

## Excerpts from AON “Global Risk Management Survey 2015”

Aon plc is the leading global provider of risk management, insurance and reinsurance brokerage, and human resources solutions and outsourcing services. They conducted a survey in the fourth quarter of 2014 with responses from 1,418 public and private companies of all sizes around the world. The “Global Risk Management Survey 2015” report is available free of charge. The data and analysis below is based upon this report.

Respondents rank the top 10 formidable risks facing their companies. Along with property damage, computer crimes/ hacking/viruses/malicious codes emerged for the first time among the top-10 risks. The high-profile cyber attacks in the news only represent the tip of the iceberg. Every company that has a website or smart phones has global exposure to such risks. According to PricewaterhouseCoopers, the number of detected cyber attacks skyrocketed in 2014 — up 48 percent from 2013. They are expected to go up further in 2015, to roughly 117,000 attacks daily.

### Top 10 risks

In every survey, respondents are asked to rank formidable risks facing their companies. We then choose the top 10 risks for detailed discussion, which is one of the perennial highlights:

1. Damage to reputation/brand
2. Economic slowdown/slow recovery
3. Regulatory/legislative changes
4. Increasing competition
5. Failure to attract or retain top talent
6. Failure to innovate/meet customer needs
7. Business interruption
8. Third-party liability
9. Computer crime/hacking/viruses/malicious codes
10. Property damage



Meanwhile, a Washington think tank, the Center for Strategic and International Studies, claims that the annual cost of cyber crime and economic espionage to the world economy runs as high as \$445 B USD – or almost one percent of global income. This does not include the intangible damages to an organization.

Cyber risk is fast moving, impossible to predict, and difficult to understand, but the damage can be immense. How is it possible to cover the exposure of every company in the world and how do you quantify such exposure? There is no simple answer, but it is expected that the risk of cyber attacks will remain a top concern of companies, both large and small, in the near future.