



## **Analyzing Cyber Risk for Risk Financing Strategies**

## **Data Requirements\***

- Loss run for cyber risk
- List of known cyber events/incidents (if not reported to a carrier)
- ► Historical and projected revenue
- Most recent cyber underwriting submission
- Most recent cyber policy
- Retention scenarios for upcoming policy
- Summary of non-risk transfer strategies
- Market quotes

\*IF AVAILABLE

## Summary of Analytical Process

Data collection/discussions



Determination of appropriate industry data to supplement company info



Prospective frequency and severity forecasts



Monte Carlo simulations



Comparison of simulation results to market quotes



Output for various program structures

## **Output / Deliverable**

 Confidence level analyses for projected period (potentially at multiple retention scenarios)

Projected Losses by Confidence Level		
Probability Level	Total Losses - \$5M Limit	Total Losses - \$5M xs \$5M
Expected	\$1,550,000	\$600,000
65%	\$0	\$0
75%	3,070,000	0
85%	5,000,000	860,000
95%	5,000,000	5,000,000
99%	9,050,000	5,710,000

- Final report with a narrative, assumptions, qualifications, and excutive summary
- Analysis can be used for internal planning, carrier premium negotiation, or captive feasibilty

