



eiopa

European Insurance and
Occupational Pensions Authority

I N B R I E F

EIOPA STRATEGY ON CYBER UNDERWRITING

Cyber risk is a top risk for many businesses. Digitalisation of the economy makes it one of the main sources of operational risk faced by organisations. The increasing frequency and sophistication of cyber attacks and the continued digital transformation also make insurers increasingly vulnerable to cyber threats, as more and more insurers embrace new technologies and make use of big data.

This needs to be done while safeguarding financial stability, market integrity and investors' protection.

EIOPA aims at promoting sound technological progress for the benefit of the European Union economy and its citizens.

Monitoring cyber threats and ensuring robust resilience through a well-developed European cyber insurance market is a strategic priority for EIOPA.

EIOPA's strategic priorities take into account the European Commission's Digital Strategy, Cybersecurity Strategy and FinTech Action Plan and support its ambition for a Digital Single Market. The Digital Single Market is built on 3 pillars.

EIOPA works closely with national supervisors, industry and other stakeholders to identify risks and trends, including best practices, related to cyber security. EIOPA also works closely with the other European Supervisory Authorities on this issue.

EIOPA's strategy for cyber underwriting is an essential part of its work on cyber risks and insurance, and essential for building overall resilience at European level.

EIOPA's supervisory and regulatory priorities in cyber risk are:

- Appropriate cyber underwriting and cyber risk management practices and how its supervision needs to be in place to promote such good practices.
- Adequate assessment and mitigation tools to address potential systemic cyber and extreme risks.

DIGITAL SINGLE MARKET

ACCESS
Better access for consumers and businesses to digital goods and services across Europe

CONDITIONS
Creating the right conditions and a level playing field for digital networks and innovative services to flourish

POTENTIAL
Maximising the growth potential of the digital economy

A STRONG, RELIABLE CYBER INSURANCE MARKET REQUIRES A NUMBER OF CONDITIONS, IN PARTICULAR:



EIOPA has a role as a facilitator and catalyst with the aim to advise on cyber insurance to enhance:

Mutual understanding of contractual conditions and terms, for both, policyholders and insurance undertakings:

- EIOPA will continue for instance organising workshops to promote on-going dialogue between industry and consumers
- EIOPA will continue to monitor market developments and promote good practices from a consumer protection perspective.

Adequate assessment and mitigation tools to address potential systemic cyber and extreme risks:

- EIOPA will assess and monitor the extent of potential systemic cyber risks and explore the need for systemic mitigants together with the industry, European Commission, the ESRB and other relevant regulatory bodies
- EIOPA will continue to participate in the EU-US dialogue on cyber insurance

An adequate level and quality of data on cyber incidents need to be available at a European level:

- EIOPA will engage with its Members, the European Commission and other relevant regulatory bodies (such as ENISA, European Data Protection Supervisors, IAIS) to explore and promote the development of a harmonised cyber incident reporting taxonomy to underpin cyber underwriting modelling.
- EIOPA will engage with the industry to better understand their perspective on the minimum standards
- EIOPA would encourage data and knowledge sharing initiatives among industry participants on cyber incidents.

LEARN MORE



Visit the dedicated webpage:

https://www.eiopa.europa.eu/browse/innovation_en

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