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## **TransRe Co-Sponsors 2<sup>nd</sup> Cyber Research Project**

### **A Cyber Attack On Asia Pacific Ports Could Cause Up To \$110 Billion Economic Loss, \$8 Billion Insured Loss.**

**NEW YORK, N.Y., October 30, 2019** – TransRe has co-sponsored “Shen Attack: Cyber Risk in Asia Pacific ports” as a follow-up to the “Bashe” report published earlier this year. Once again, the Singapore-based, public private Cyber Risk Management (CyRiM) project has quantified the potential economic and insured losses, this time caused by a cyber attack that forces several ports to close simultaneously.

The results once again highlight significant consequences for both insureds and insurers. In particular, the report quantifies the exposure/protection gap. While modeled economic loss scenarios range from \$41 billion to \$110 billion (driven by transportation, retail, manufacturing and construction sectors) insured losses range from \$4 billion to \$8 billion (driven mainly by Business Interruption and Contingent Business Interruption). Insurance coverage at 8-9% of economic loss leaves an insurance gap of up to \$101 billion in the most severe scenario, which suggests most enterprises remain underinsured for this exposure.

For insurers (and their reinsurers) the report estimates that non-affirmative cyber (coverage not explicitly mentioned in the policy) would account for 57-63% of insured losses.

Like the earlier report, this analysis reinforces the importance of a close examination of the systemic cyber risk that exists within the interlinked components of the global economy – in this case within the ports of Asia Pacific. Effective supply-chain risk management includes quantifying the exposure and effectively transferring the risk. The report will inform the development of new products, services and mitigation strategies to improve the resilience of businesses and communities and represents an opportunity for insureds and (re)insurers to reassess and expand their view of cyber risks ahead of the next major event.

A full copy of the report is available in the Insights section of TransRe’s website.

### **About CyRiM**

The Cyber Risk Management (CyRiM) project is led by Nanyang Technological University’s Insurance Risk and Finance Research Centre, in collaboration with academic and industry partners: Cambridge University Judge Business School’s Centre For Risk Studies, Aon Centre for Innovation and Analytics, Lloyd’s of London, Mitsui Sumitomo Insurance Group, SCOR and TransRe. CyRiM is a pre-competitive research project that aims to foster an efficient cyber risk insurance marketplace through. To learn more, please visit: <http://irfc.ntu.edu.sg/Research/cyrim/Pages/Home.aspx>

### **About TransRe**

Established in 1977, TransRe is the brand name for Transatlantic Holdings, Inc. and its subsidiaries (including Transatlantic Reinsurance Company). TransRe, wholly owned by Alleghany Corporation is a reinsurance organization headquartered in New York with operations worldwide. TransRe offer the capacity, expertise and creativity necessary to structure programs across the full spectrum of property and casualty risks. Please visit [www.transre.com](http://www.transre.com) for more information.