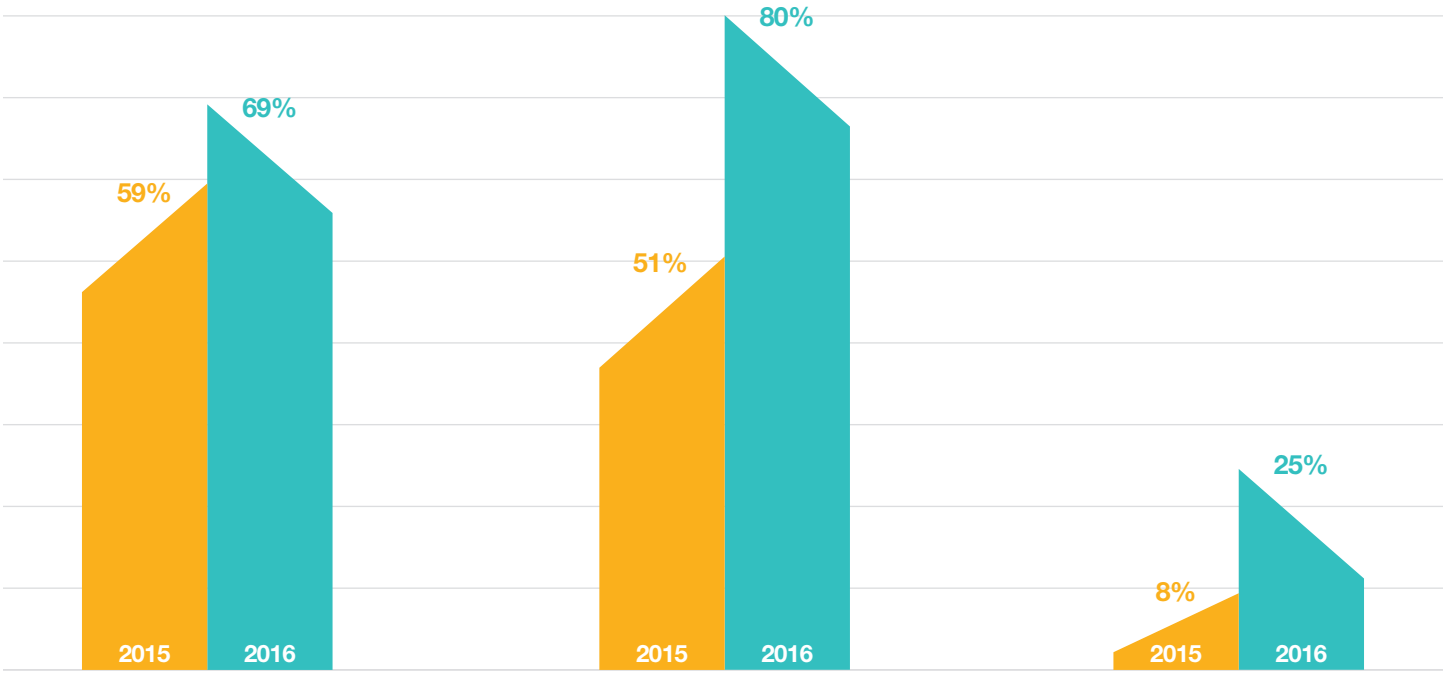
METHODOLOGY

This year's survey had 272 respondents; 2015 had 284. Demographics such as industry sector, organization revenue and number of employees held close to 2015 results. The survey was distributed to RIMS membership via an internet link, and was in field between August 8 and September 9, 2016. If you have additional questions about data collection, please contact RIMS at content@rims.org.

RIMS
the risk management society™

As the preeminent organization dedicated to educating, engaging and advocating for the global risk community, RIMS, *the* risk management society™, is a not-for-profit organization representing more than 3,500 corporate, industrial, service, nonprofit, charitable and government entities throughout the world. RIMS has a membership of approximately 11,000 risk practitioners who are located in more than 60 countries. For more information about the Society's world-leading risk management content, networking, professional development and certification opportunities, visit www.RIMS.org.

SURVEY AT A GLANCE



Organizations transferring the risk of cyber exposure to a third party

up 10%

from 2015 to 2016

Organizations with a stand-alone cyber insurance policy

up 29%

from 2015 to 2016

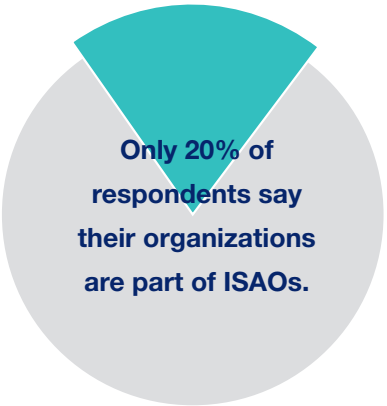
Organizations purchasing cyber insurance as a result of contractual obligations

up 17%

from 2015 to 2016

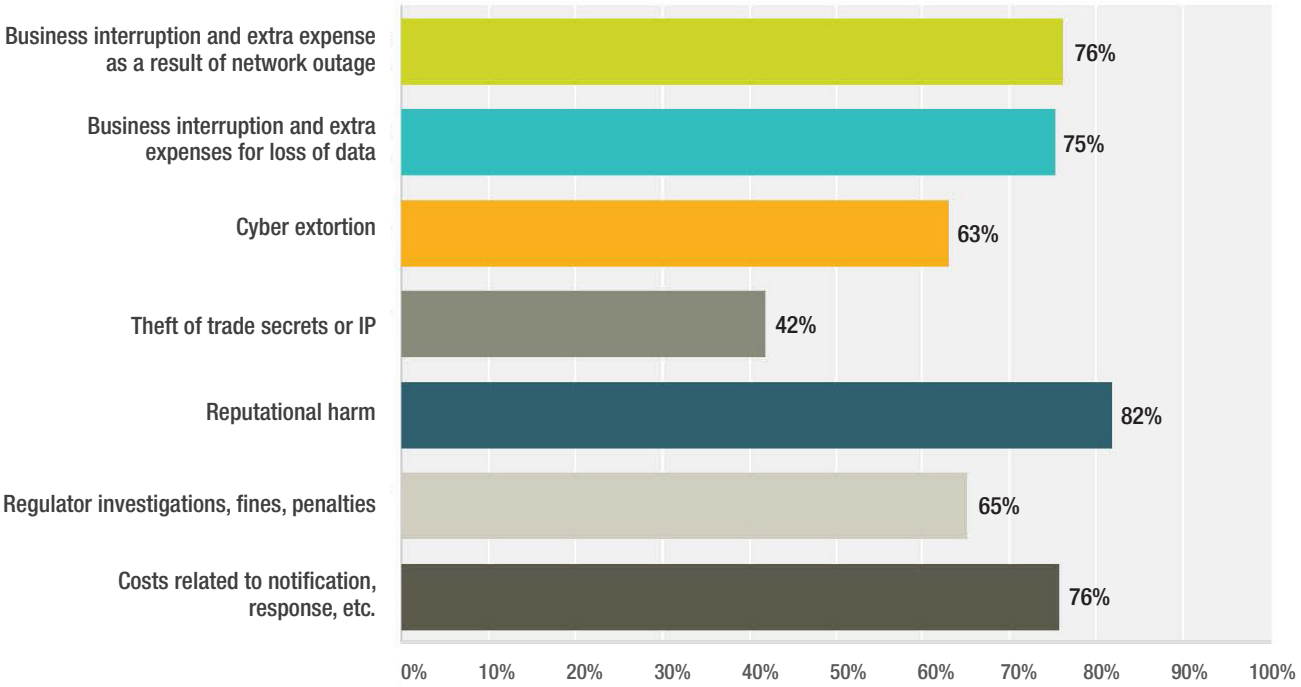
Nearly a quarter of respondents are spending over $500,000 on cyber premiums.

Fewer than 50% of risk managers think the government should mandate cyber breach reporting.

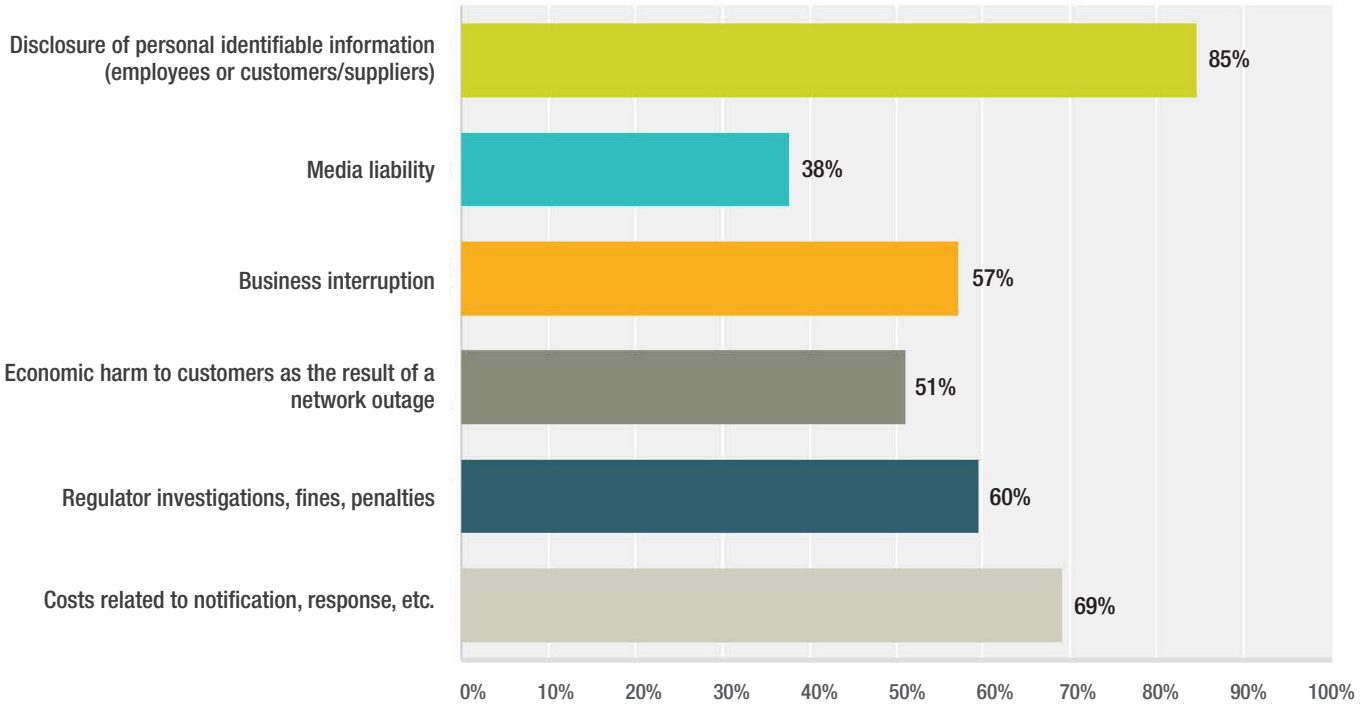


Only 20% of respondents say their organizations are part of ISAOs.

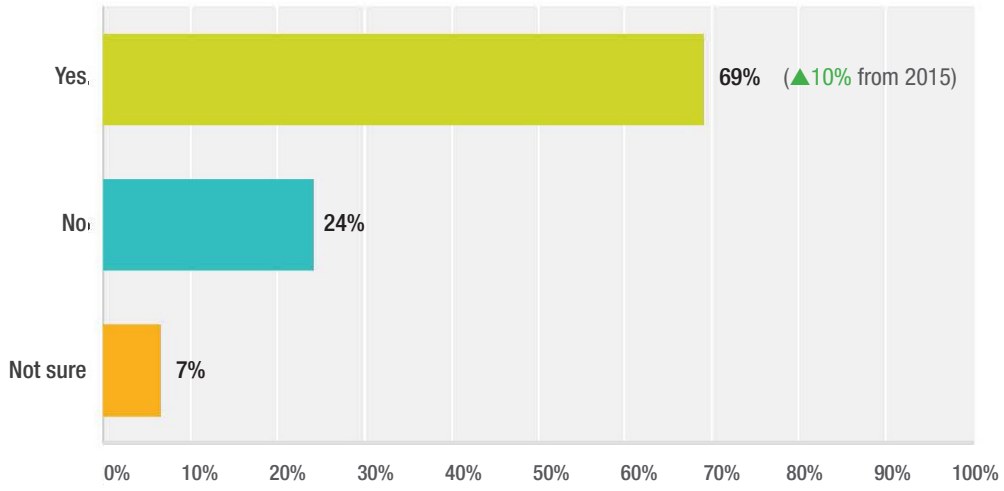
QUESTION 1. What are your organization's potential first-party cyber exposures:



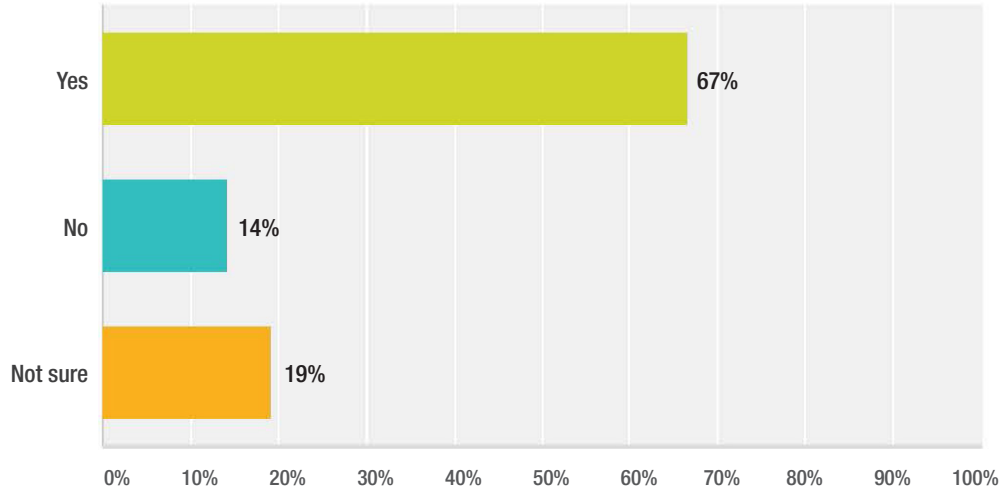
QUESTION 2. What are your organization's potential third-party cyber exposures:



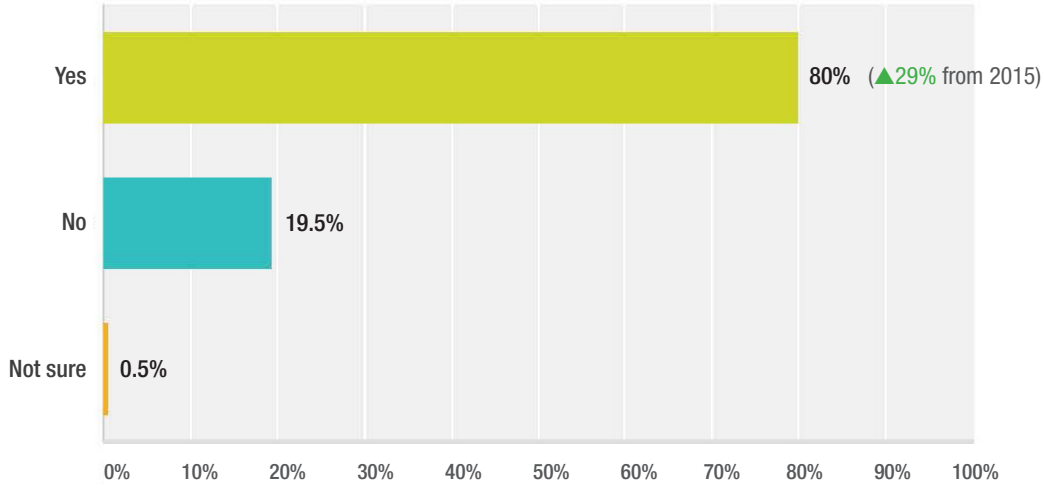
QUESTION 3. Does your organization transfer the risk of cyber exposure to a third party?



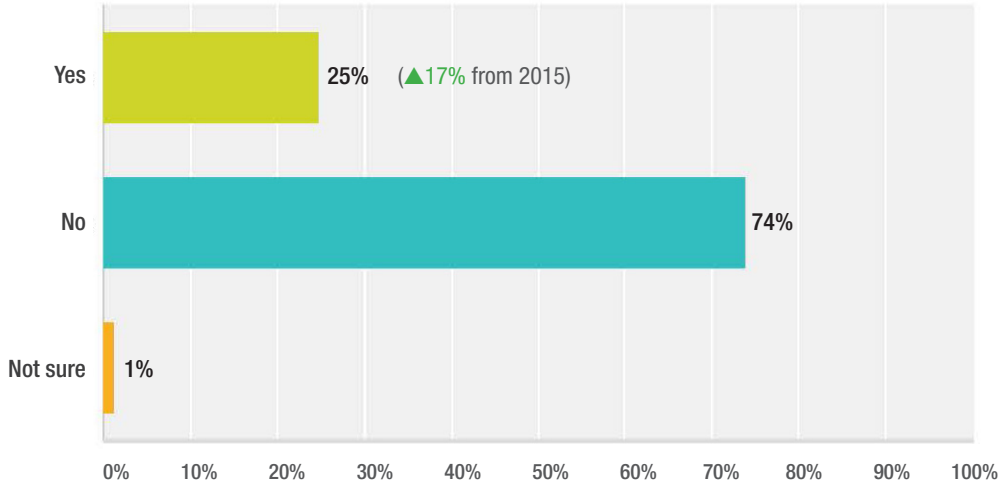
QUESTION 4. Is your organization considering a purchase of cyber coverage within the next 12-24 months?



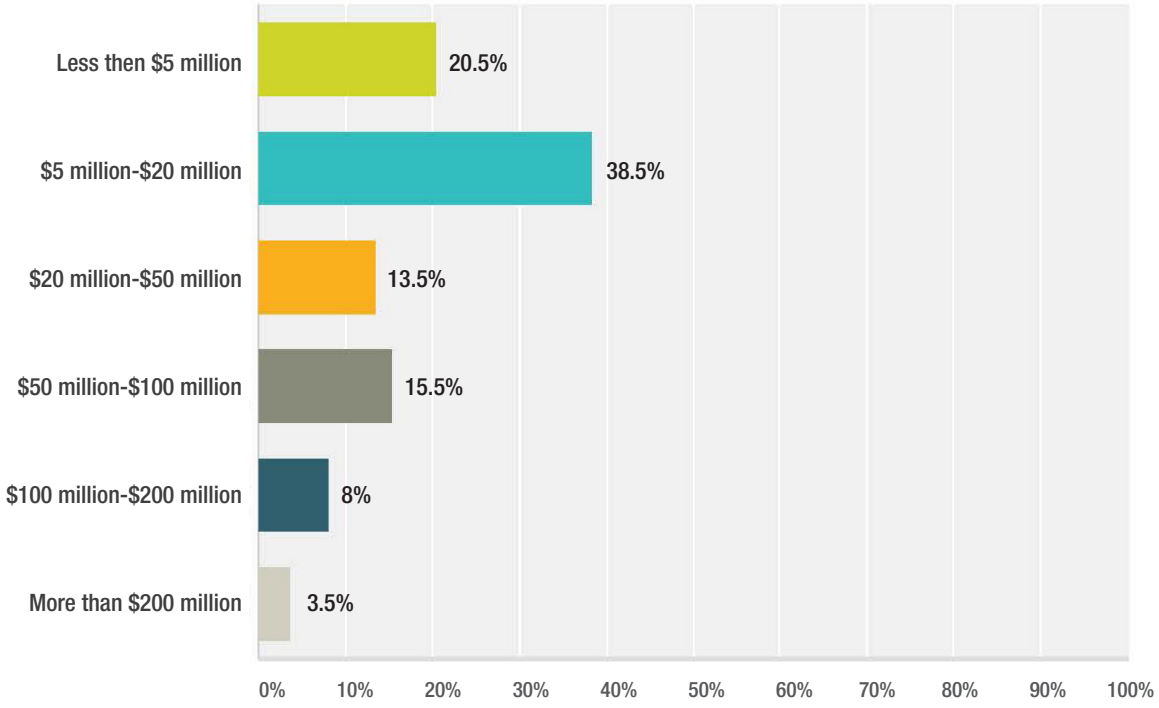
QUESTION 5. Does your company have a stand-alone cyber insurance policy?



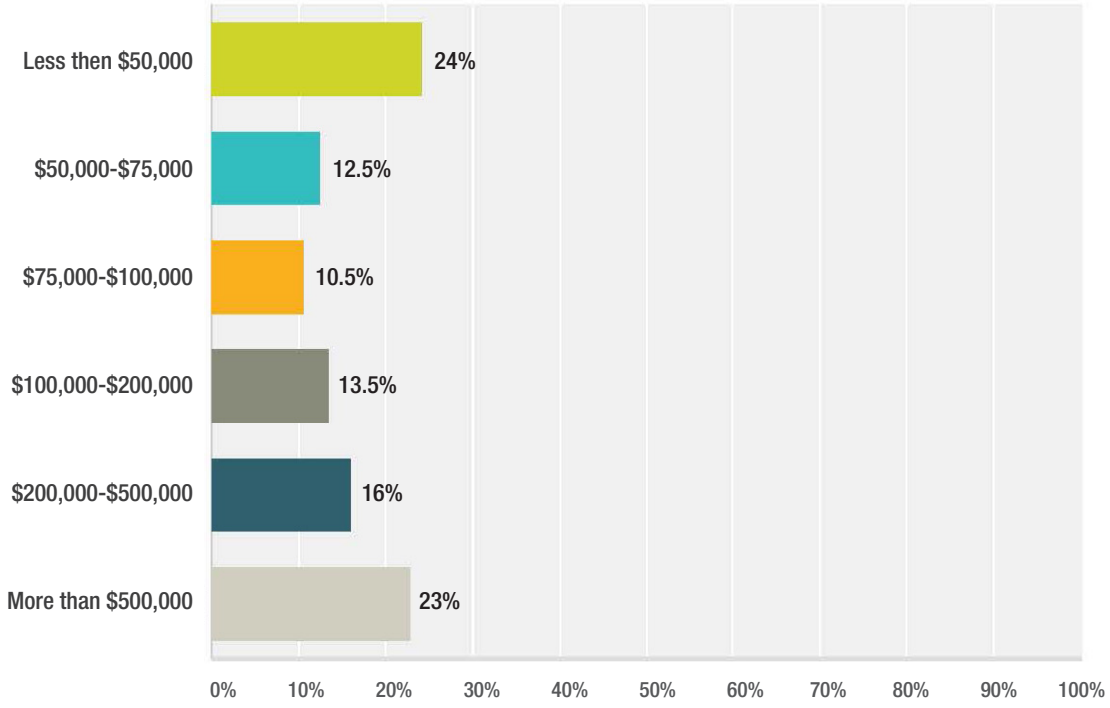
QUESTION 6. Does your organization purchase cyber insurance as a result of contractual obligations?



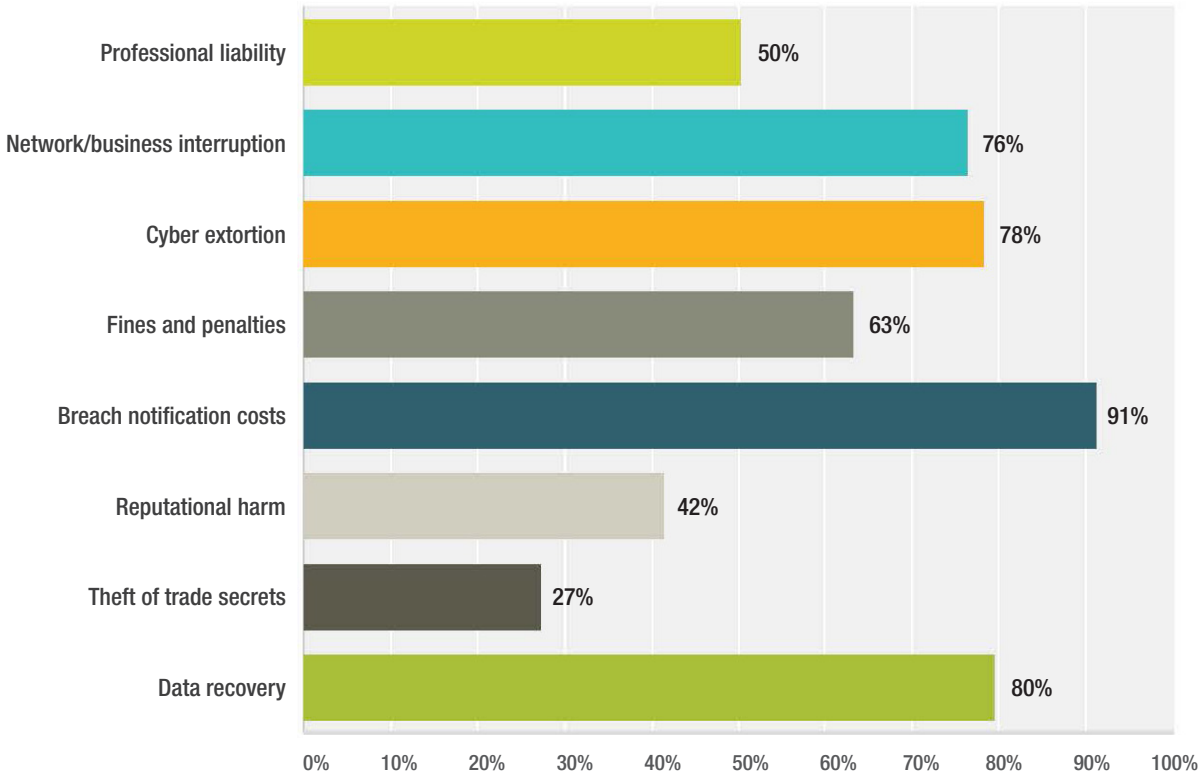
QUESTION 7. What is the range of limit purchased?



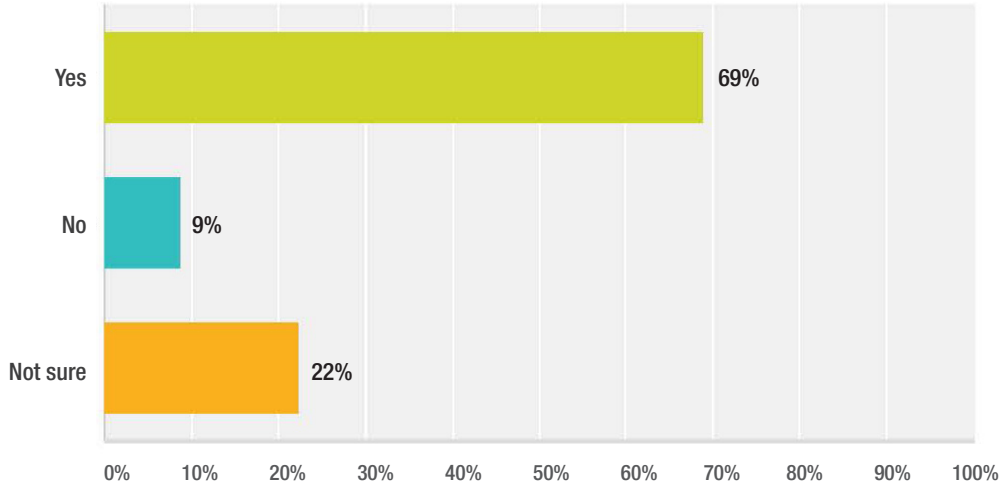
QUESTION 8. What premium are you paying for your cyber coverage?



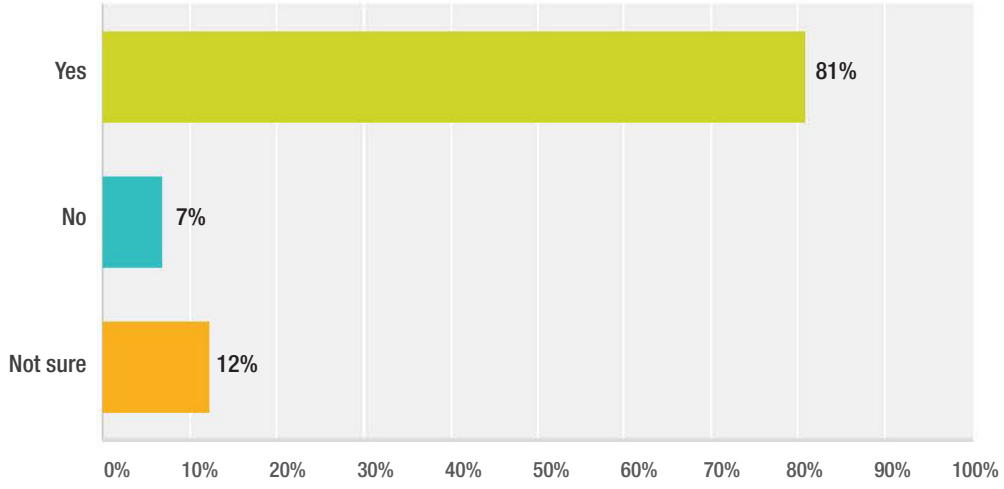
QUESTION 9. Which of the following is included in your cyber insurance policy?



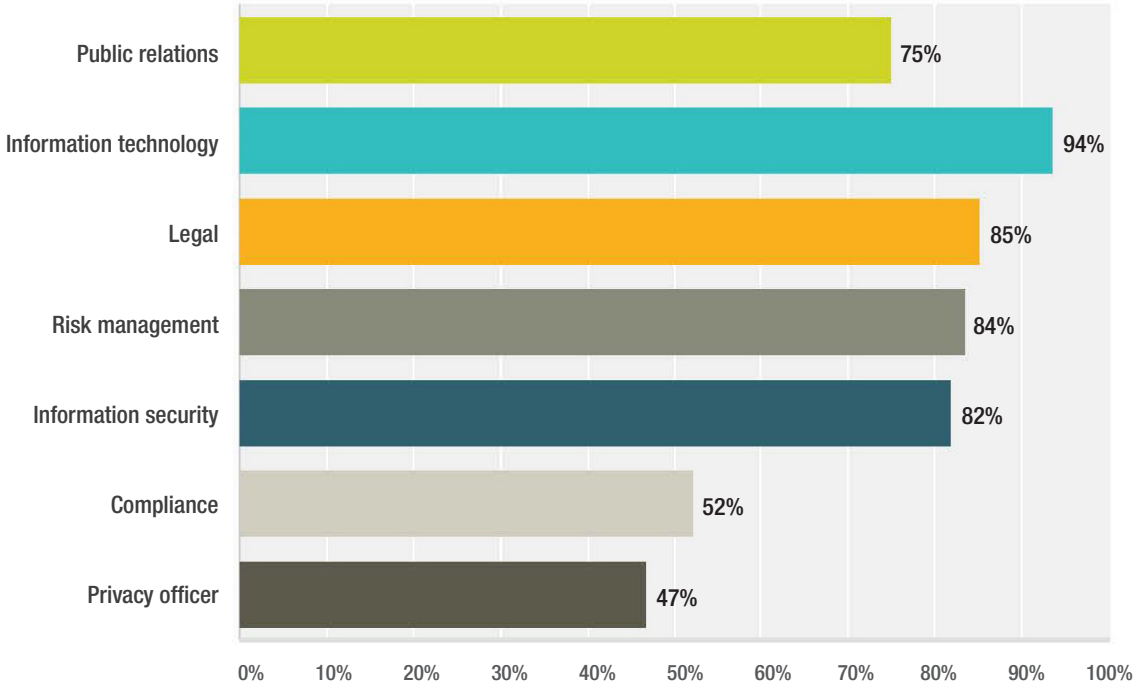
QUESTION 10. Does your organization's cyber insurance coverage extend to data stored in cloud servers?



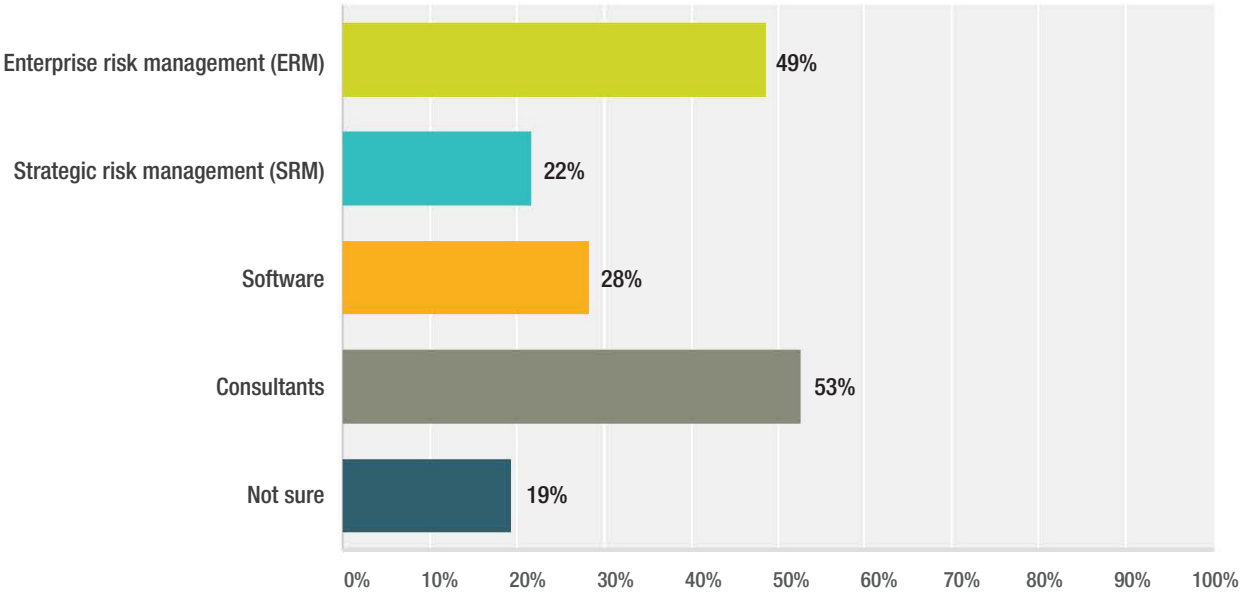
QUESTION 11. Does your organization have a response plan in place in the event of a cyber crisis?



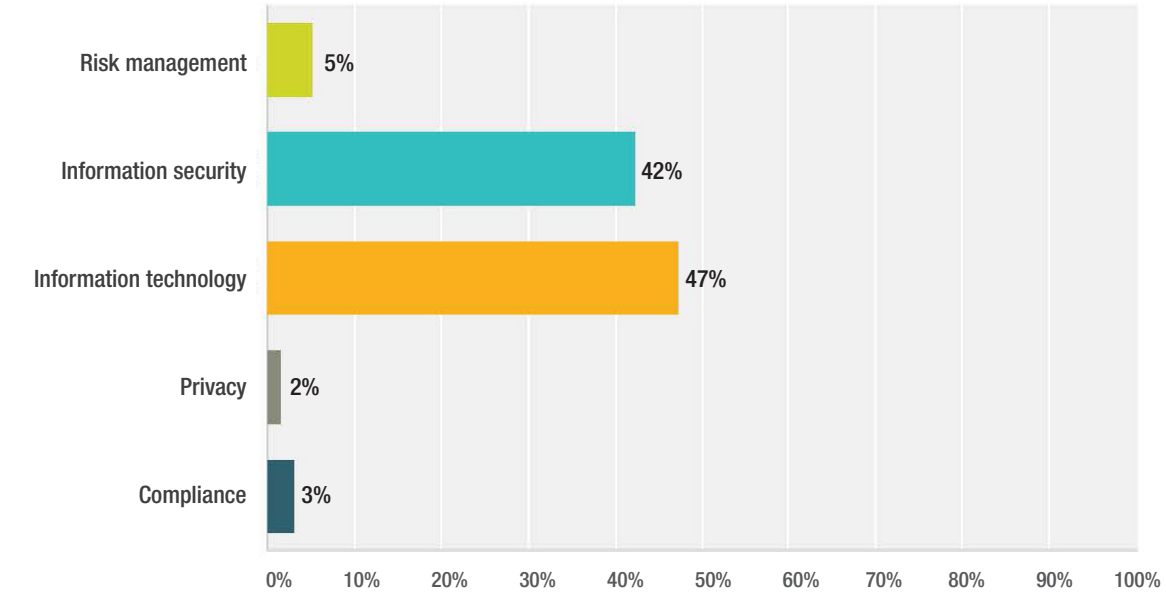
QUESTION 12. Who is involved in that response procedure?



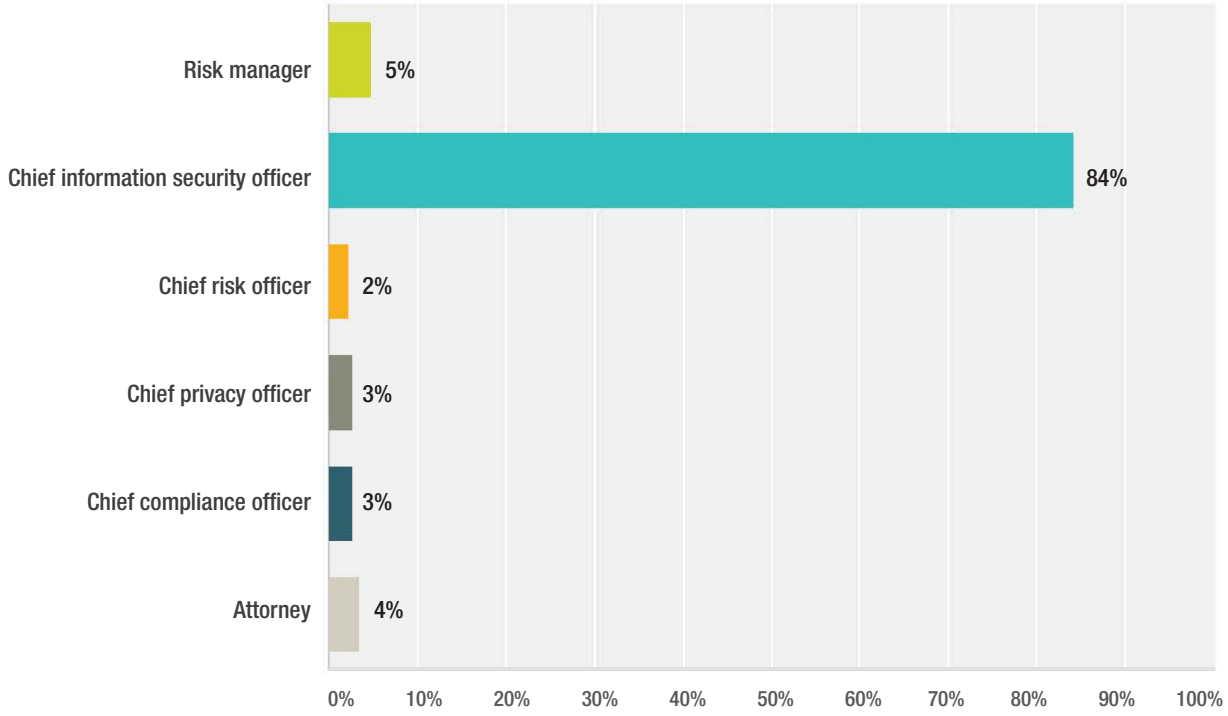
QUESTION 13. Has your organization identified cyberrisk using any of the following methods or tools?



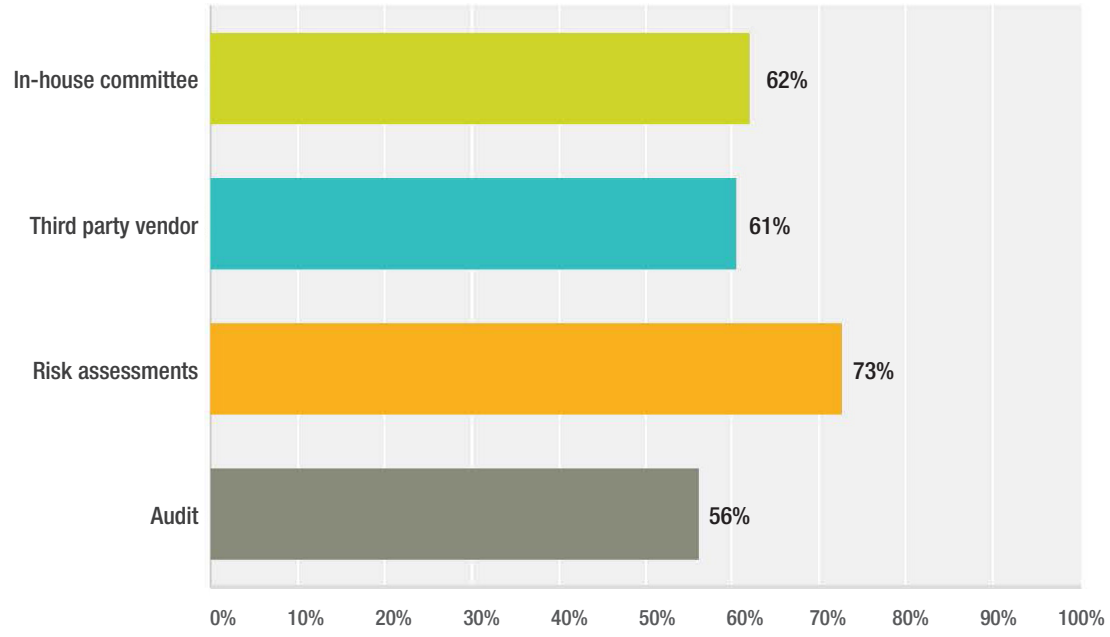
QUESTION 14. Which of the following has primary responsibility for cybersecurity within your organization?



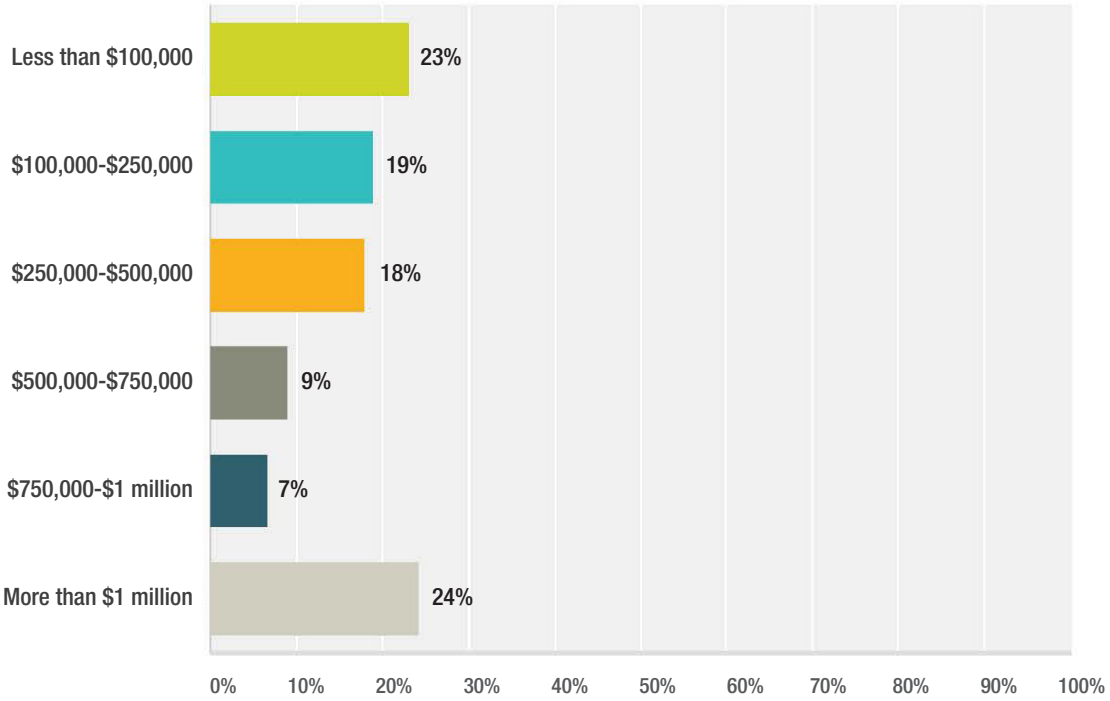
QUESTION 15. Which individual within your company has primary accountability for cybersecurity?



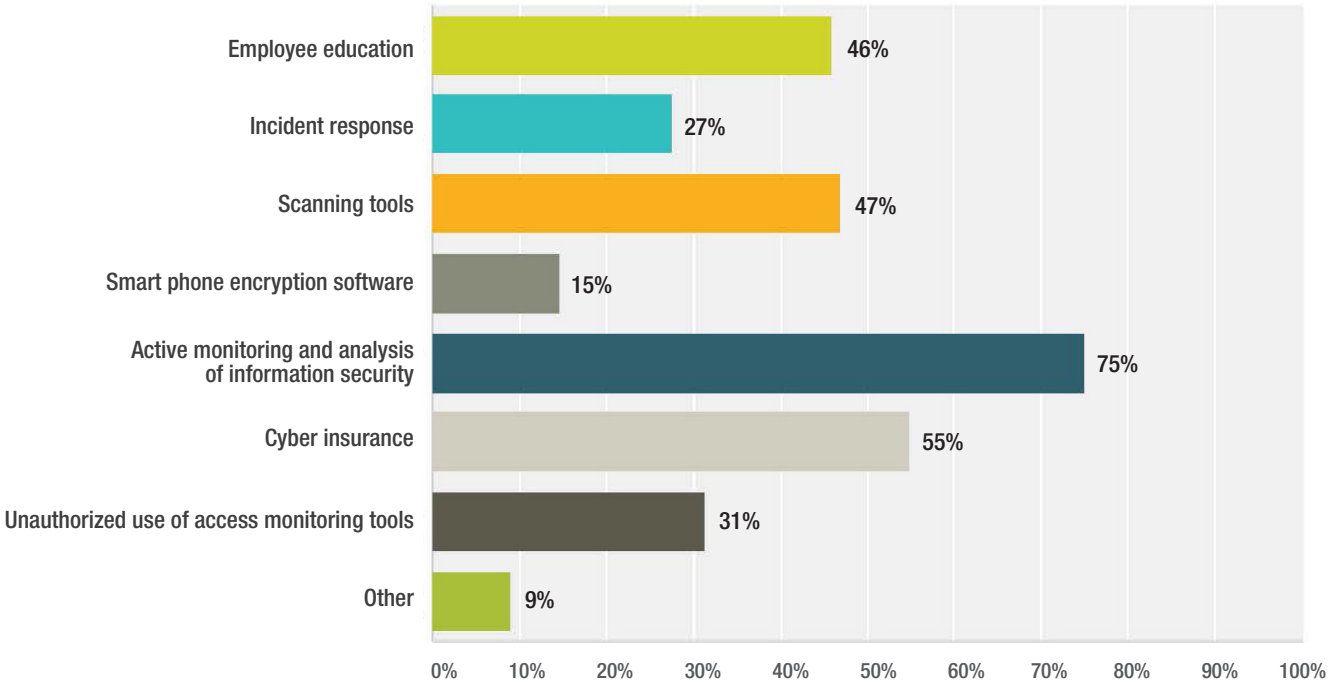
QUESTION 16. Which of the following methods does your company use to evaluate cybersecurity?



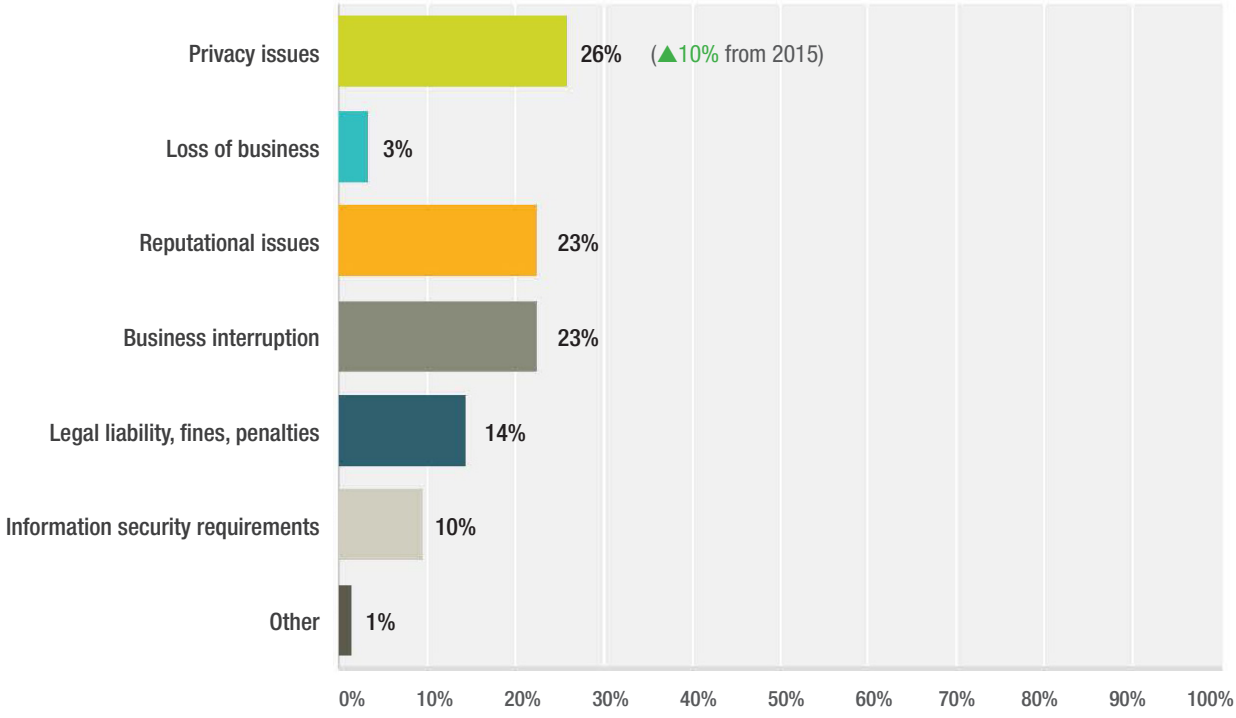
QUESTION 17. How much will your company spend to protect cybersecurity exposures in 2016?



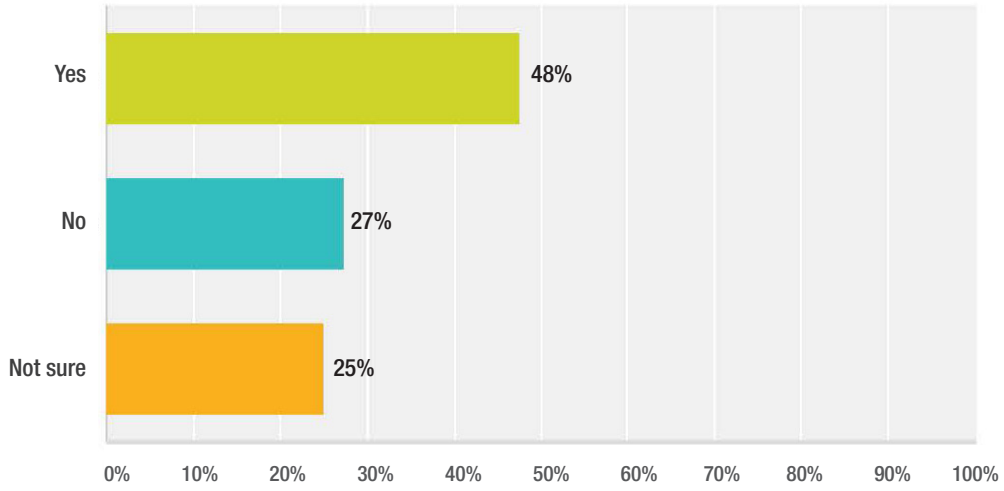
QUESTION 18. What will be your top cyberrisk spending categories in 2016?



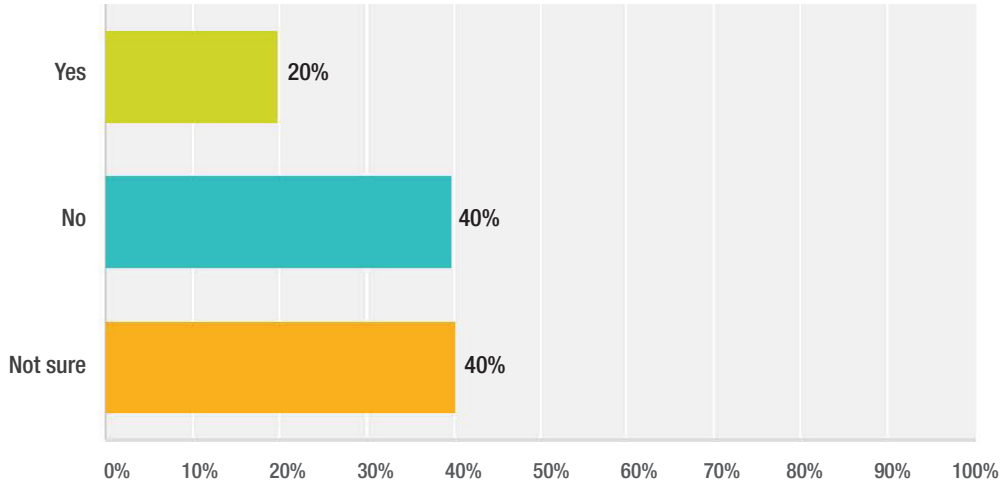
QUESTION 19. Which aspect of cyberrisk is most relevant to your company?



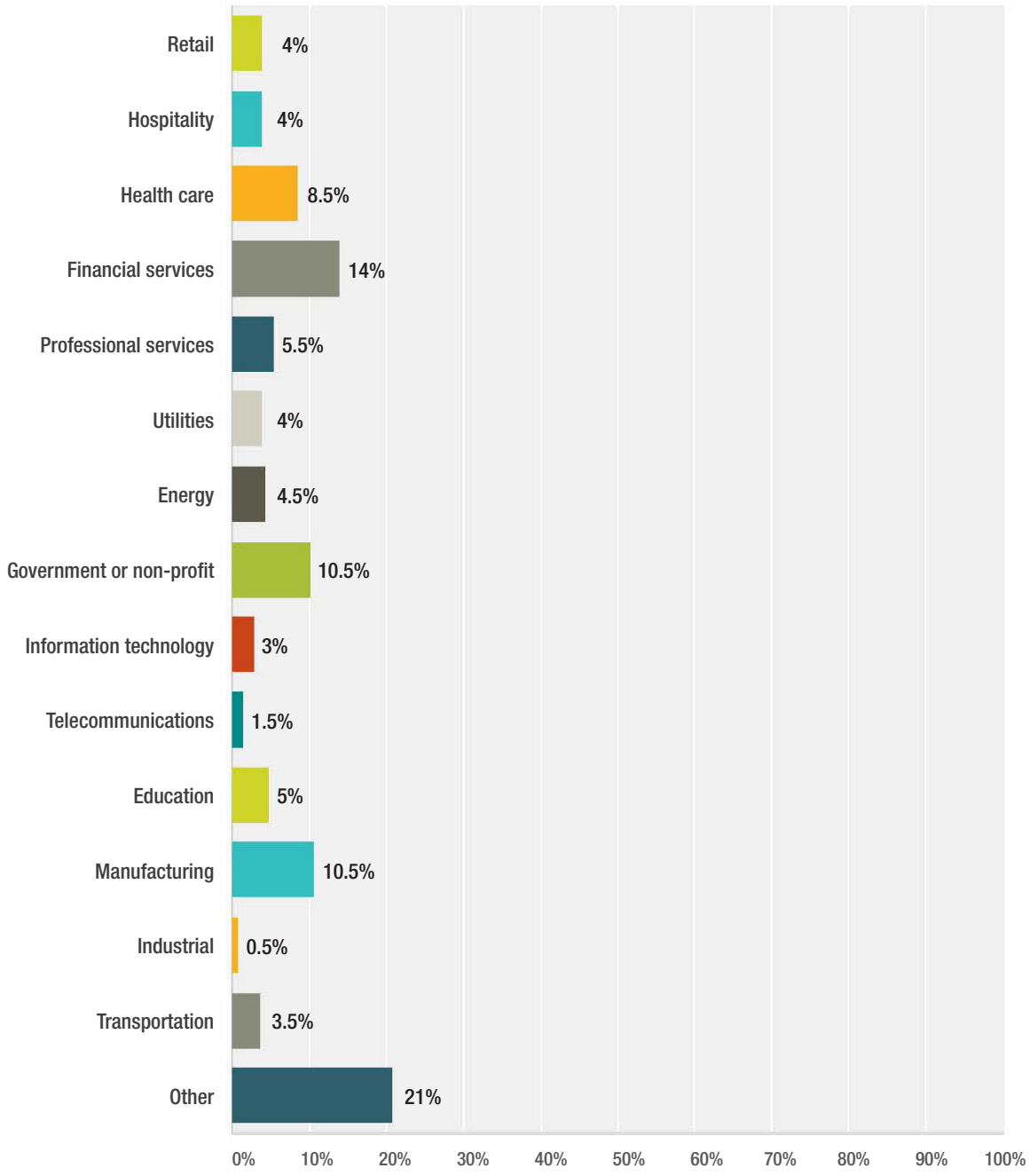
QUESTION 20. Do you think the federal government should mandate the reporting of cyber breaches? (U.S. respondents only)



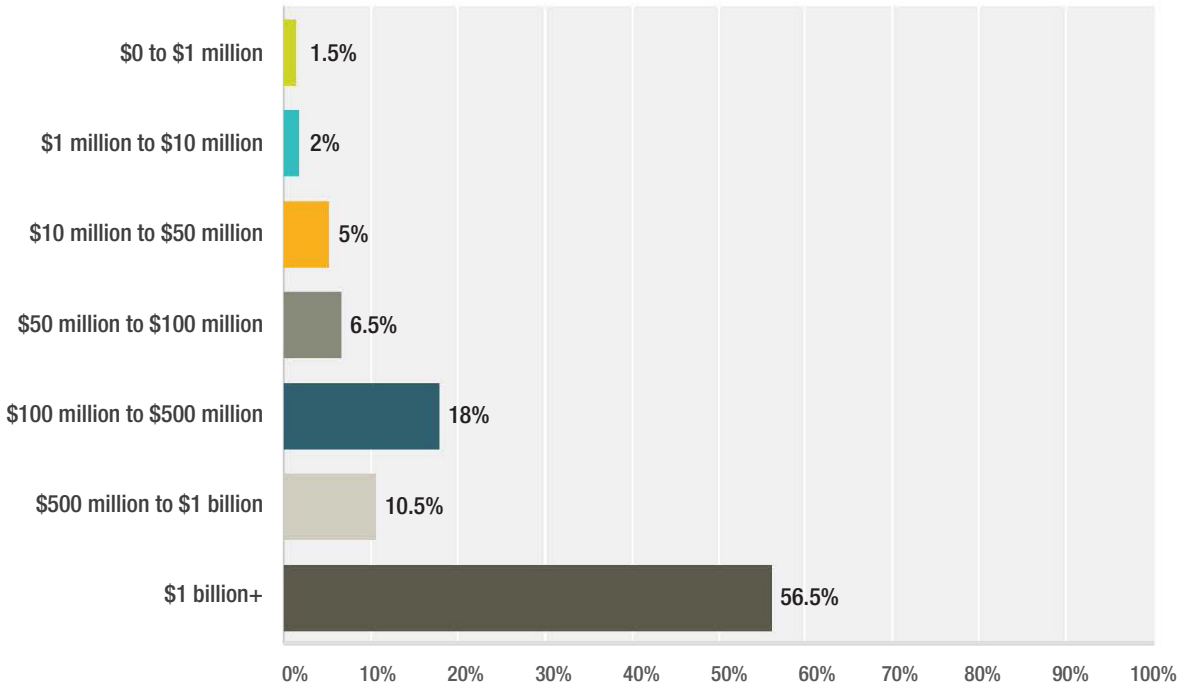
QUESTION 21. Does your organization belong to an information sharing and analysis organization (ISAO) as created by the U.S. Cybersecurity Information Sharing Act of 2015?



QUESTION 22. What is your industry sector?



QUESTION 23. What is your organization's estimated annual revenue? (USD)



QUESTION 24. How many total employees are in your organization?