



# Insurance, the “Sharing Economy,” Millennials & More

PCI Legislative & Political Conference  
Orlando, FL  
October 29, 2015

***Download at [www.iii.org/presentations](http://www.iii.org/presentations)***

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# The “On-Demand” (Sharing) Economy

**The On-Demand Economy Will  
Transform the American  
Workforce and the  
P/C Insurance Industry Too**

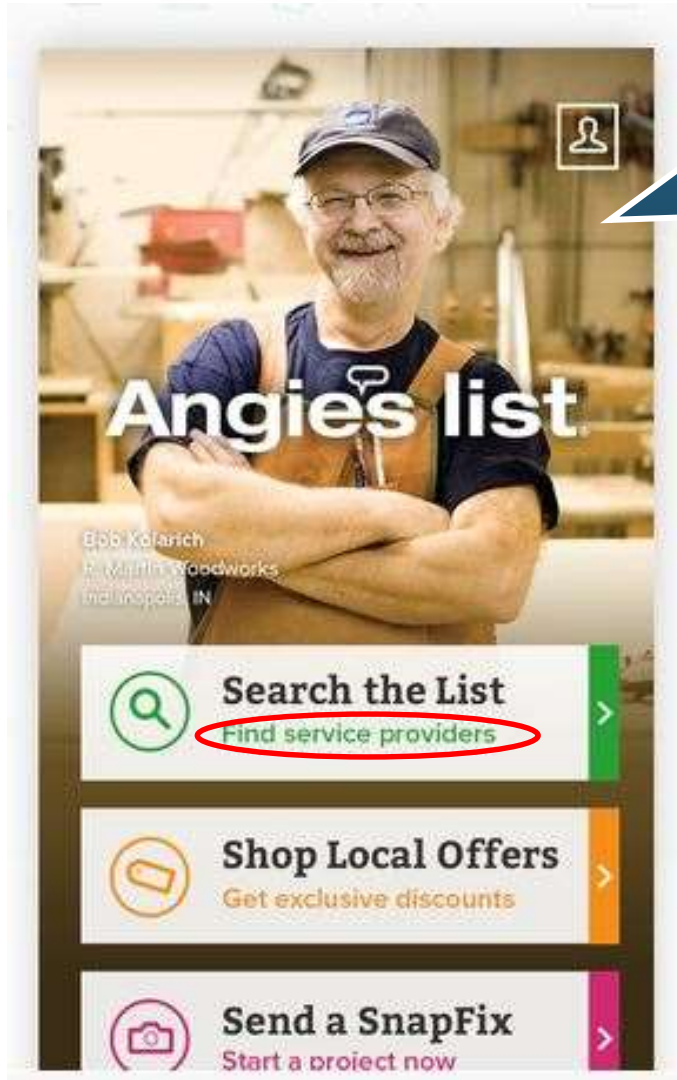
# Labor on Demand: Huge Implications for the US Economy, Workers & Insurers

Will **YOUR** job  
be reduced to  
an app?

**THE WALL STREET JOURNAL.**  
**There's an Uber for Everything Now**  
Apps do your chores: shopping, parking, cooking, cleaning, packing, shipping and more



# The “On-Demand” World is Not New...



Companies like  
Angie's List  
(established in  
1995 and going  
online in 1999)  
have been  
around for  
decades

The Geek Squad  
has been  
around since  
1994...



Peapod  
sprouted way  
back in 1989!



# ...But the “On-Demand” World is Exploding as Is the Demand for “On-Tap” Workers



Need something  
done around the  
house...Click on  
Handy



Hate doing  
laundry?  
Washio will do it  
for you...



Hate doing just  
about everything?  
Taskrabbit will  
take on virtually  
all your “tasks”...

# You Can Live Your Life with the Swipe of a Finger...



Get married...



...Move



...And if it doesn't work  
out...

**Lawyers.com**



# Some Players in the On-Demand Economy Have Become Household Names



Rent a place...



...Need a Lyft?



U B E R

...This ride has taken  
Wall Street to the  
stratosphere

# On-Demand/Sharing/Peer-to-Peer Economy Impacts Many Lines of Insurance

- The “On-Demand” Economy is or will impact many segments of the economy important to P/C insurers
  - ◆ Auto (personal and commercial)
  - ◆ Homeowners/Renters
  - ◆ Many Liability Coverages
  - ◆ Professional Liability
  - ◆ **Workers Comp**
- Many insurance questions arise—some fairly simple, some complex
- Insurance solutions are increasingly available to fill the many insurance gaps that arise



U B E R





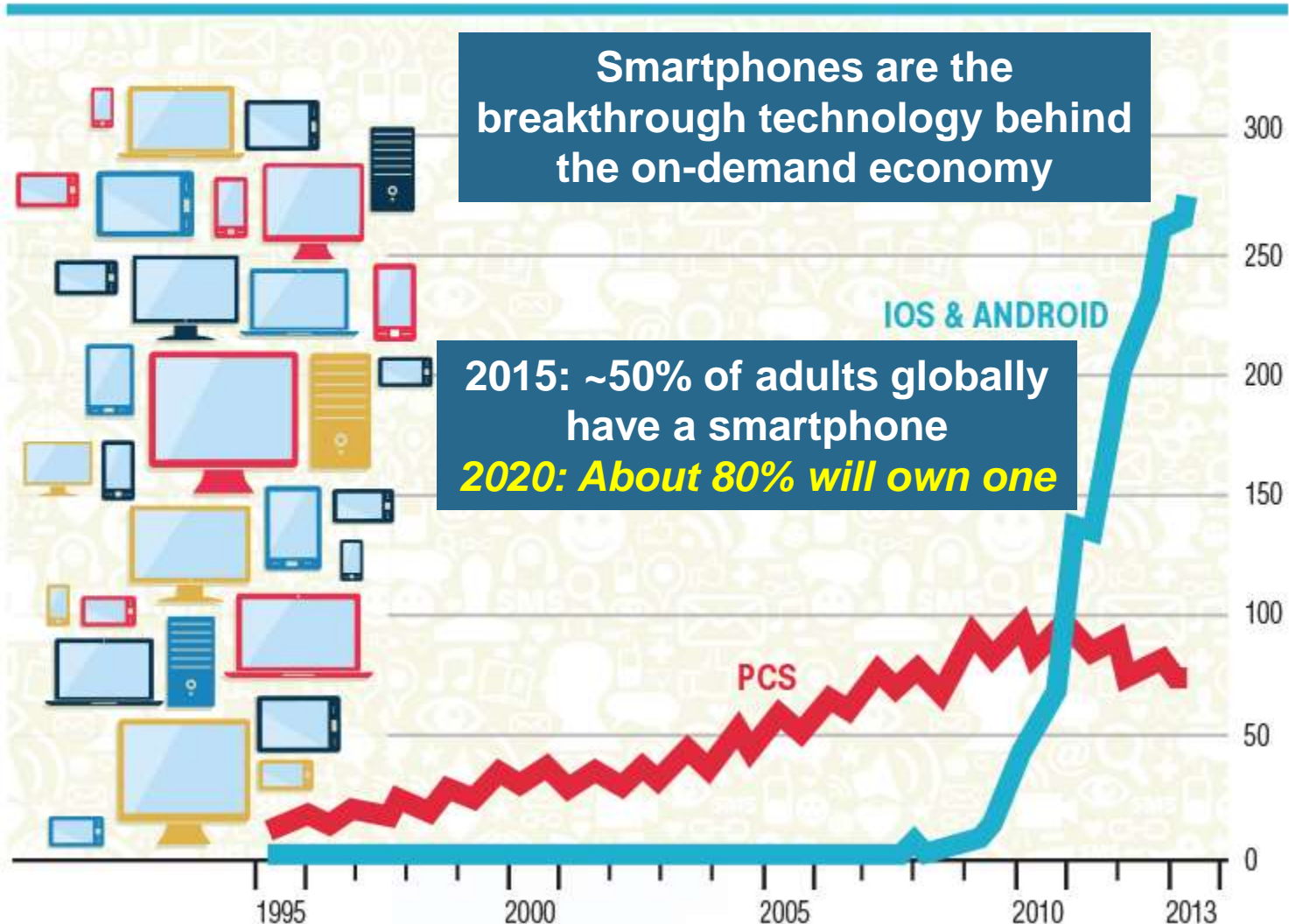
# Technology and Employment

**What Makes the On-Demand  
Economy Possible?**

***Why Does It Matter for Insurers?***

## CHANGING PLATFORMS:

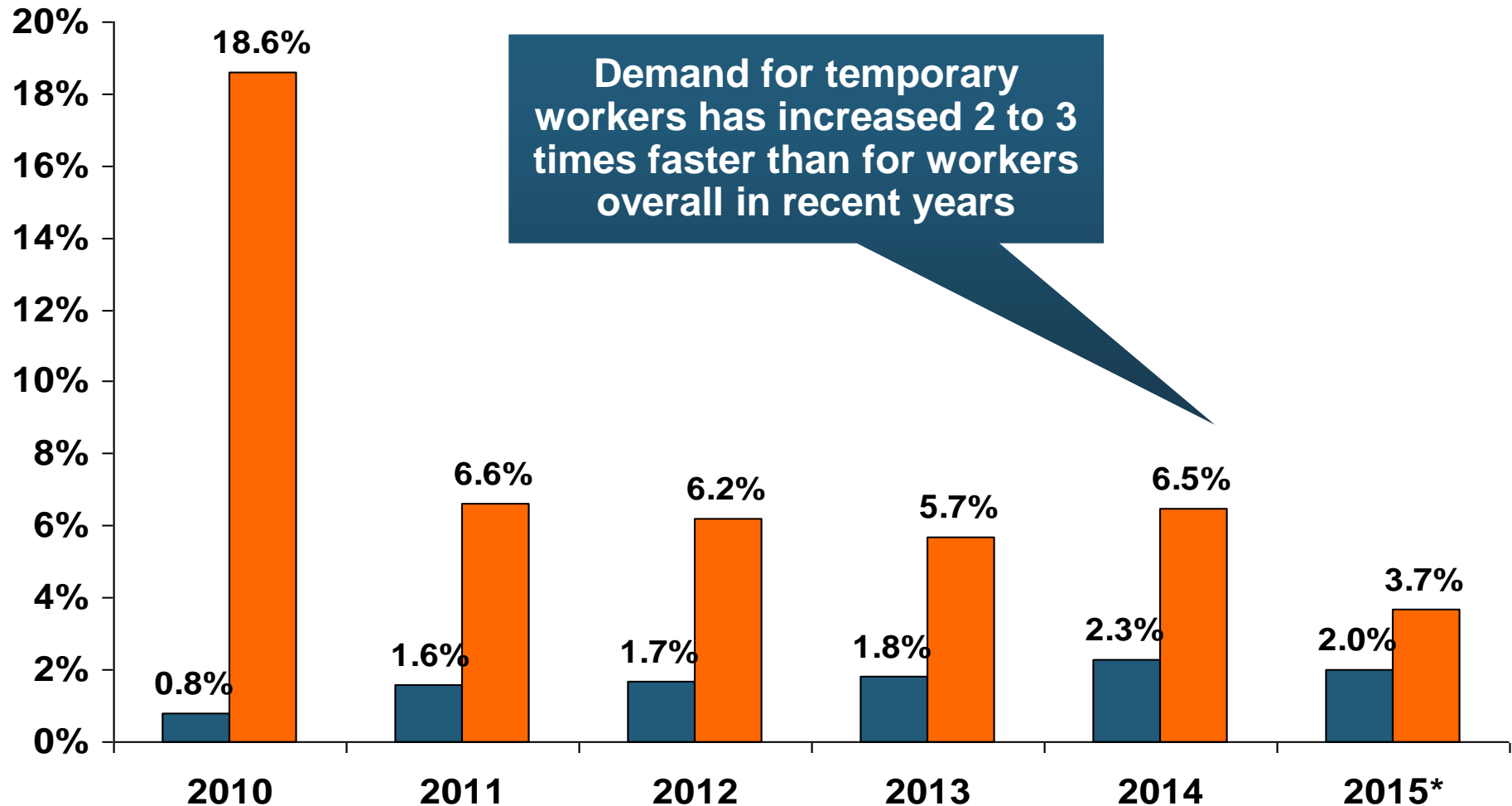
### GLOBAL SHIPMENTS OF SMARTPHONES (MILLIONS)



Source: Benedict Evans, Andreessen Horowitz

# Growth in Temporary Workers vs. All Nonfarm Employment, 2010-2015\*

## Annual Percent Change



\*Through September 2015.

Source: US Bureau of Labor Statistics , Insurance Information Institute.

## THE CASUAL LOOK

### UNITED STATES, % OF EMPLOYED

PRIVATE-SECTOR UNION MEMBERSHIP

TEMPORARY WORKERS



Source: Bureau of Labor Statistics

# The On-Demand Economy and American Workers: What Is Happening?

- **Technology is Fundamentally Transforming How Resources are Allocated and Used in the Economy**
- **Labor is No Exception to this Transformation**
- **Technology Offers New Opportunities to Match Labor to Jobs**
  - ◆ Owners of spare capacity (workers with time and skill) can be paired at low cost with those with a demand for that time and skill
  - ◆ Bringing together labor and those who employ labor is not new
  - ◆ BUT: Pairing occurs with a speed and breadth never before possible
- **Witnessing the Demise of the Traditional Understanding of What is Meant by a “Good” Job**
  - ◆ Concept born in the Industrial Age (1880-1980), is eroding
  - ◆ Disintermediation of the firm as the place where labor, jobs matched
- **Accelerating Trends that Started with Labor Strife, Globalization and Automation that Began in the 1970s and 1980s**

# What's In Store for the American Worker, Labor Force and Workers Comp

## THE NEW AMERICAN WORKER: Two Schools of Thought

### ■ OPTIMISTIC OUTLOOK

- ◆ Technology frees workers from the bonds of centralized, hierarchical institutions (the firm)
- ◆ Enhanced coordination of “haves” with “needs” that bypass firms as intermediaries

### ■ Who Benefits?

- ◆ **“Flexers”**: People who value or require flexibility in work arrangements (stay-at-home parents, retirees, students, disabled)
- ◆ **Professionals**: People with portable skills that can be offered through online platforms (semi and high-skilled trades, professional services)
- ◆ **Unemployed/Underemployed**: Offers at least some opportunity to offer and utilize skills and generate income



# What's In Store for the American Worker, Labor Force and Workers Comp

## ■ PESSIMISTIC OUTLOOK

- ◆ On-Demand companies are software-driven marketplaces and position themselves as “*platforms*” rather than “*employers*”
- ◆ Enormous valuations (e.g., \$40B for Uber on \$2B in earnings) reflect the extraction of resources that otherwise would go to benefits, investments in safety, training, etc.
  - Uber’s valuation was greater than that of 72% of the S&P500 at YE 2014
  - Valued more than Delta Airlines, Kraft Foods, CBS, Macy’s, Hilton, Aflac...
- ◆ Jobs reduced to freelanced, temporary “gigs”
- ◆ Low skill workers and those who lack flexibility are left further behind
- ◆ Workers treated as independent contractors without intrinsic or basic economic rights

## ■ What Is Potentially Lost or Compromised?

- ◆ Stability, Retirement Benefits, Sick Pay, Maternity Leave, Overtime
- ◆ Health Insurance, Liability Coverage, Workers Comp Coverage

# Potential Consequences for Insurers

- **On-Demand Platforms Have Struggled with Concepts of Liability**
- **There Has Been a General Resistance to Assuming Liability or Responsibility Unless Compelled to Do So**
- **Companies Have Sought to Keep as Much Liability as Possible on the Individual Offering their (Contracted) Labor or Resources**
- **Minding the Gap**
  - ◆ Traditional insurance will often not cover a worker engaged in offering labor or resources through these platforms
  - ◆ E.g., Auto ins. generally won't cover you if you while driving for Uber
  - ◆ Home ins. won't cover for other than occasional rentals of property
  - ◆ Unless self-procured, on-demand worker (independent contractors) will generally have no workers comp recourse if injured on the job
- **Long Legislative and Court Battles Lie Ahead, Including Determination of Who is an Employee vs. Independent Contractor**
- **Insurance Solutions Becoming More Common**

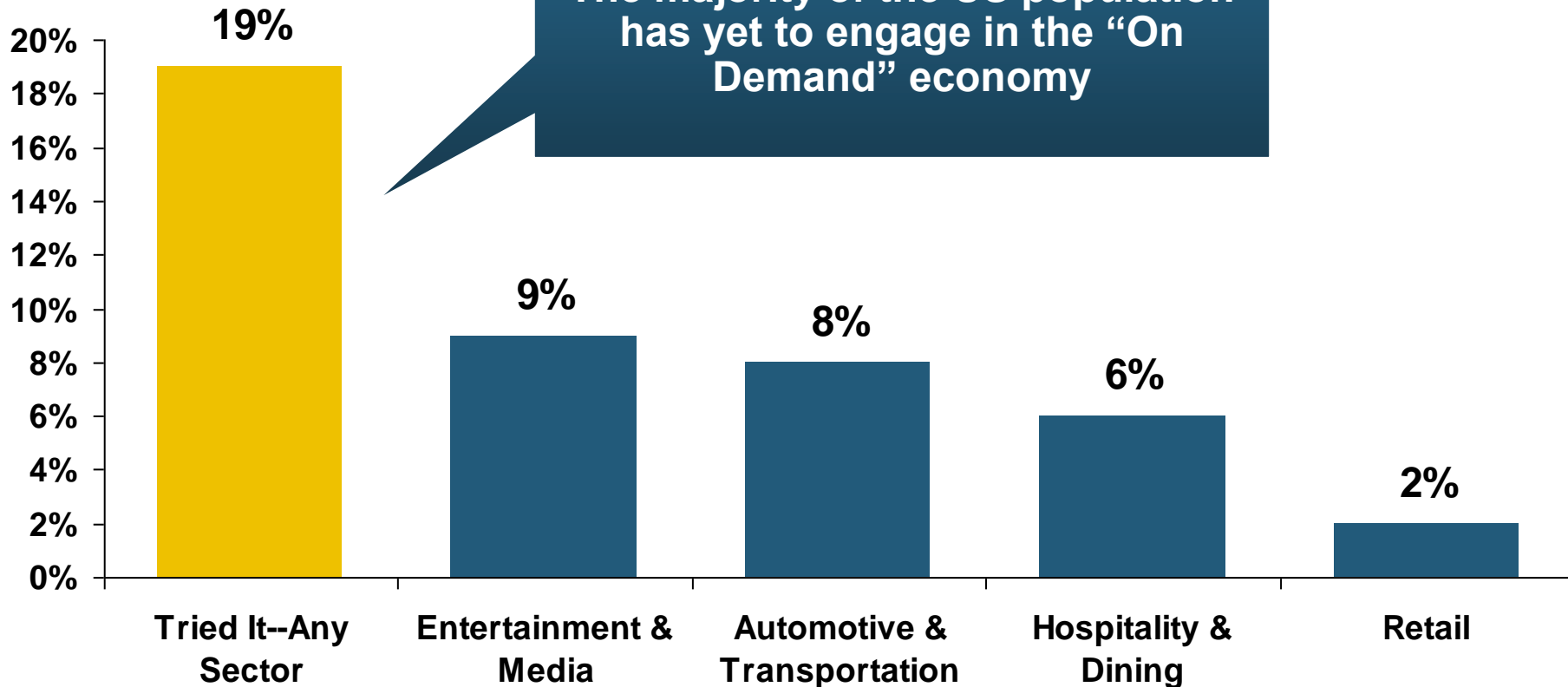
## On-Demand Workers

Who Are They?

*And Who's Driving Demand for Them?*

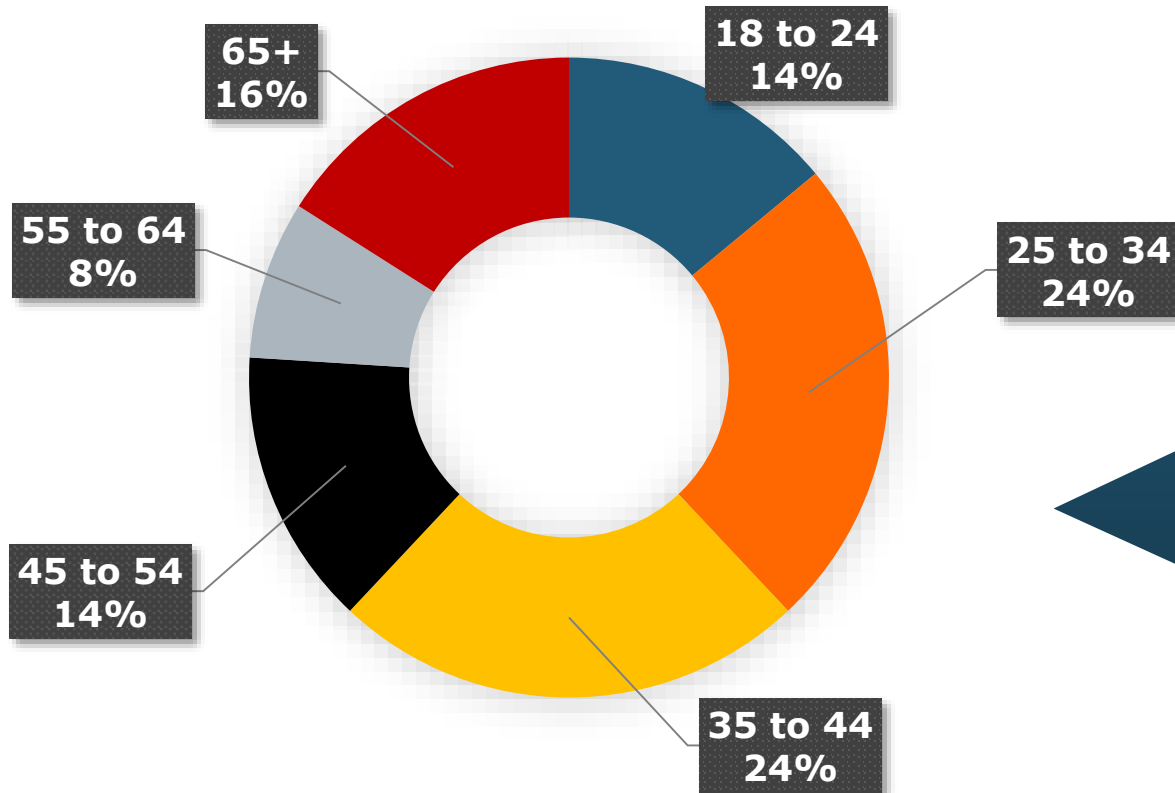
# Percent of People Who Have Engaged in an “On Demand/Sharing Economy” Transaction

Percent



**About 19% of the US population has engaged in an “On Demand/Sharing Economy” Transaction**

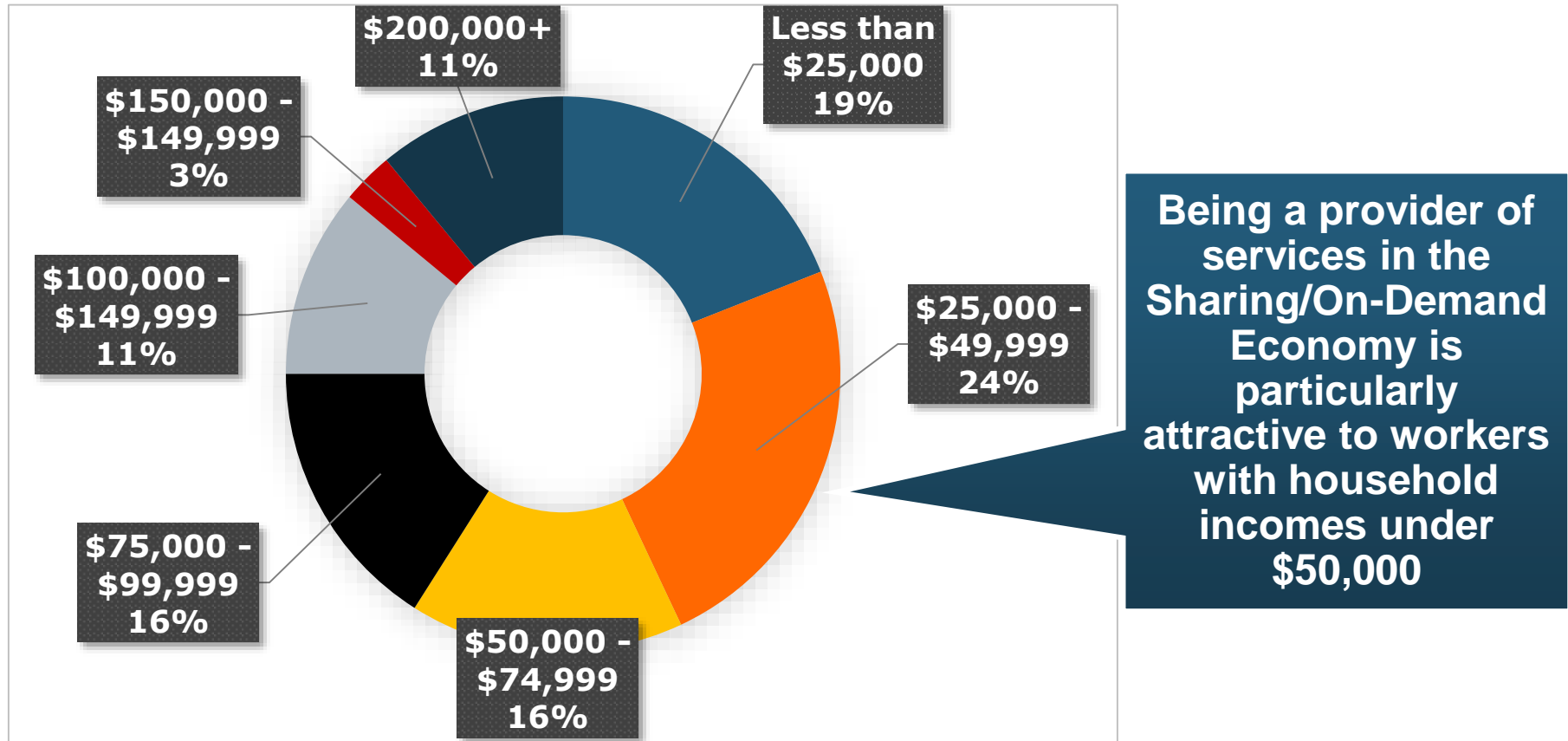
# Age of People Who are Providing the Sharing/On-Demand Economy



Being a provider of services in the Sharing/On-Demand Economy is attractive to workers in the 25-44 age range (who want flexibility in raising families) as well as seniors age 65+ who see the offering their services on-demand as a way to augment retirement income

About 7% of US population are providers in the Sharing Economy, cutting across age and incomes; 51% of those familiar with the concept could see themselves as providers within the next two years.

# Household Income: Providers of the Sharing/On-Demand Economy



**About 7% of US population are providers in the Sharing Economy, cutting across age and incomes;  
51% of those familiar with the concept could see them selves as providers within the next two years.**



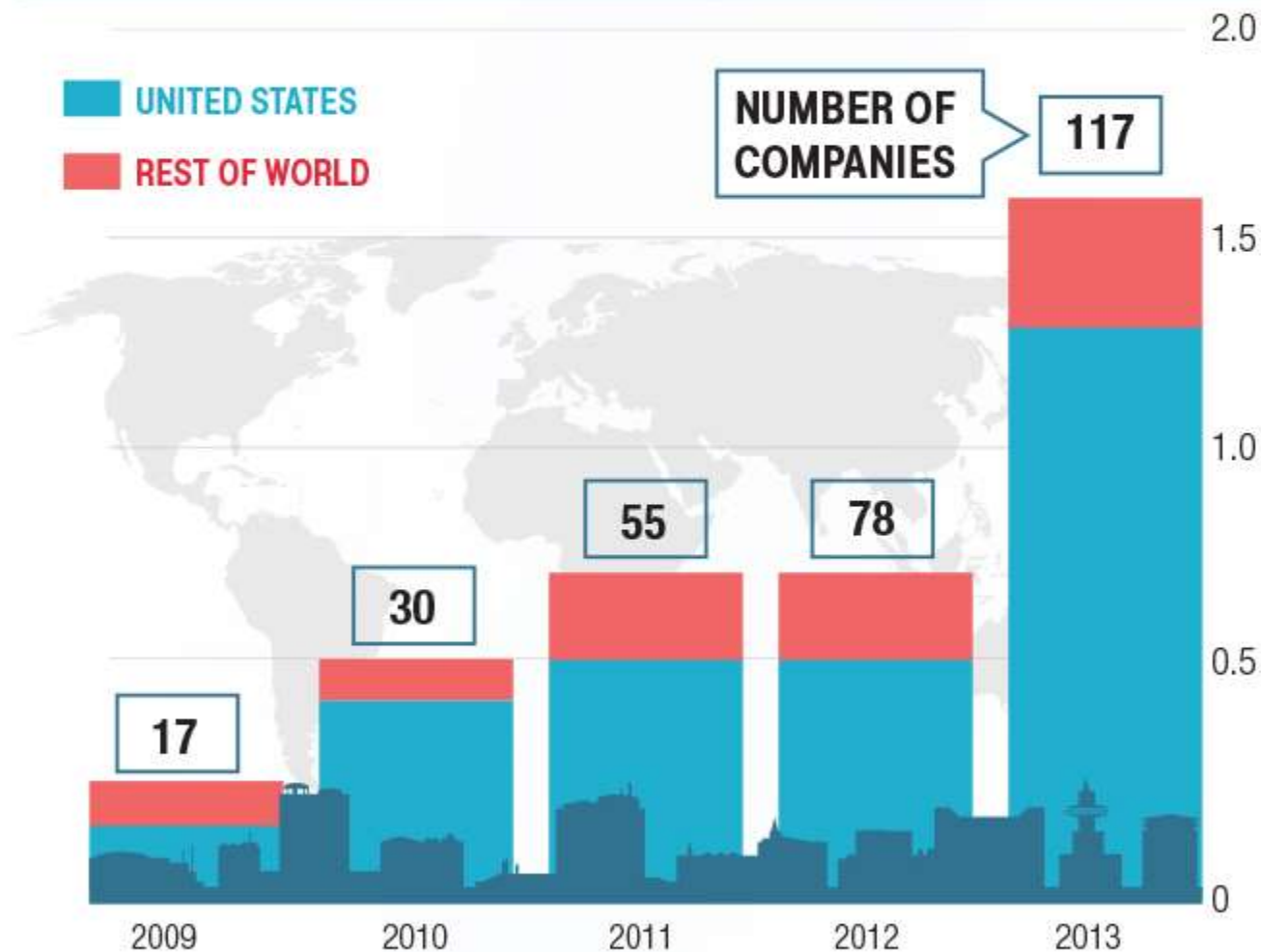
# **The On-Demand Economy and Wall Street**

**Wall Street Loves the On-Demand  
Economy**

***Labor Markets, Insurance Markets  
Will Be Impacted***

## HERE'S AN IDEA

### VENTURE-CAPITAL INVESTMENT IN THE ON-DEMAND ECONOMY, \$BN



Source: Crunchbase

## An UBER Case Study

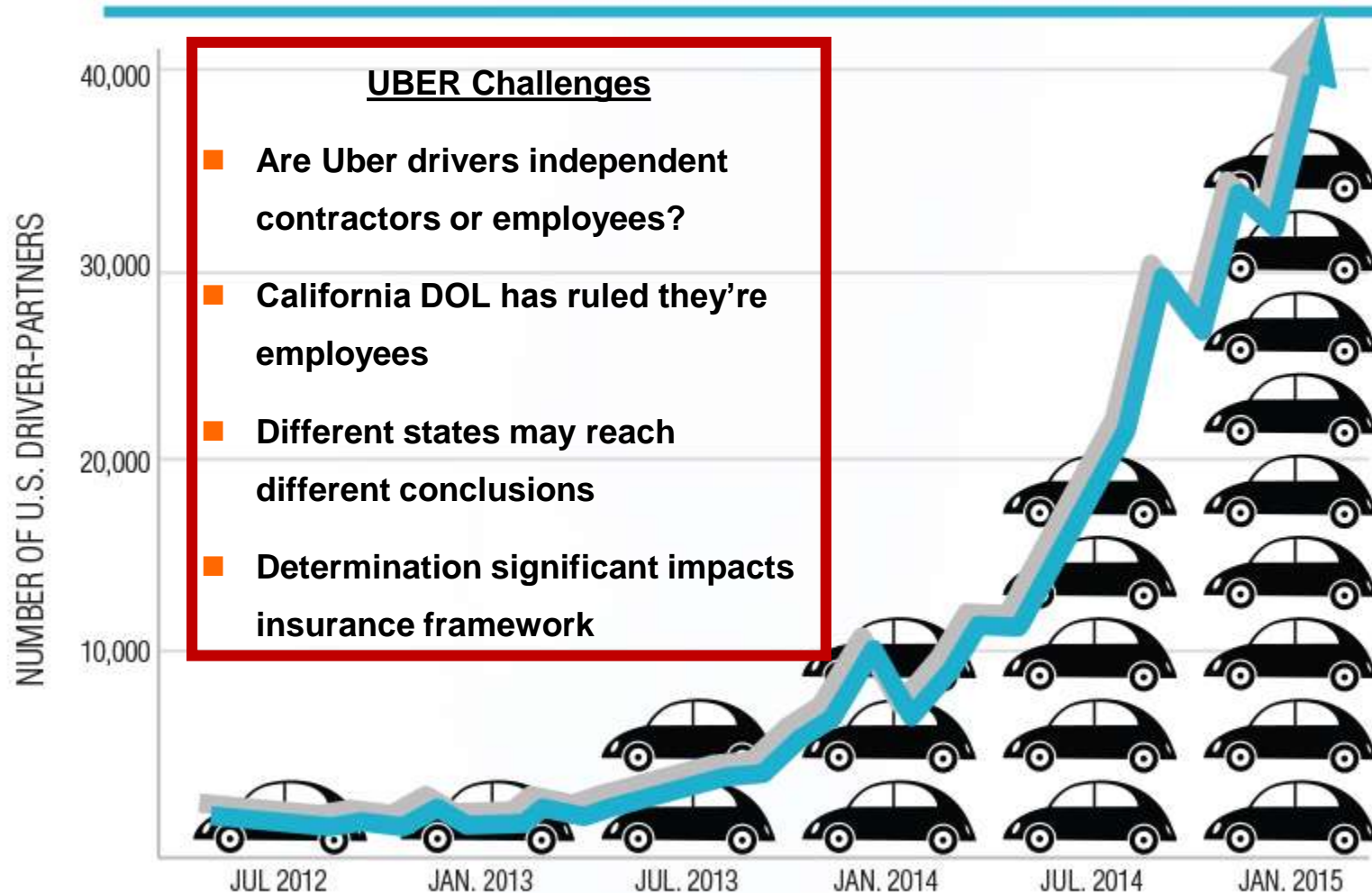
**Uber is the Best Known of the  
On-Demand Companies**

***Wall Street Loves Uber  
Vested Interests Hate Uber***



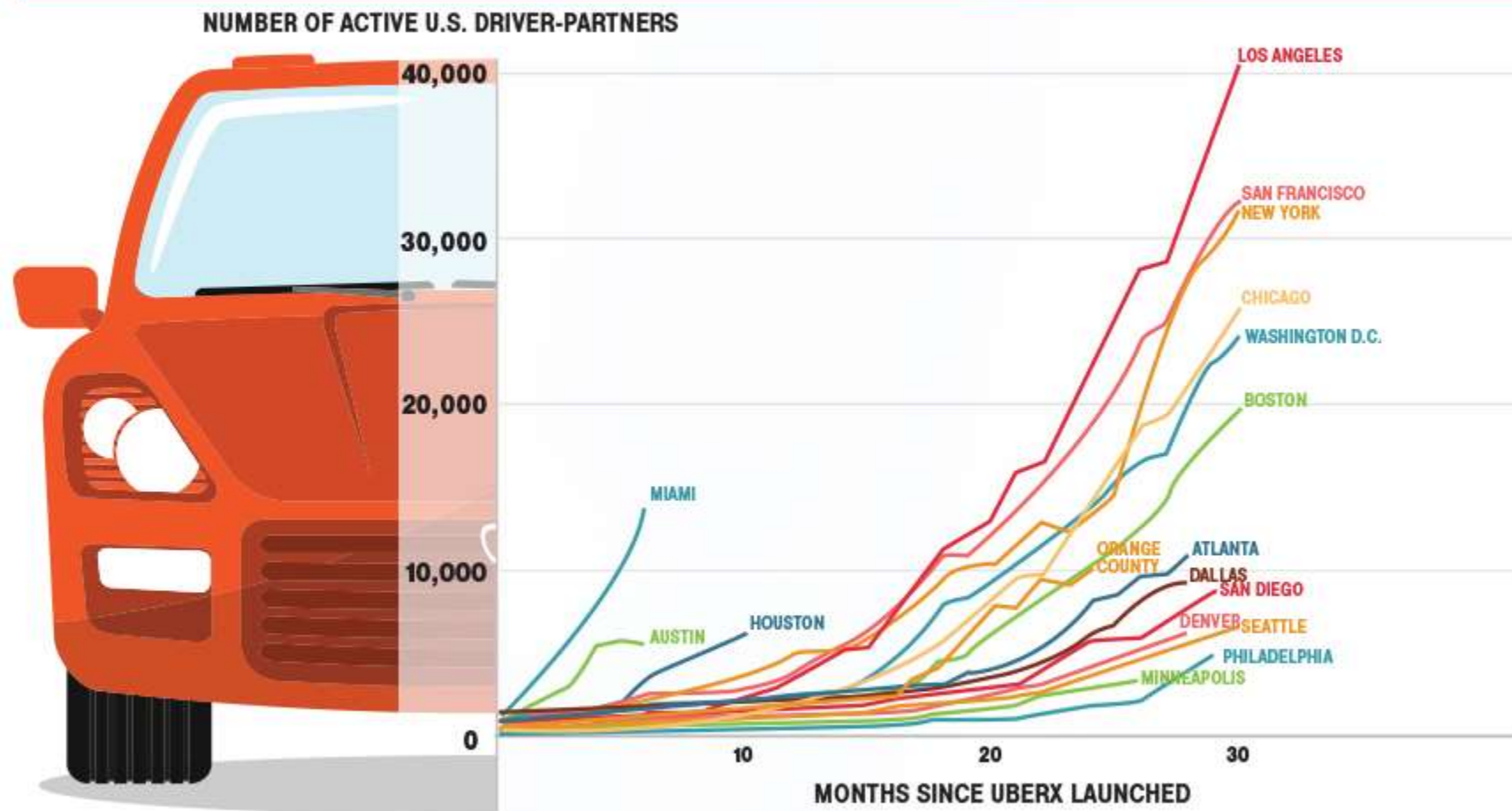
U B E R

# NUMBER OF NEW DRIVER-PARTNERS STARTING EACH MONTH IN THE UNITED STATES



Note: Figure based on U.S. UberBLACK and uberX driver-partners who have joined since June 2012 (303,985 individuals), based on Uber data.

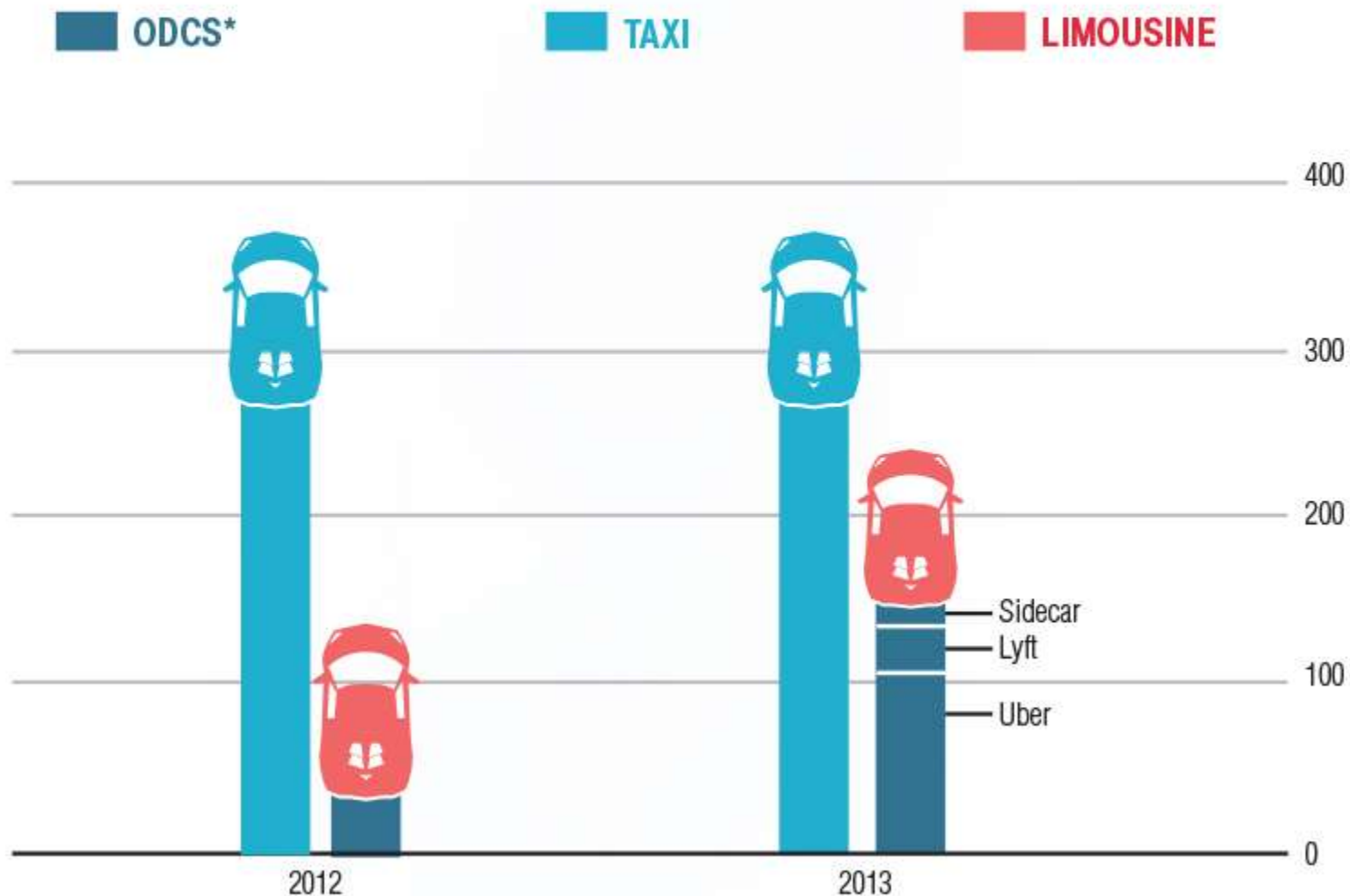
## ACTIVE U.S. DRIVER-PARTNERS OVER TIME, BY CITY



Note: Figure reports the number of U.S. UberBLACK and uberX driver-partners making at least one trip in the specified month, indexed to the number of months since Uber began in the city or June 2012, whichever came later.

## OVERTAKING

### DRIVER-SERVICES MARKET IN SAN FRANCISCO, \$M



Source: SFMTA

\*On-demand cars





## A NEST Case Study

**Nest: A Leader in the “Internet of Things”**

***Collision Course or Cooperation with the Insurance Industry?***



# Telematics for Your Home: The Internet of Things

- The home is the next frontier for telematics
- Rapidly becoming a crowded space
- How and with whom will insurers partner?
- Can control increasing array of household systems remotely



- ◆ Heat, A/C
- ◆ Fire, CO detection
- ◆ Security Systems
- ◆ Cameras/Monitors
- ◆ Appliances
- ◆ Lighting

- Technology is adaptive

- ◆ *Uses sensors and algorithms to learn about you*



# Partnerships with Insurers: Selling Safety and Savings Simultaneously

Stay safe.  
Save money.

Your insurance company knows Nest Protect helps keep you safe. They know it saves lives.

So we've partnered with leading insurance companies to help you get a Nest Protect at no cost. Your insurance provider could also lower your premiums up to 5% because Nest Protect is special - it can connect to Wi-Fi and tell them it's working.

It's their business to know what keeps families safe. And they believe in Nest Protect.

Find out when a Nest insurance partner is coming to your area.

 nest



**Nest is actively seeking to partner with insurers. As of Nov. 1, 2015, Nest listed 2 insurance partners offering discounts in a number of states: American Family (MN) and Liberty Mutual (AL, CO, DE, IL, KY, ME, MN, PA, UT and WI)**

# Partnerships with Insurers

In just a few minutes, you can:



Get a Nest Protect at no cost.



Get a discount on your insurance premiums.



Insurance companies  
will send you a  
Nest Protect.

**Nest is selling  
its products via  
insurance  
partners**

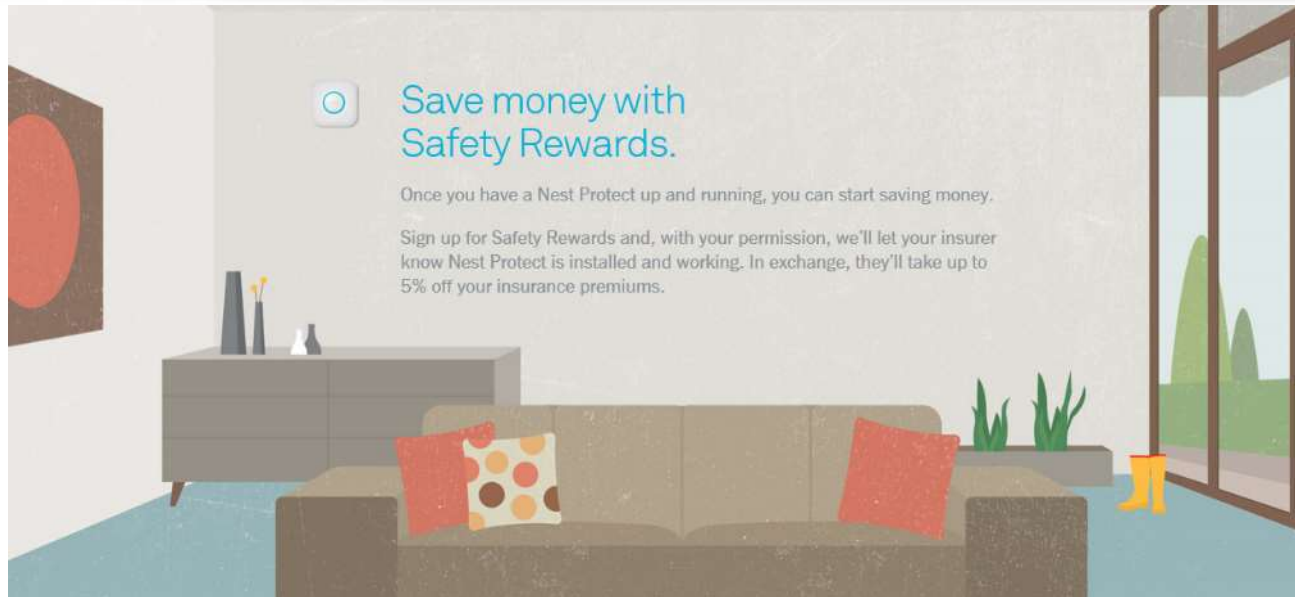


The Nest Protect smoke and CO alarm speaks to tell you what and where the danger is, sends phone alerts, and tests itself to make sure it's working. There's no smoke alarm quite like it.

So our insurance partners will send you a \$99 Nest Protect at no cost.

4 out of 5 firefighters would trust Nest Protect to protect their own homes.

# Partnerships with Insurers



**Nest is selling  
its products via  
insurance  
partners**

## Your private data stays private.

Sign up for Safety Rewards and, once a month, Nest Protect will tell your insurance provider if:



Its batteries are charged.



Its sensors are working.



Its Wi-Fi connection is good.

Your insurer will never know if the alarm went off because you burned the popcorn.

[Learn more about what data we share >](#)

Even if your Wi-Fi drops or batteries run low, you won't lose your discount. And you can opt out of Safety Rewards at any time.



# Partnerships with Insurers: Information Collected, Addressing Privacy Concerns

When I enroll in Safety Rewards, what kind of data is shared with my insurance company?

The Safety Rewards data you authorize Nest to share is secure and is limited to basic summarized information that verifies that your Nest Protect is working.

## Safety Rewards Information

Nest Protect tests itself to make sure that the batteries have power, that the sensors are working, and that it's connected to Wi-Fi. Nest Protect can also tell you when these tests succeed and when they don't.

When you enroll in Safety Rewards you'll be asked to grant Nest permission to provide basic summarized information about your Nest Protect to your insurance company. This will show they're working to help keep you and your home safe. Each month, Nest will summarize and send your Nest Protect data to your insurance company. This summary includes status of the batteries, smoke sensor, carbon monoxide sensor, and connection to the Internet. The status report is limited to basic values such as:



### Works with Nest

Insurance Partner 1 would like to do the following:



See that Nest Protect is set up and check battery status, Wi-Fi connection and sensors.

Allows Insurance Partner 1 to provide policy discounts and products.

Want Nest to stop working with Insurance Partner 1? Go to account settings in the Nest app.

At Nest, we take your privacy seriously. And we believe in being open and honest about using your data.

[Learn more >](#)

[CONTINUE](#)

Insurance Partner 1 and Nest will use this information in accordance with their respective terms of service and privacy policies.

Privacy, control of data concerns get significant attention

nest

"Good" - functioning normally

"Low" - battery charge is low

"Issue" - problem with one or more sensors

"Unknown" - there may be an issue, but Nest Protect cannot diagnose it, or has not checked in because it is offline

The monthly status summary will also include your ZIP or postal code and the names of the rooms where you have your Nest Protects installed. The ZIP or postal code information enables your insurance company to verify that the devices are in a home covered by your insurance policy.

## What you won't share

The monthly status summary does not include any smoke or carbon monoxide alarms that may have occurred in your home. In addition, any custom labels that you have given to your Nest Protects will not be shared. Lastly, it does not include any information about how you use the Nest app.

[Nest Protect locations, names and labels >](#)

Source: <https://nest.com/support/article/When-I-enroll-in-Safety-Rewards-what-kind-of-data-is-shared-with-my-insurance-company> accessed 11/1/15; Insurance Information Institute research.



# Partnerships with Insurers: Information Collected, Addressing Privacy Concerns

## What you won't share

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[Nest Protect locations, names and labels >](#)

## You're in control of access to these monthly reports

While you're enrolling in Safety Rewards and setting up your connection, you'll be able to review the data requested before you grant permission to share it. If you decide not to grant permission, you won't be able to participate in Safety Rewards, but all your Nest products will continue to work just as before. If you decide to stop participating in Safety Rewards at some point, it's easy and simple to remove your permission. We won't send any more monthly status reports for your account.

[I'd like to stop participating in Safety Rewards, how can I cancel it? >](#)

## Your data is shared in a limited way

When you're setting up a connection to Nest for Safety Rewards there's no personal information — such as your email address — exchanged. We limit the type of information accessed by Safety Rewards connections, but a connection will request access to basic home and Nest Protect data so it can work.

Privacy, control  
and security of  
data get  
significant  
attention



## Your data is secure

We secure access to data with tokens that use [OAuth 2.0](#) instead of personal information, as well as SSL. These security standards are widely used by many leading technology companies.

## You can always change your mind

If you ever change your mind after you grant access to your data for these monthly reports, you can always remove the Safety Rewards connection. Removing the connection will remove you from the program, but your Nest products will continue to work just as before.

[How to remove a Safety Rewards connection >](#)

## Please read our Privacy Statement for Nest Products and Services

For complete details on how we keep your information private and secure, please see our [Privacy Statement](#) which describes how we handle personal data, data sharing and access.

Source: <https://nest.com/support/article/When-I-enroll-in-Safety-Rewards-what-kind-of-data-is-shared-with-my-insurance-company> accessed 11/1/15; Insurance Information Institute research.

# **INDUSTRY DISRUPTORS**



**Technology, Society and  
the Economy Are All  
Changing at a Rapid Pace**

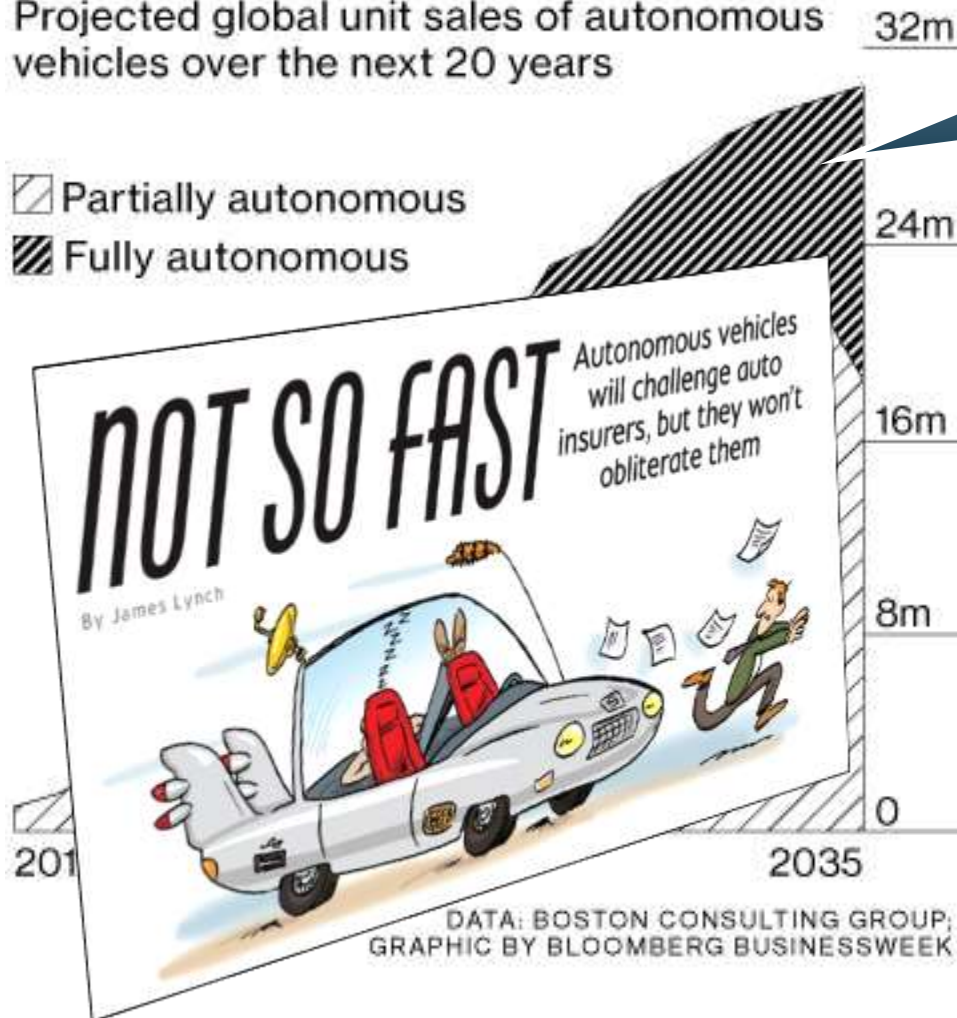
***Thoughts on the Future***

# Media is Obsessed with Driverless Vehicles: Often Predicting the Demise of Auto Insurance

## Hands-Free

Projected global unit sales of autonomous vehicles over the next 20 years

-  Partially autonomous  
 Fully autonomous



By 2035, it is estimated that 25% of new vehicle sales could be fully autonomous models

## Questions

- Are auto insurers monitoring these trends?
- How are they reacting?
- Will Google take over the industry?
- Will the number of auto insurers shrink?
- How will liability shift?

# On-Demand/Sharing/Peer-to-Peer Economy Impacts Many Lines of Insurance

- The “On-Demand” Economy is or will impact many segments of the economy important to P/C insurers
  - ◆ Auto (personal and commercial)
  - ◆ Homeowners/Renters
  - ◆ Many Liability Coverages
  - ◆ Professional Liability
  - ◆ ***Workers Comp***
- Many unanswered insurance questions
- Insurance solutions are increasingly available to fill the many insurance gaps that arise



U B E R



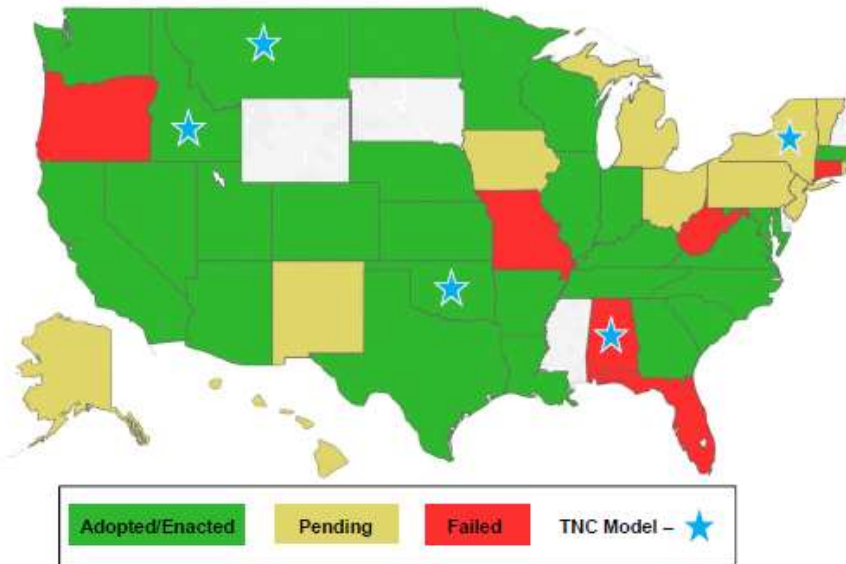
# TNC Ridesharing Arrangements: Insurance Applicability

Phase	TNC Coverage
1. Driver logged into TNC App but not "matched" with a passenger	Contingent liability coverage IF personal auto coverage declined/not available (\$50/100/25)*
2. A "match" is made but passenger is not in the driver's car	Primary liability, UM/UIM coverage at a higher limit (\$1M)* Contingent comp/collision coverage
3. A passenger is in the driver's car	Same as Phase 2

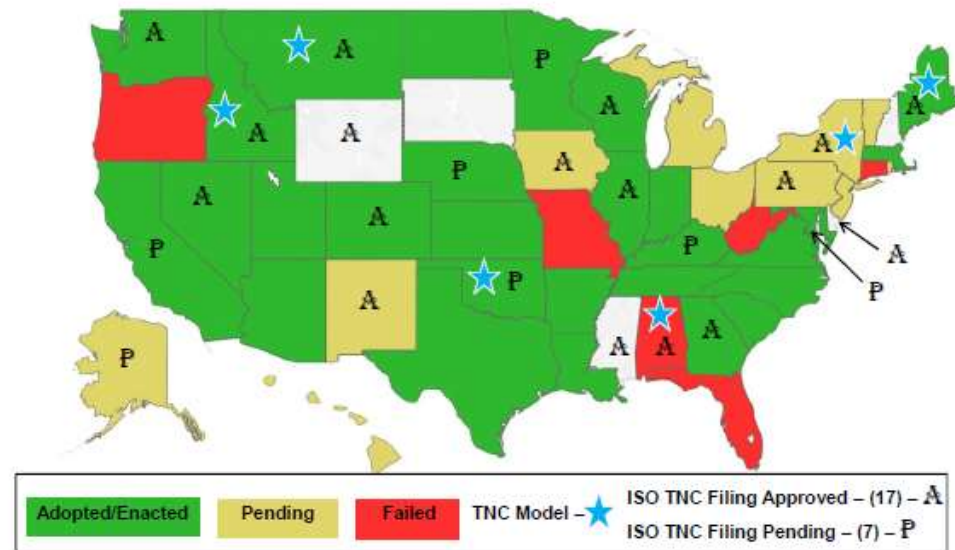
**The concern was that TNCs were seeking to offload risk on to personal auto insurers. An increasing number of personal auto insurers have developed solution to ensure that coverage gaps are minimized**

# Ridesharing Regulation/Legislation and Status of ISO Filings as of 9/30/15

## Status Ride Sharing Legislation/Regulation



## Status of ISO Filings





# Homesharing Arrangements: Potential Host Exposure Concerns (Receives Rental Income)

- **Property**
  - Loss to host's property/furnishings
  - Loss of use
- **Liability**
  - Damage to property of traveler, traveler's guests
  - Damage to landlord's property/furnishings
  - Bodily injury to traveler, traveler's guests
- **Comment**
  - A landlord may act as a host (vacant unit)
  - A Homeowners Policy may be issued to the owner-occupant(s) of a 1, 2, 3 or 4 family dwelling



# Homesharing Arrangements: Potential Traveler Exposure Concerns

- **Property**
  - Loss to traveler's property
- **Liability**
  - Damage to property/furnishings of host and landlord
  - Bodily injury to traveler's guests, other tenants and visitors to building
  - Personal injury due to poor reviews
- **Comment**
  - Similar exposures currently exist for travelers at hotels, B & B's, guest houses

# Homesharing: ISO's Proposed Changes\*

## 1. Policyholder Notice

- Guidance for policyholder to contact insurer

## 2. Exclusion

- Explicit exclusion for loss/damage/injury arising out of homesharing
- Applicable to host, landlord
- To the extent possible, preserve existing coverage for rentals that do not originate from homesharing, such as that providing for roomers, boarders

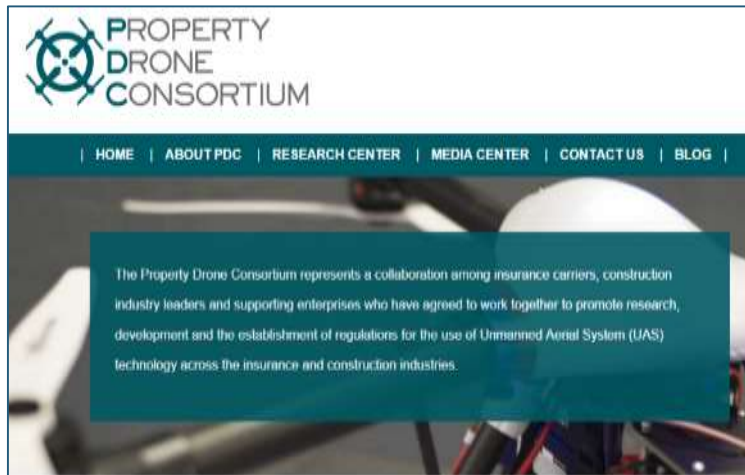
## 3. Coverage option

- Property and liability coverage for loss/damage/injury arising out of homesharing
- Applicable to host, landlord

# Send in the Drones: Drones Will Help Enable the On-Demand Economy



- Drones or Unmanned Aerial Vehicle (UAV) technology is seeing rapid adoption rate in many industries, including insurance
- ~700,000 drones in US by year-end
- FAA granting Section 333 exemptions for commercial use and testing of UAS
- FAA will require most drones to be registered by year-end 2015.
- At least 5 insurers have received permission to test
- Will be adopted for use in many industries where speed of delivery is critical
- Insurers partnering with construction industry to guide R&D and regulation of UAV use via *Property Drone Consortium*: [www.propertydrone.org](http://www.propertydrone.org)



# **Millennials and Insurance**

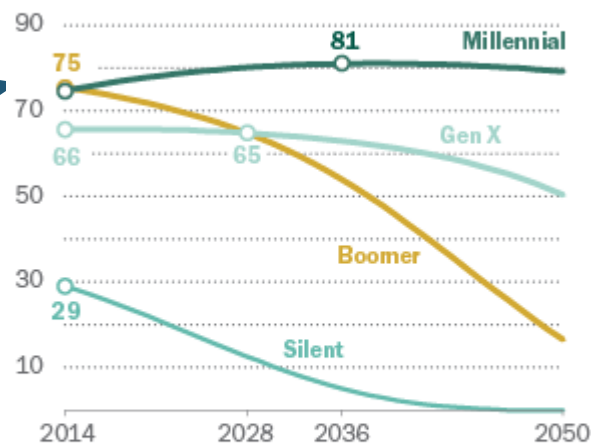
**Actively Disengaged or the  
Vanity of Youth?**

# 2015: Millennials Overtook Baby Boomers as the Largest Generation

There were 75.3 million Millennials in 2015, overtaking for the first time the Baby Boomers who totaled 74.9 million

## Projected Population by Generation

*In millions*



Note: Millennials refers to the population ages 18 to 34 as of 2015.

Source: Pew Research Center tabulations of U.S. Census Bureau population projections released December 2014

PEW RESEARCH CENTER

## The Generations Defined

### The Millennial Generation

Born: 1981 to 1997

Age of adults in 2015: 18 to 34\*

### Generation X

Born: 1965 to 1980

Age in 2015: 35 to 50

### The Baby Boom Generation

Born: 1946 to 1964

Age in 2015: 51 to 69

### The Silent Generation

Born: 1928 to 1945

Age in 2015: 70 to 87

### The Greatest Generation

Born: Before 1928

Age in 2015: 88 to 100

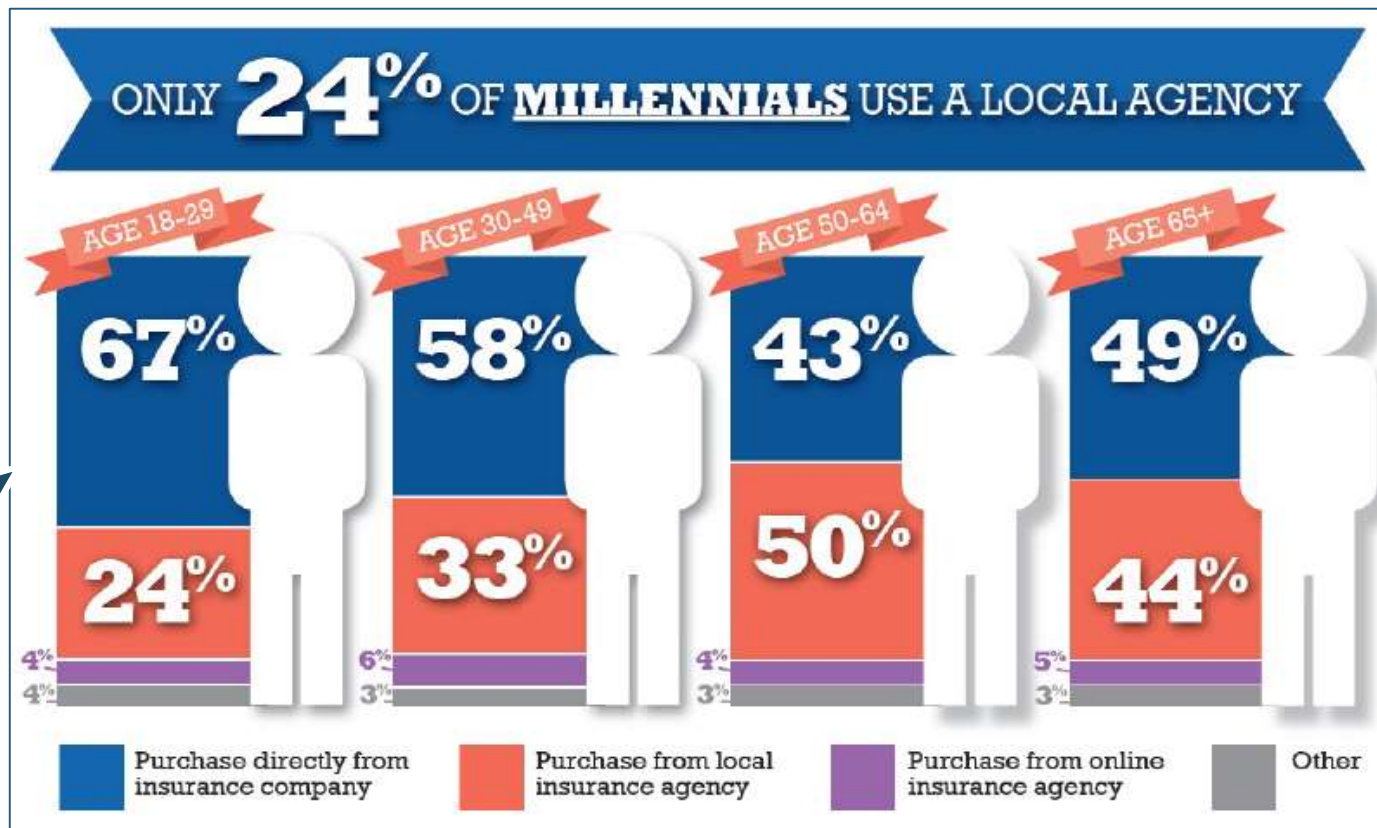
\* No chronological end point has been set for this group. For the purpose of following a cleanly defined group, Millennials are defined as those ages 18 to 34 in 2015.

PEW RESEARCH CENTER

# Channel Preference for Home/Rental Insurance, by Age Category

2/3 of Millennials purchase dwelling coverage directly from the company

How much of this is a generational preference vs. having very simple insurance needs?



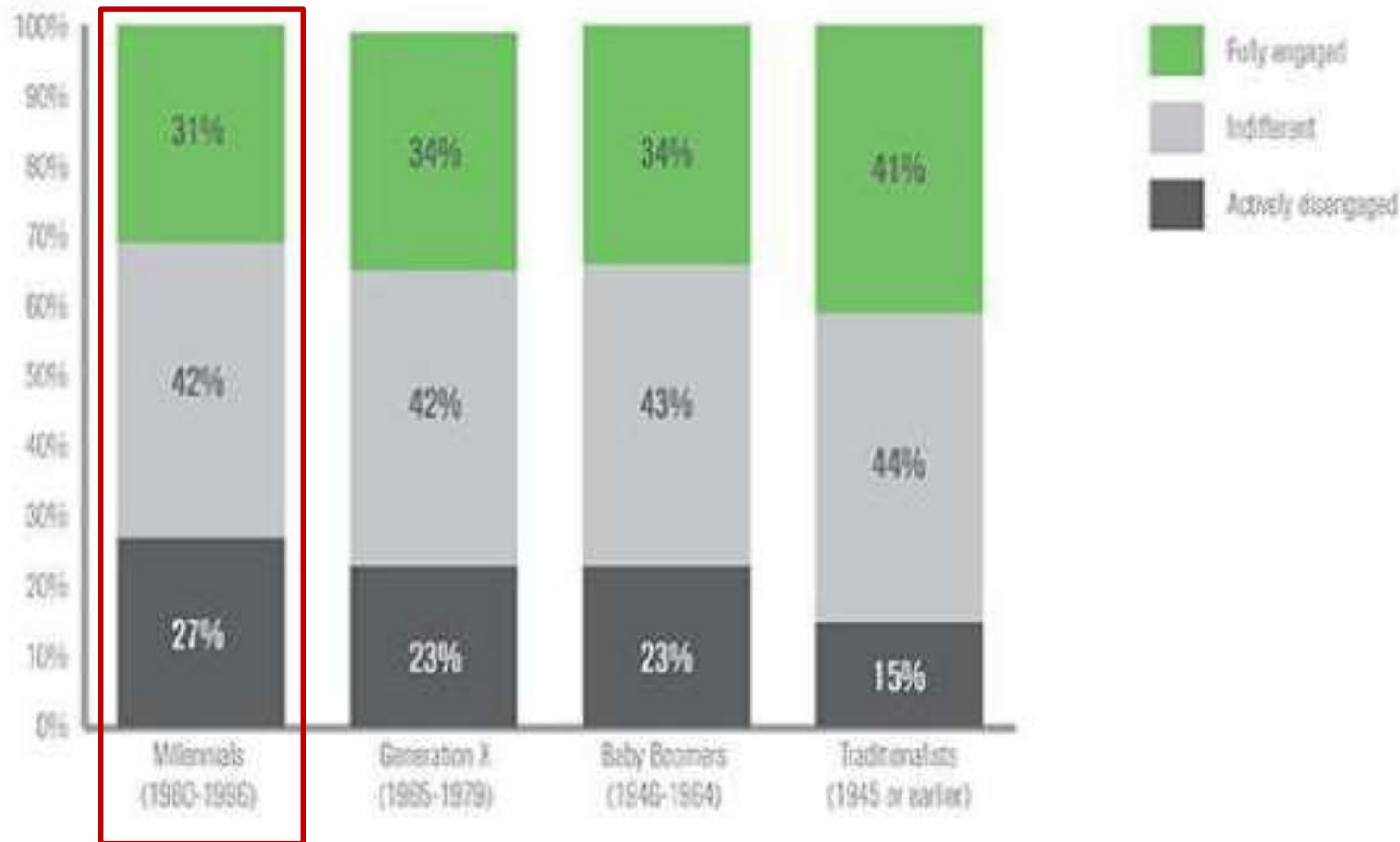
Sources: "5 Reasons Millennials Aren't Buying Insurance from Local Agents," Eric Narisco, Sept. 16, 2015 from PropertyCasualty360.com based on a study by Effective Coverage and performed by ORC International.

# Insurance Customers: Engagement by Generation

Millennials are the least likely to be engaged with their insurer

Millennials are more twice as likely to buy online

Millennial's families influence their choice in insurers





# Insurance Customers: Key Drivers of Engagement for Millennials

**Data security and ease of making coverage changes are keys to successful engagement with Millennial insurance buyers**

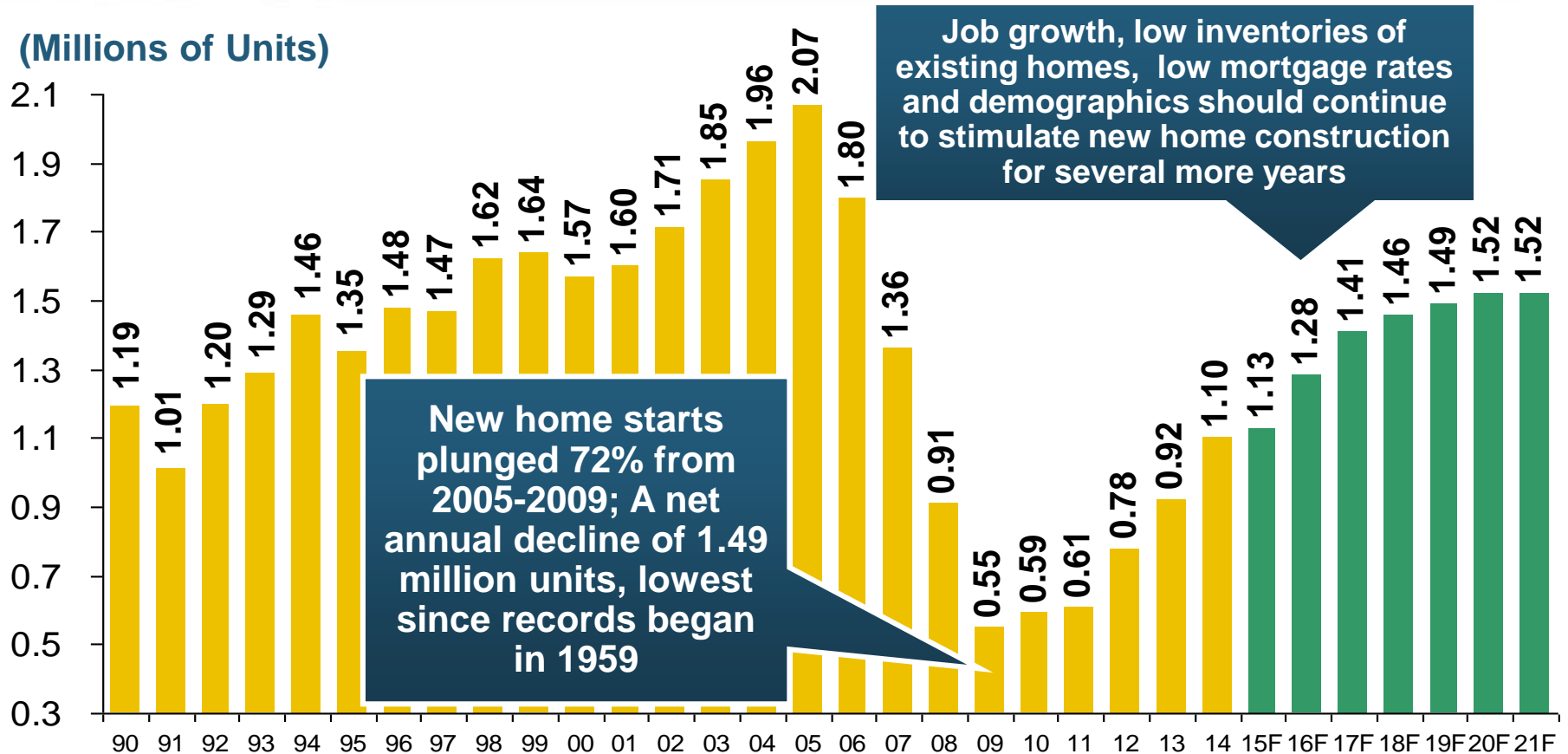
Key Drivers of Millennial Engagement (in Order of Influence on Engagement)	Customers Extremely Satisfied With Driver
Keeping your account and personal information secure	50%
Ease of making changes to your coverage	43%
Finding answers to your insurance questions	35%
Offering the services you need online	40%
Ease of managing your account	44%
Ease of payment features	52%
Ease of access to information about your policies	42%
Ease of navigating the website	34%



# **Millennials as Drivers & Homeowners**

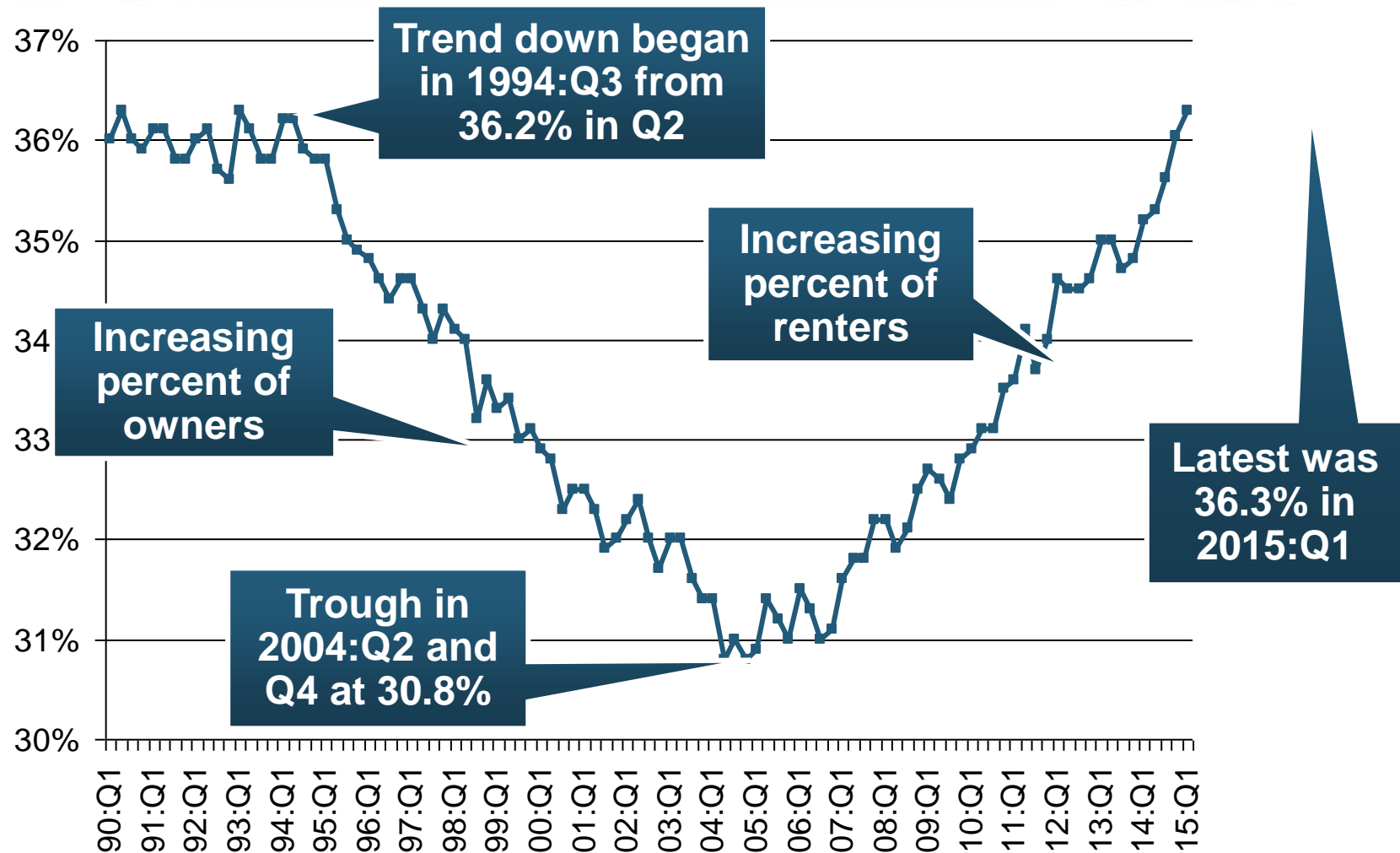
**Yes, They Want Their Own Place  
and a Set of Wheels Too!**

# New Private Housing Starts, 1990-2021F



**Insurers Are Continue to See Meaningful Exposure Growth in the Wake of the “Great Recession” Associated with Home Construction: Construction Risk Exposure, Surety, Commercial Auto; Potent Driver of Workers Comp Exposure**

# Rental-Occupied Housing Units as % of Total Occupied Units, Quarterly, 1990:Q1-2015:Q1



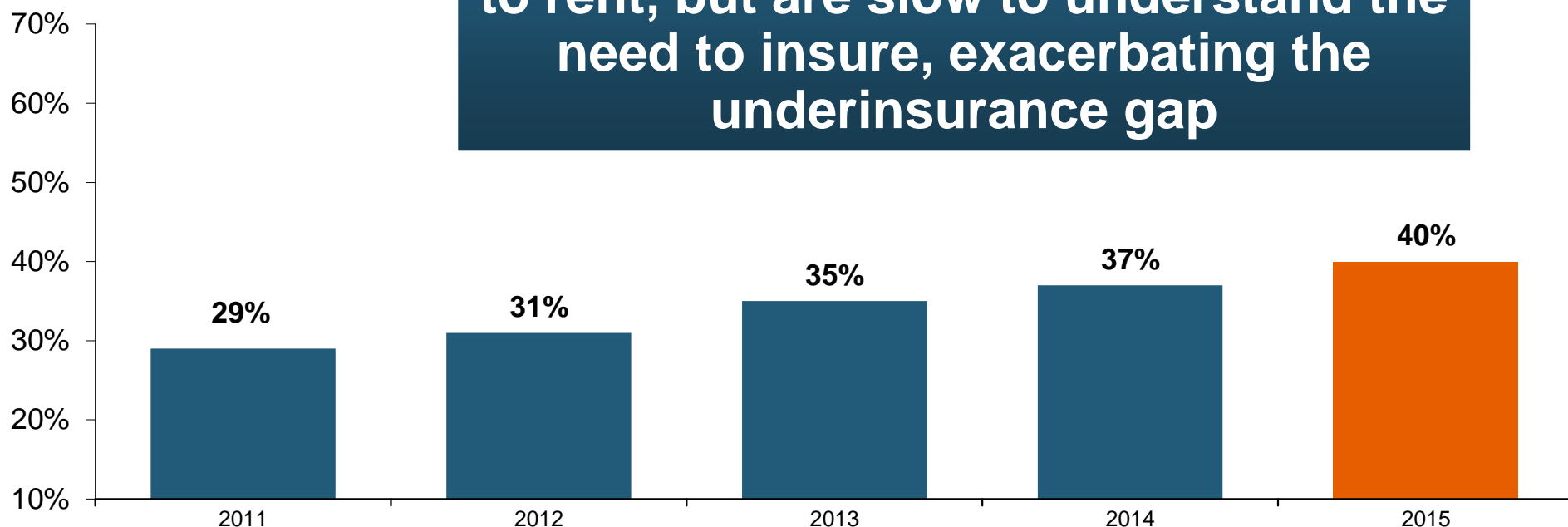
**Since the Great Recession ended in June 2009, renters occupied 5.7 million more units (+15.6%).**

Sources: US Census Bureau, *Residential Vacancies & Home Ownership in the First Quarter of 2015* (released April 28, 2015) and earlier issues; Insurance Information Institute. Next Census Bureau report to be released on July 28, 2015.

# I.I.I. Poll: Renter's Insurance

**Q. Do you have renters insurance? <sup>1</sup>**

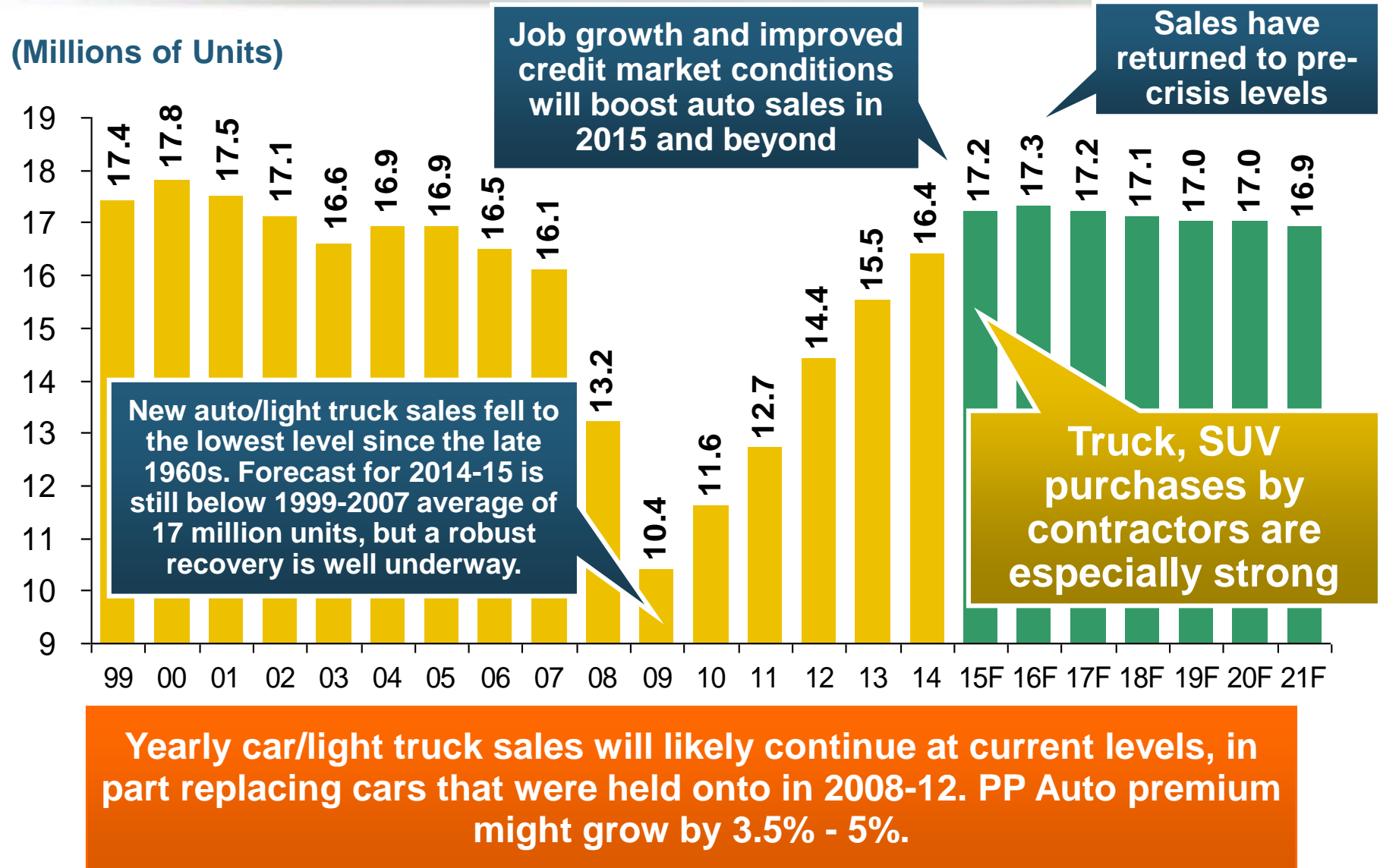
**Americans are increasingly choosing to rent, but are slow to understand the need to insure, exacerbating the underinsurance gap**



**The Percentage of Renters Who Have Renters Insurance Has Been Rising Since 2011.**

<sup>1</sup>Asked of those who rent their home.

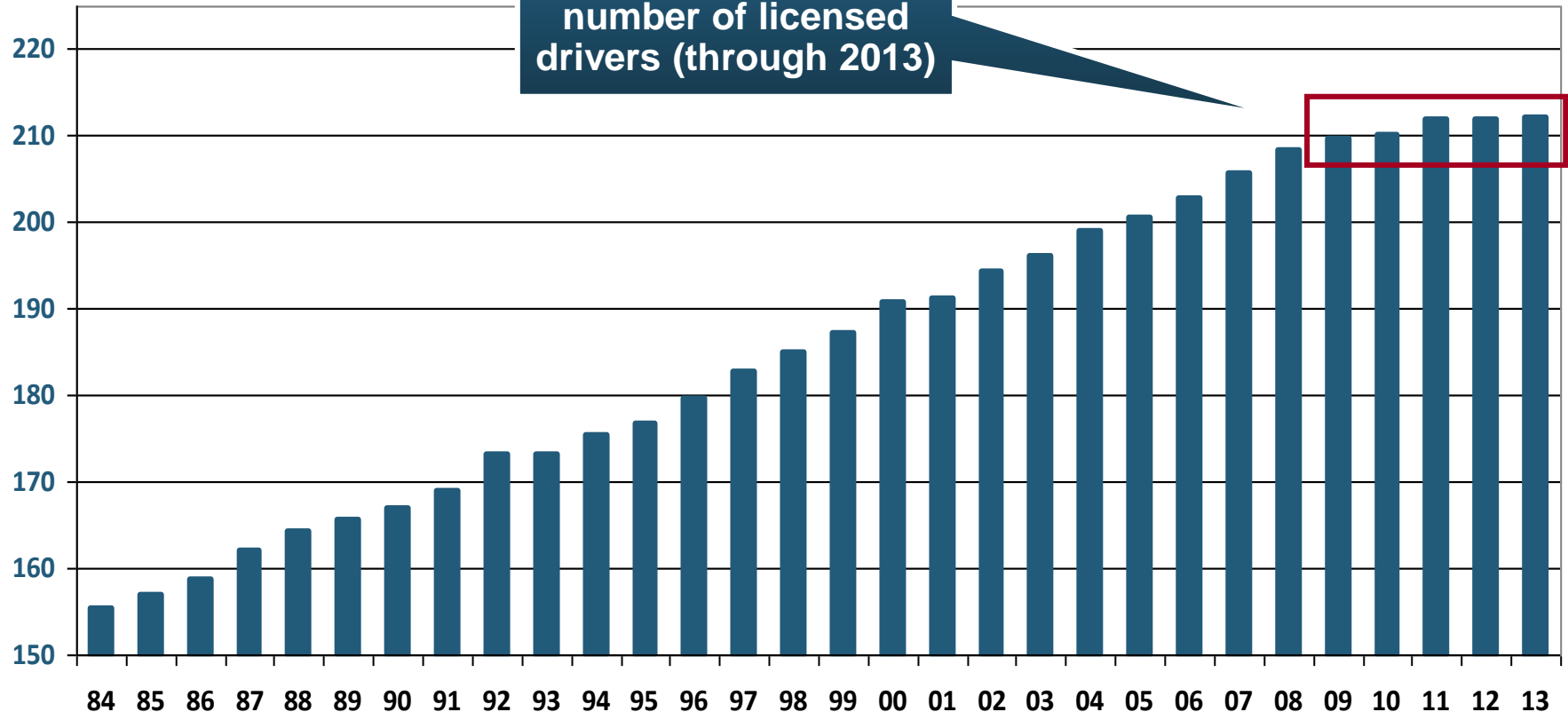
# Auto/Light Truck Sales, 1999-2021F



# Number of Licensed Drivers, 1984-2013

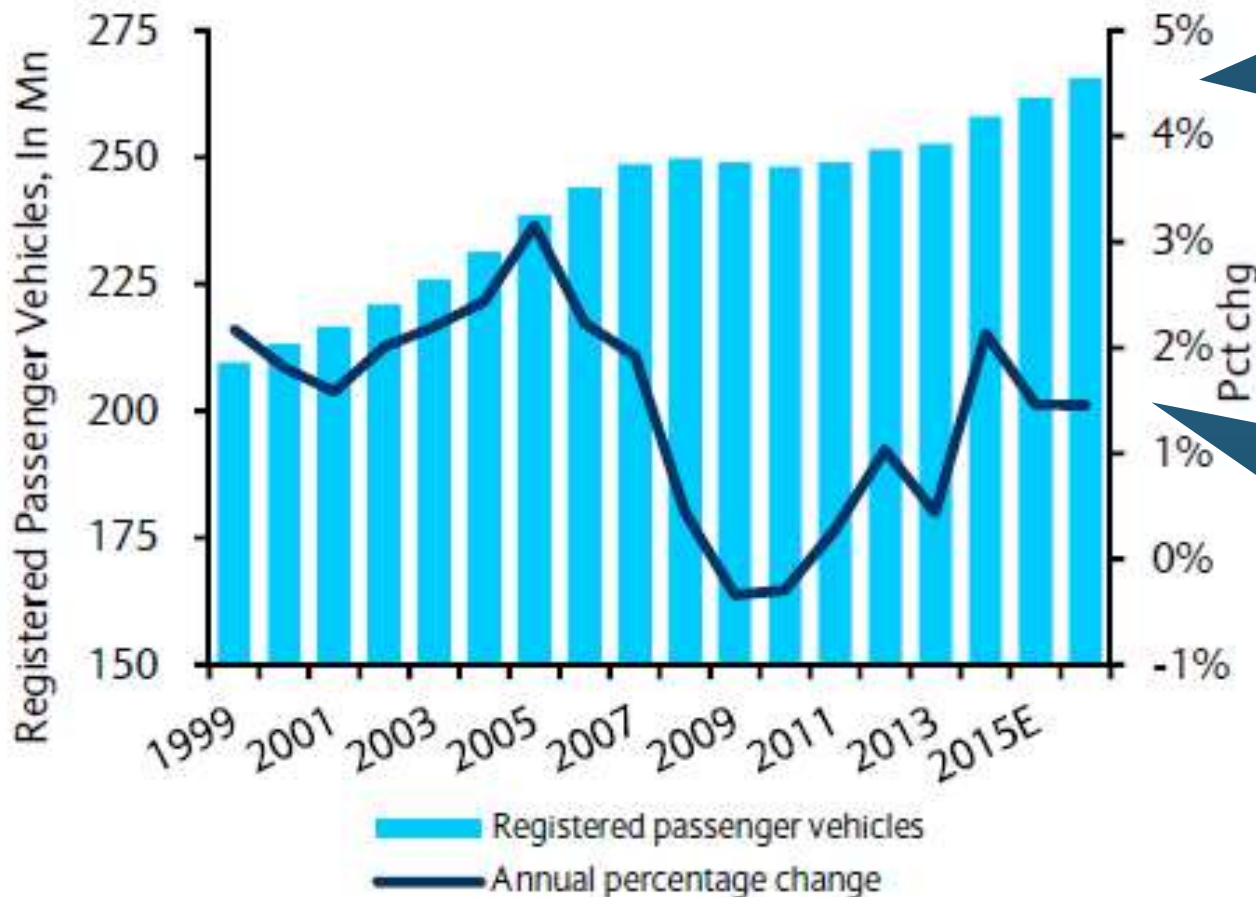
# of Licensed  
Drivers (millions)

Since 2009, virtually  
no growth in the  
number of licensed  
drivers (through 2013)





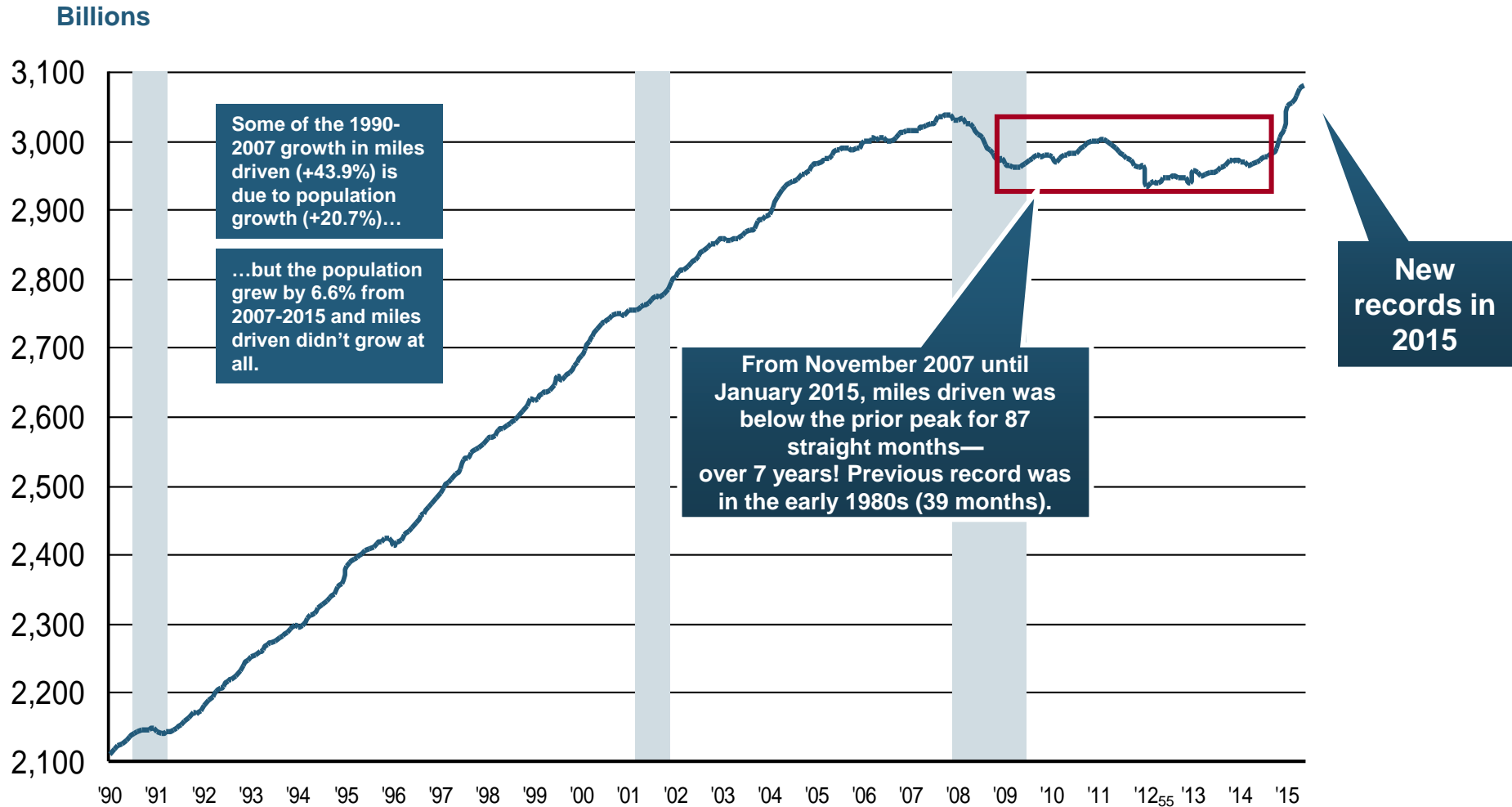
# Number of Registered Passenger Vehicles in US, 1999 – 2015E



Vehicle registrations are growing once again and now finally exceed pre-crisis peak

Vehicle registrations are expected to increase at an annual rate of about 1.5% per year in 2015 and 2016

# America is Driving More Again: Total Miles Driven\*, 1990–2015



\*Moving 12-month total. The 2015 data are through May 2015, the latest available.

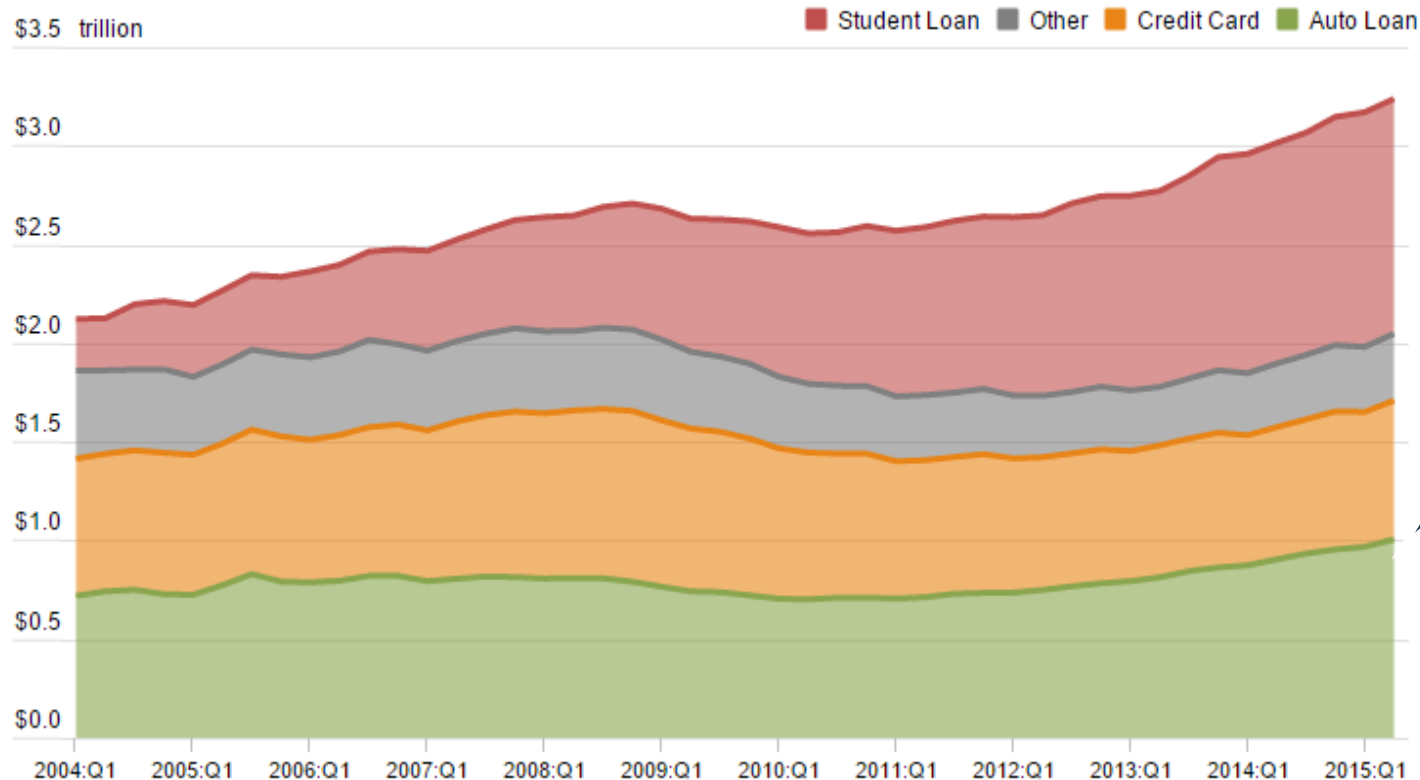
Note: Recessions indicated by gray shaded columns.

Sources: Federal Highway Administration ([http://www.fhwa.dot.gov/policyinformation/travel\\_monitoring/tvt.cfm](http://www.fhwa.dot.gov/policyinformation/travel_monitoring/tvt.cfm));

National Bureau of Economic Research (recession dates); Insurance Information Institute.

# Auto Loans and Other Non-Housing Debt, 2004 – 2015:Q1

## Non-Housing Debt Balance



**Banks are becoming increasingly aggressive in marketing auto loans**

# Millennials as Employees

## A Talent Gap Looms

***Insurance Industry Employees Are  
Older than in Most Industries***

# Insurance Talents Crisis: Millennials Are the (Only) Solution

- ❑ By 2020, insurers will have an estimated 400,000 job openings
- ❑ The number of professionals 55 and older is 30 percent higher in the insurance industry than the rest of the economy
- ❑ The number of insurance professionals over 55 has risen 74 percent during the past 10 years.

# Overview of Insurance Sector Employment Changes, Jan. 2014 – Aug. 2015\*

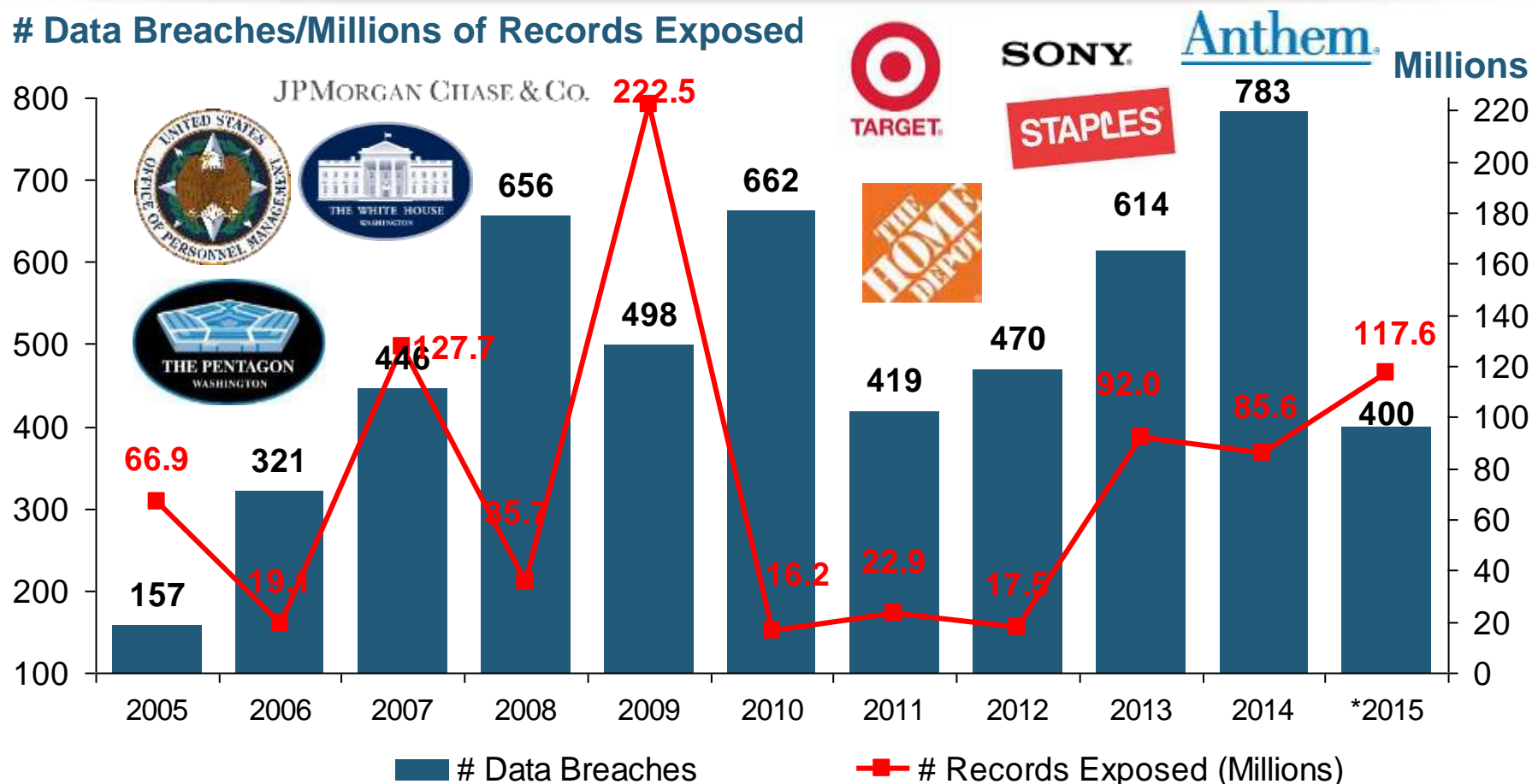
Insurance Subsector	January 2014 Employment	August 2015 Employment	Change	Percent Change
<b>CARRIERS</b>				
P-C Direct	513,500	525,500	+12,000	+2.3%
Life Direct	343,000	365,500	+22,500	+6.6%
Health/Medical Direct	508,100	521,900	+13,800	+2.7%
<b>OTHERS</b>				
Agents/Brokers	694,000	735,400	+41,400	+6.0%

\*Data are through August 2015 and are preliminary (i.e., subject to later revision); seasonally adjusted.

Source: US Bureau of Labor Statistics as compiled by the Insurance Information Institute.

# Data Breaches 2005-2015, by Number of Breaches and Records Exposed

# Data Breaches/Millions of Records Exposed

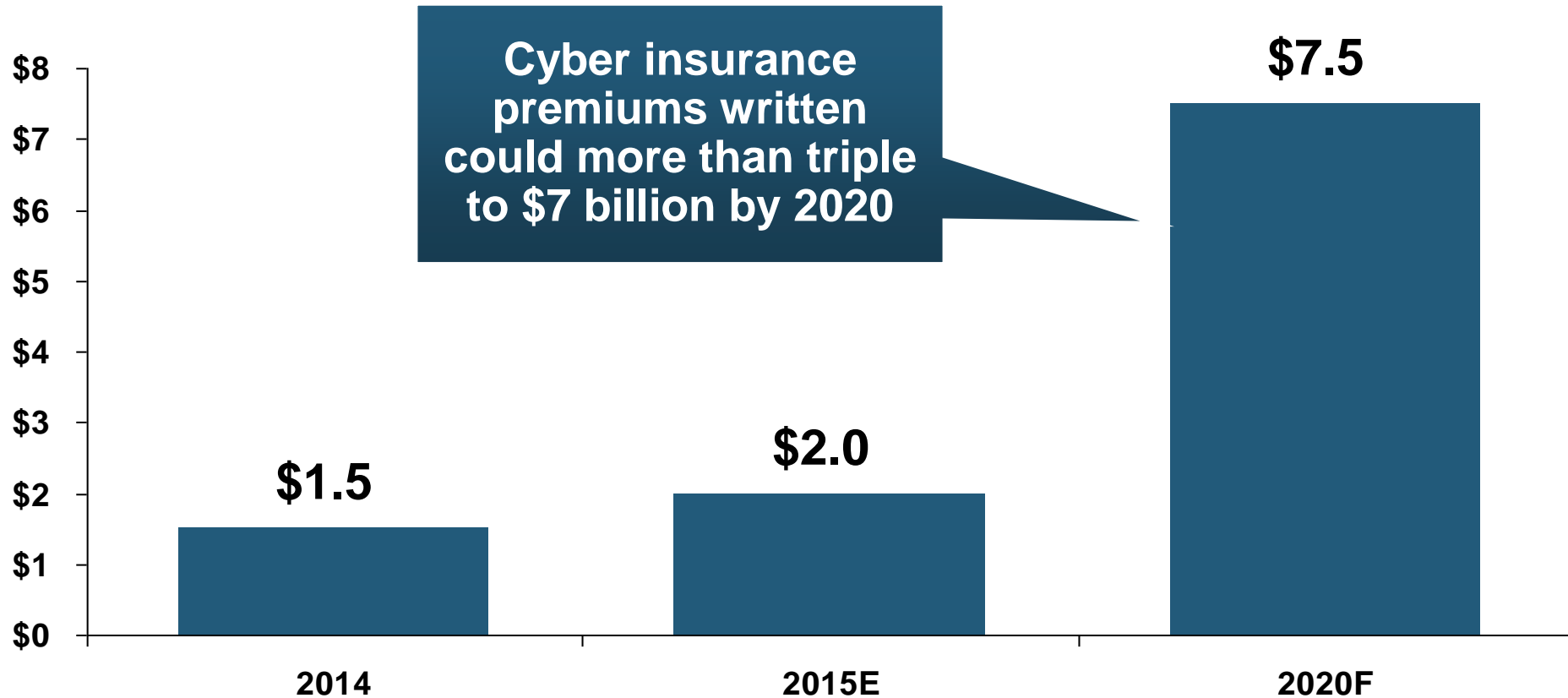


**The total number of data breaches (+27.5%) hit a record high of 783 in 2014, exposing 85.6 million records. Through June 30, this year has seen 117.6 million records exposed in 400 breaches.\***



# Estimated Cyber Insurance Premiums Written, 2014 – 2020F

\$ Billions



Source: Advisen (2014 est.); PwC (2015, 2020); Insurance Information Institute.

Insurance Information Institute Online:

**www.iii.org**

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