

Deep market insights empower cyber strategy

Erica Davis and Jess Fung on empowering cyber underwriters to make informed decisions

For cyber insurers, getting real-time, relevant market insights has been a long-standing challenge.

Operating in a rapidly expanding risk segment that deals with an ever-evolving threat environment means it is crucial for cyber underwriters and exposure management teams to have access to credible industry intelligence. Global context of how the market shifts over time – and how competitors are responding to these macro changes – will empower cyber writers to make informed decisions more confidently.

However, unlike traditional property and casualty lines of business, where industry information is available through data aggregators such as PCS and the National Council on Compensation Insurance in the US, cyber insurers do not have the luxury of widely available market intelligence. The lack of clarity and visibility into what the true cyber industry looks like is becoming an increasingly bigger hurdle for insurance companies as they seek to create and refine their business strategy around writing cyber risk.

Cyber writers often ask questions such as:

- Is my portfolio different from the broader market?
- What is my potential for outsized accumulation in certain segments?
- Where do I stand out?
- Where should I focus my growth?
- How should I compete with my peers?

Thriving in the cyber market requires deep understanding of portfolios, strategic assessment of opportunities and creating a competitive edge through peer analytics.

Through Guy Carpenter's market position as the leading cyber reinsurance intermediary, our cyber centre of excellence has created the GC CyberExplorerSM DataLake, which aggregates a robust and detailed client dataset on a global scale. Marrying that with cutting-edge data visualisation technology and other data sources, we are able

to offer cyber writers a solution to the challenge of accessing sound industry information: GC CyberExplorerSM Gateway, a client-facing interactive benchmarking dashboard for dynamic decision-making.

One key feature of our benchmarking dashboard is the customised peer group analysis, which allows companies to tailor an industry dataset in order to establish the most appropriate benchmark for meaningful comparison. Companies can utilise this dashboard to steer important aspects of their cyber strategy and portfolio, such as pricing adequacy, limit and attachment management, and identification of underserved segments for growth opportunities. Equally importantly, since the dashboard is client-accessible, clients can have this information available real time, whenever they need it.

Cyber writers can filter the industry data using multiple dimensions, including policy limits and attachments, insureds' revenue size, industry sector, and region of domicile. They can further contrast their portfolio based on areas of concentration and drill down into coverage-level details. By accessing this market intelligence on a regular basis, cyber writers can track areas of aggregation and whether their portfolio is evolving in sync with or different from the rest of the industry.



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How Guy Carpenter can help

GC CyberExplorerSM Gateway serves as an access point for cyber insurers to collaborate with the Guy Carpenter team for other bespoke benchmarking analyses. A natural next step after exposure and portfolio composition benchmarking is to compare one's own modelled risk, actual loss performance and underwriting position net of reinsurance against peers. This requires proprietary claims experience data and more nuanced interpretation of results. We work with our clients in understanding their cyber risk objectives and concerns, in order to create a tailored reinsurance solution to meet each client's unique needs.