





Slide 1


**Setting Reserves for Cyber Lines:
Traditional Actuarial Method v
Accumulation Risk Quantification**
Michael Solomon, Consulting Actuary, The Actuarial Advantage, Inc.
Daniel Bar-Yaacov, Senior Vice President, Willis Re.
Casualty Loss Reserve Seminar
Anaheim, CA, September 6, 2018


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Antitrust Notice

- The Casualty Actuarial Society is committed to adhering strictly to the letter and spirit of the antitrust laws. Seminars conducted under the auspices of the CAS are designed solely to provide a forum for the expression of various points of view on topics described in the programs or agendas for such meetings.
- Under no circumstances shall CAS seminars be used as a means for competing companies or firms to reach any understanding – expressed or implied – that restricts competition or in any way impairs the ability of members to exercise independent business judgment regarding matters affecting competition.
- It is the responsibility of all seminar participants to be aware of antitrust regulations, to prevent any written or verbal discussions that appear to violate these laws, and to adhere in every respect to the CAS antitrust compliance policy.



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Introduction to Michael Solomon

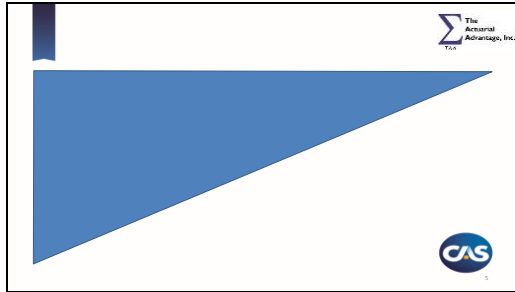
- FCAS, MAAA, CERA
- Adjunct Professor, Actuarial Science at Temple University
- 1st Prize, Society of Actuaries/ Casualty Actuarial Society Joint Risk Section Cybersecurity call for Essays
- 1st Prize, Professionally Speaking Toastmasters public speaking competition
- CAMAR President
- Member, Committee for P&C focused ERM Seminars
- Member, CAS/ CIA/ SOA Impairment Project Oversight Group



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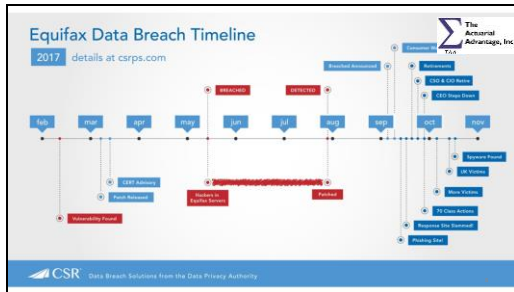
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The Annual Advantage, Inc.

Part 7. Limitations

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The Annual Advantage, Inc.

Global study at a glance

- > Average total cost of a data breach: **\$3.86 million**
- > Average cost per lost or stolen record: **\$148**
- > Likelihood of a recurring material breach over the next two years: **27.9%**
- > Average total one-year cost increase: **6.4%**
- > One-year increase in per-capita cost: **4.8%**
- > Average cost savings with an Incident Response team: **\$14 per record**

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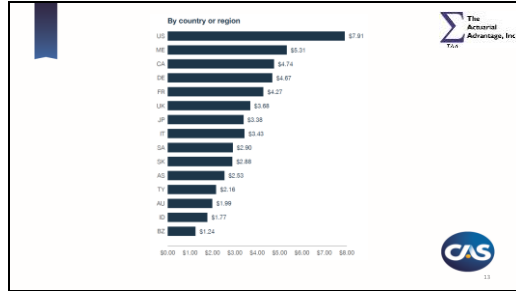
The Annual Advantage, Inc.

Global averages

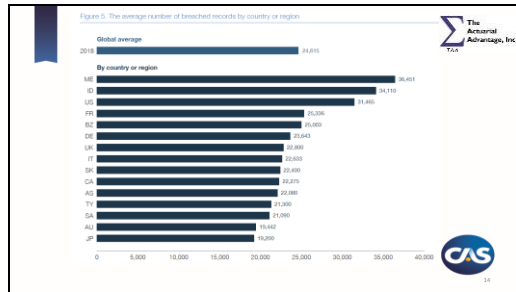
Year	Average total cost of a data breach
2018	\$3.86
2017	\$3.62
2016	\$4.00
2015	\$3.79
2014	\$3.50

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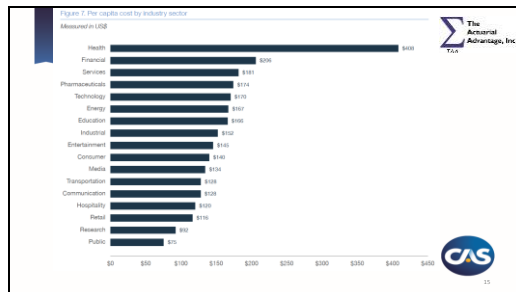
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