

# TRIPLE-I TALKING POINTS:

## Cyber Insurance

Updated: July 1, 2021

**Issue overview:** Cyber insurance reimburses policyholders for damages associated with a cyberattack. Businesses traditionally buy cyber insurance as a standalone product. Insurers offer this coverage as part of home insurance and renters insurance policies.

**Key idea:** Cyberattacks occur when a data breach is made into a personal computer, smartphone, tablet, or other internet-connected devices.

### Talking Points:

#### Cyber insurance covers these costs

- Removing a virus from personal computers and tablets.
- Responding to—and paying for—a ransomware attack.
- Reimbursing financial losses connected either to identity theft or phishing schemes.
- Supporting an individual who suffers a cyberbullying attack, including paying legal expenses, temporary relocation expenses, or private tutoring.

#### Cyber insurance sales are rising along with the cost of this coverage

- In a report released in May 2021, the U.S. [Government Accountability Office](#) (GAO) said the number of cyber insurance policies nationwide grew to 3.6 million-plus from 2.2 million between 2016 and 2019.
- Within this same timeframe (2016-2019), the total amount of direct premiums written for cyber insurance increased nationwide to \$3.1 billion from \$2.1 billion, the GAO found.
- The cost of cyber insurance went up 10-30 percent in late 2020, the GAO report said, as increased demand for the coverage coincided with higher insurer costs from more frequent and severe cyberattacks.

#### Businesses with fewer than 50 employees are reluctant to purchase cyber insurance

- The high cost of cyber insurance kept 42 percent of U.S. businesses from buying coverage, according to a Triple-I [survey conducted jointly](#) with J.D. Power in 2019.
- Three of the four businesses surveyed had 50 or fewer employees.
- 35 percent of those surveyed said cyber insurance was not something they needed
- The Triple-I [offered seven ways](#) to protect against data breaches in 2020.