

“Thinking About the War Exclusion in Cyberspace”

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The deficits of war exclusions from traditional lines of business in cyber policies require corresponding adjustments by using a cyber war exclusion which is fit for purpose and reflects the interests of both the insured and the insurer respectively the reinsurer. Therefore, the aim of the insurer and the reinsurer is to prevent uncontrollable accumulation risk and at the same time consider the interest of the insured being sufficiently protected against any cyber attack and furthermore not to jeopardize the cyber insurance value proposition by taking a too strict or unclear approach.

Both the insured as well as the (re)insurer need transparency and clarity on the coverage when signing a cyber policy. Therefore, there is a solution needed where the customers can rely on how insurer and reinsurer would react to a one-off targeted cyber attack.

The only way out seems to be to not try to define cyber war precisely but to define the risk bearing capabilities of the insurance industry or in other words what are situations which exceed the borderline of insurability. In this presentation the current status of the discussion will be shown. The idea is also to highlight challenges that still need to be tackled.