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ASIA PACIFIC

Singapore underwriters tackle intangible risks

29 September 2020

Marsh has seen a 30% increase in the take up of cyber insurance across Asia annually

As the risk landscape continues to evolve with growing concern over non-physical risks such as cyber and supply chain disruption, Singaporean insurers are responding with a growing suite of products for intangible risks.

Ali Chaudhry, a managing director in Asia for Marsh JLT Specialty and Magda Chelly, head of cyber risk consulting in Asia for Marsh Singapore, say intangible insurance products are becoming more common in Asia.

“Over the last three years we have seen an approximate 30% increase in the take up of cyber insurance annually, and our expectation is that these trends will continue at least for the next two to three years.

“The demand is driven by a combination of reasons, starting with an increasing realisation at C-suite levels that data breaches and cyber-related adverse events will be an inevitable risk for the business. With that, there is an increasing appreciation of the value of cyber insurance, and it becomes an element of businesses’ overall cyber defence and mitigation strategies.”

“We are also observing a growing understanding of cyber insurance and ability to justify its value internally. Furthermore, the insurance industry is getting better at explaining its relevance to clients with real examples of actual losses in the region.”

Marsh said that while cyber insurance provides a level of protection for “more quantifiable exposures”, the insurance industry was yet to respond for every intangible risk.

“True protection for intangible assets is still something the insurance industry is grappling to find solutions [for]. Businesses are challenged to value these exposures. This is an area for highly-customised solutions.”