

AIG Survey Finds More Insurance Decision Makers Concerned about Cyber Threat than Other Major Risks
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Develops First-Ever Cyber Risk Management Mobile App, Launches Other Tools to Complement CyberEdge Insurance Solution, Meet Demand for Cyber Threat Information

A survey of perceptions about cyber risk sponsored by the American International Group, Inc. (AIG) found that among corporate executives, more are concerned about cyber threats than about other major business risks.

More than 85% of the 258 decision-makers surveyed said they were very or somewhat concerned about cyber risks to their organizations, compared with the group's response to six other areas of risk, including income loss (82% of executives were very or somewhat concerned), property damage (80%), and securities and investment risk (76%).

Additional survey results, which include input from insurance brokers, found high demand among executives and brokers for information about cyber threats, with 80% indicating that they find it difficult to keep pace because the cyber threat is evolving so rapidly. This prompted AIG to develop the first-ever mobile app for cyber risk management and to introduce other tools to further strengthen its CyberEdge risk management solution.

Other findings of note provide further insight into the pervasiveness of cyber risk concern among executives and brokers:

- More than two out of three (69%) executives and brokers believe that the reputational risk from a cyber attack is far greater to a company than the financial risk.
- More than seven in ten (75%) executives and brokers say legal compliance issues are making companies think more about cyber risks.
- The vast majority of brokers and executives (82%) believe hackers are the primary source of cyber threats, though a significant portion of those surveyed (71%) also perceive human error as a significant component of cyber risk.

"These new survey findings confirm that business leaders view cyber risk as a top business concern, with great potential for reputational and financial loss. At AIG, the first company to introduce cyber insurance in 1999, we are working to address these concerns and provide a valuable additional layer of support through our comprehensive risk management solution for cyber insurance," said John Gambale, Head of Professional Liability and Lexington Financial Lines Executive, U.S./Canada Financial Lines, AIG.

First Cyber App for Cyber Threats

Part of that solution is a free CyberEdge Mobile App for the iPad, which AIG developed in response to the clear demand for information about cyber risk and how to help mitigate and respond to it. The app is the first-of-its-kind for cyber risk information and is available as a free download to anyone at the iTunes® App Store.

The App features the latest cyber news, real-time information on country-wide data breaches, a breach cost calculator, an events calendar and a glossary of common cyber terms. More than 20 claims narratives are included in the App to help brokers and clients better understand how other companies are handling breaches.

Helping Clients Stay Ahead of the Curve

CyberEdge policyholders that qualify now also have access to AutoShun®, a third-party hardware device that sits between a customer's firewall and the external Internet, to help stop a cyber attack in real-time by blocking inbound and outbound communication with known bad IP addresses. No other insurer offers policyholders this added level of protection.

In addition, AIG has launched the CyberEdge RiskTool, a web portal enabling qualifying CyberEdge policyholders to proactively manage risk management policies, training and compliance to mitigate cyber exposure. The portal provides a simplified process and peace of mind to clients that the risks to their sensitive information and electronic assets are removed, limited or transferred.

“Our focus on innovation continues today as we roll out new tools and resources. Our clients are already doing everything they can to protect their organizations. With these new tools, AIG is bringing our experience and guidance to help our clients stay ahead of the curve,” stated Tracie Grella, Global Head of Professional Liability, Financial Lines, AIG.

About the Survey

On behalf of AIG, Penn Schoen Berland (PSB) conducted the survey of 323 risk managers, IT decision makers, C-suite executives, and brokers in the United States and Canada who play a role in selling insurance policies or determining insurance programs within their organizations. The survey includes a mix of AIG customers and other companies, including 60 companies with revenue between \$1 billion and \$10 billion, mid-market businesses with revenue between \$10 million and \$1 billion, as well as large and mid-sized broker partners. These interviews took place October through November 2012. Overall, margin of error is +/-5.45% and larger for sub-audiences.

About CyberEdge

CyberEdge is a comprehensive cyber risk management solution offered by AIG insurers. In a rapidly changing landscape, CyberEdge provides innovative protection to help businesses safeguard against sensitive data breaches, computer hacking, dumpster diving, computer viruses, employee sabotage or error, and pilferage of information and identity theft. The best way to solve a problem is to prevent it in the first place – but sometimes that's just not possible. In the event that something does make it through a company's defenses, CyberEdge will be there to help with dedicated cyber claims specialists and an extensive vendor network always at the ready. CyberEdge is available in 34 countries, with additional countries launching cyber coverage on a regular basis.

American International Group, Inc. (AIG) is a leading international insurance organization serving customers in more than 130 countries and jurisdictions. AIG companies serve commercial, institutional, and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition, AIG companies are leading providers of life insurance and retirement services in the United States. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

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