

QUICK GUIDE

Why Concerns About Consumer Cyber Attacks Present an Opportunity for Insurers



Cyber attacks are on the rise – with the vast majority of cyber incidents involving what's known as social engineering (when people with legitimate access to systems are tricked into letting attackers in). According to Arctic Wolf's **State of Cybersecurity 2022** report, social engineering attacks target your employees instead of your technology.

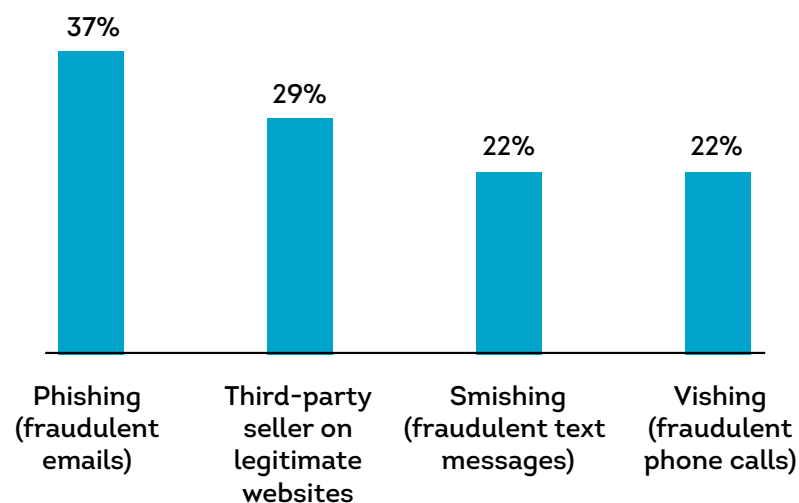
The widespread prevalence of these kinds of attacks has implications for insurance carriers: While they know their potential customers worry about sharing information – they're also uniquely positioned to help those customers feel secure.

Feeling under siege online

Cybersecurity firm PurpleSec estimates **98% of cyber attacks leverage social engineering**. And the most common type of social engineering attack by far is phishing – in which the attacker sends an email to the victim purporting to be from a trusted source in an attempt to get them to hand over login credentials. Dark Reading reports phishing email volumes **spiked a shocking 569%** from 2021 to 2022.

The public at large is aware of these types of scams, but that doesn't mean they're confident they can avoid them. According to a 2023 TransUnion survey of 3,000 consumers, significant segments worry they'd fall prey to phishing scams – as well as smishing or vishing (phishing variants that use text messages or voice calls, respectively).

Figure 1. Social engineering entry points consumers worry about





Younger people in particular worry about cyber attacks, and for good reason: Many have first-hand experience with them. The TransUnion survey revealed **35%** of Gen Z respondents experienced a cybercrime incident within the last six months. Partly as a result, **58%** said they would modify the identity attributes they share online when shopping for insurance. That should be a warning to insurance companies which rely on accurate information to give appropriate quotes.

Insurers have earned consumer trust

The good news is when it comes to cyber attacks and data security, a significant portion of TransUnion survey respondents felt insurance companies had their backs:

- **75%** said they're extremely or very confident their insurers can safely handle and manage their personal information
- **38%** of total respondents (and **48%** of Millennials) said their insurers helped them recover money they lost in an online scam

The latter point can be something of a double-edged sword for insurers: While helping cover cyber losses is a great way to build customer loyalty, ambiguous policies that leave carriers on the hook for cyber risk that wasn't necessarily priced into the premium can eat into profits.



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Overcoming silent cyber

The aforementioned is known as *silent cyber*, and updated underwriting practices that take cybercrime into account are key to overcoming it. But as much as consumers appreciate insurers making them whole in these scenarios, they'd prefer to not fall victim in the first place — and that would make them a better risk from the carrier's perspective as well.

TruEmpower Scam Blocker: Offering a line of defense

One preventative solution is our TruEmpower® Scam Blocker solution – a new cyber perimeter defense focused on stopping the threat before an attack occurs. This new, proactive risk mitigation tool helps safeguard customer information and improve profitability for insurers over time by reducing cyber claim costs.

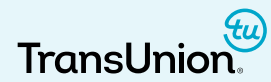
Rather than just pointing your web browser anywhere, TruEmpower Scam Blocker will 1) identify if the sites you're trying to reach are malicious, and 2) prevent access. This is especially important in phishing attacks which frequently use deceptive domain names (like transun1on.com, for example) to trick victims.

When a preventative solution like TruEmpower Scam Blocker is enabled, users are **90% less likely** to suffer a malware infection.*

Insurers will begin offering TruEmpower Scam Blocker to their policyholders beginning in late 2023. For more information and to learn how TransUnion can help insurers solidify trust, protect their policyholders' financial well-being, and improve their cyber risk profile, contact inssupt@transunion.com.



* When Malware Changed Its Mind: An Empirical Study of Variable Program Behaviors in the Real World. Erin Avllazagaj, Ziyun Zhu, Leyla Bilg, Davide Balzarotti and Tudor Dumitras. University of Maryland, 2021. <https://www.usenix.org/system/files/sec21-avllazagaj.pdf>



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TransUnion is a global information and insights company that makes trust possible in the modern economy. We do this by providing an actionable picture of each person so they can be reliably represented in the marketplace. As a result, businesses and consumers can transact with confidence and achieve great things. We call this Information for Good®.

A leading presence in more than 30 countries across five continents, TransUnion provides solutions that help create economic opportunity, great experiences and personal empowerment for hundreds of millions of people.

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