



August 2022

Nationwide Agency Forward Research Cybersecurity and Consumers

METHODOLOGY

Audience	Sample Size	Methodology	Timing
<p>Consumers</p> <ul style="list-style-type: none">Adults age 18+ that live in the United StatesDemographically representative of the adult US population	n=1,000	20-minute Online Survey	Survey fielded July 27 th – August 9 th , 2022
<p>Independent Insurance Agents</p> <ul style="list-style-type: none">Identify as an independent insurance agent active in the United StatesSample includes a mix of principals, producers, and customer service representatives	n=430		

KEY FINDINGS: Consumers

1

Cyber threats are top of mind for Consumers

58% of consumers are concerned about falling victim to a cyberattack, up 9 points since June 2020. Concern is driven by perceptions of increasing frequency and sophistication of attacks in recent years. 1 in 5 consumers report having been the victim of a cyberattack (up 7 points since 2020) with the most common threats being password attacks, data breaches, malware and phishing.

2

Despite increasing concern, few feel prepared to prevent an attack

Less than a third of consumers (31%) feel prepared to prevent a cyberattack, virtually unchanged since 2020 (+1%). Almost 7 in 10 say they haven't given much thought as to what they would do if they fell victim to an attack, and 53% said they wouldn't know what to do or where to start in response.

3

There is a substantial knowledge gap for Consumers regarding cybersecurity and cyber insurance

Very few consumers (16%) report currently owning cyber coverage. The top reasons for not purchasing cyber insurance are not knowing enough about it, and not knowing cyber insurance was even available. Agents agree that this lack of awareness is a serious problem – 80% are concerned about a lack of cybersecurity knowledge among their clients and 79% say their clients are unaware of their exposure to attacks.

4

Consumer concerns about increasing digital exposure since the pandemic offer Agents an opening to educate on the importance of cyber hygiene and coverage solutions

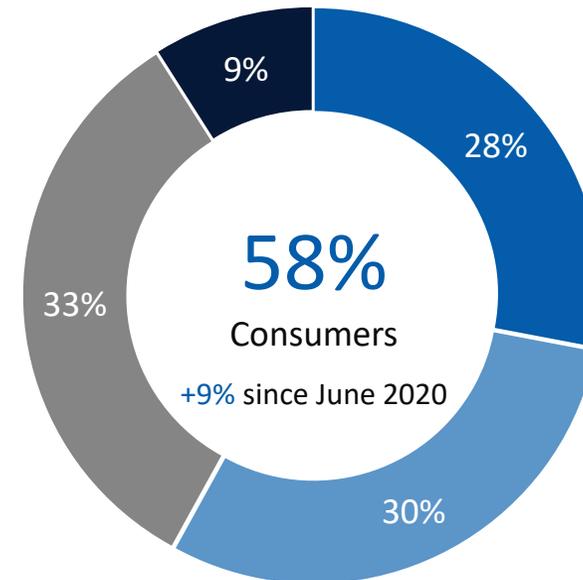
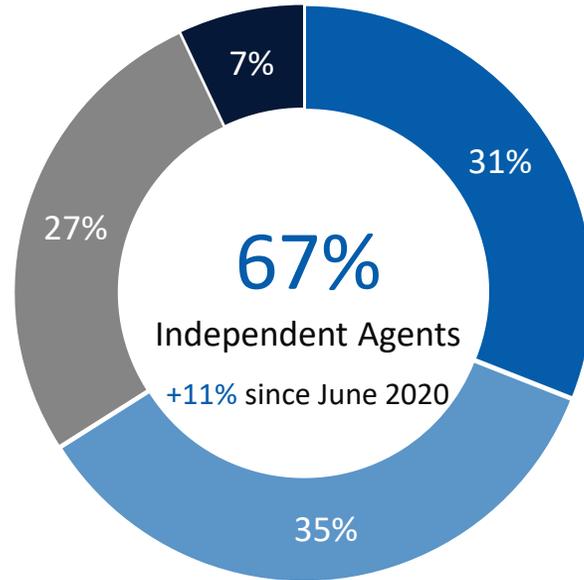
Consumers say their increased reliance on technology and data and use of digitized payment methods have made them more likely to purchase cyber insurance, and roughly 7 in 10 report interest in a range of cyber monitoring, notification, and insurance products. 83% of Agents say their clients view them as credible sources of cybersecurity information; Agents can leverage this role as trusted advisor to better educate their clients and recommend products that fit their cyber protection needs.

Detailed Findings

Almost 6 in 10 Consumers are concerned about potential cyberattacks

Two-thirds of Independent Agents report their clients are concerned about being attacked.

Concern about Cyberattacks from Client Perspective / Personally
(Shown % Selected Extremely/Moderately Concerned)



■ Not at all concerned ■ Somewhat concerned ■ Moderately concerned ■ Extremely concerned

Q1a. A cyberattack is an unwelcome attempt to steal, expose, alter, disable or destroy information through unauthorized access to computer systems (computer, smart phone, smart device, etc.) How concerned are you about a potential cyberattack on your business/on you personally? // Q1b. In general, how concerned do you think your clients are about potential cyberattacks (on themselves personally or their business)? Base: Independent Agents (n=430) and Consumers (n=1000)

Consumer concern about cyberattacks is driven by the increasing frequency and sophistication of attacks in recent years

29% cite a lack of cyber insurance as a reason for concern.

Why Consumers are Concerned about Cyberattacks
(Shown % Select)

Consumers

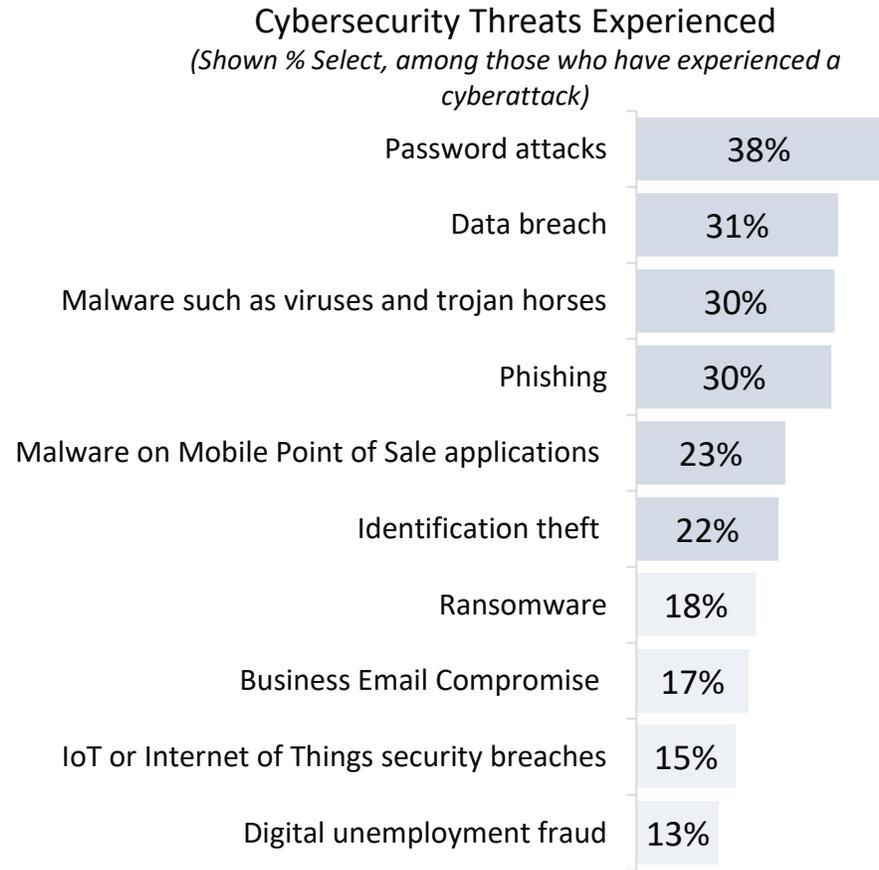
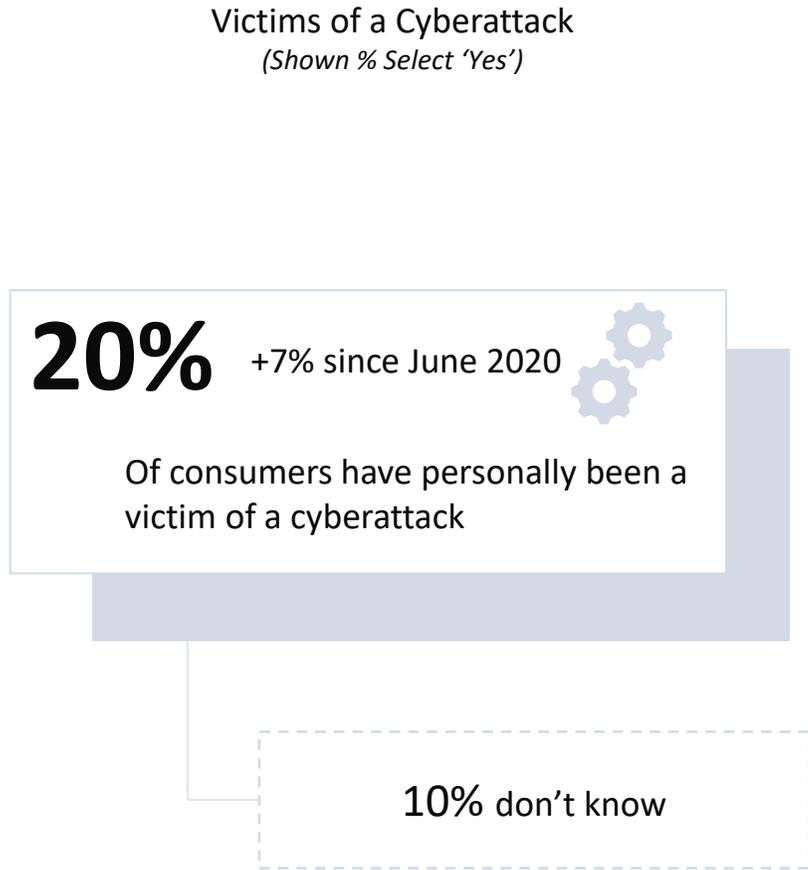


Q2b. You indicated that you are moderately or extremely concerned about a potential cyberattack. Why are you concerned? Please select all that apply. Base: Consumers (n=578)

1 in 5 Consumers have personally experienced a cyberattack – with password attacks, data breaches, malware, and phishing being the most common

The least common cybersecurity threats reported include attacks on the digital supply chain, digital tax fraud, and deepfakes.

■ Consumers

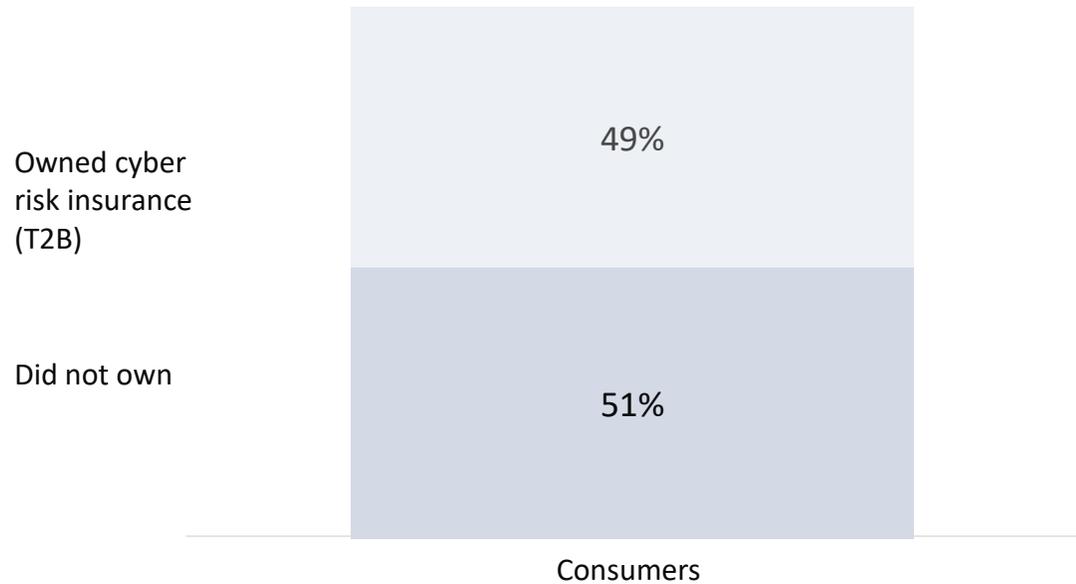


Q7. Has your business / Have you personally ever been a victim of a cyberattack? // Q8. Which, if any, of the following cybersecurity threats has your business / have you experienced? Please select all that apply. Base: Consumers (n=1000), Consumers who have experienced a cyberattack (n=197)

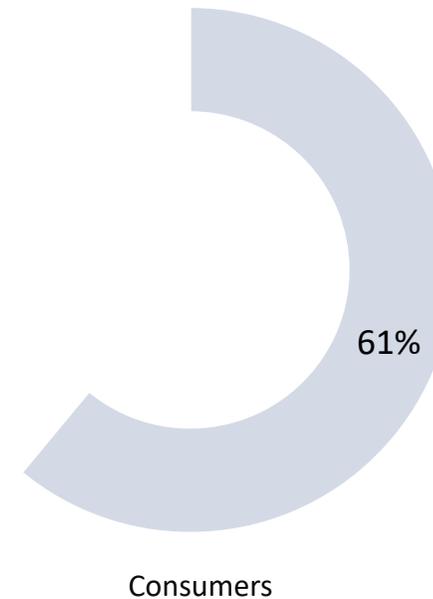
Among those who have personally been a victim of a cyberattack, 6 in 10 claim that it impacted their personal finances

Half reported owning cyber insurance coverage at the time of the attack.

Cyber Insurance Status at Time of Cyberattack
(Shown % Select)



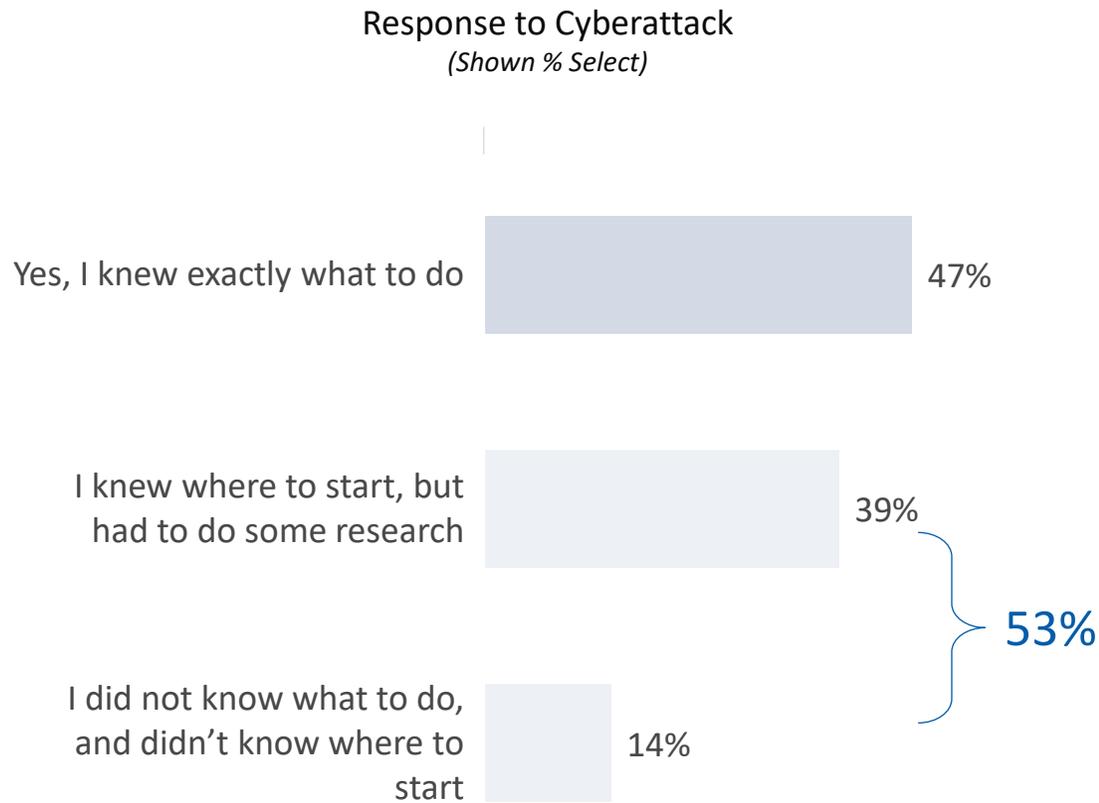
Cyberattack Impacted or Jeopardized Personal Finances
(Shown % Select 'Yes')



Q9a. Did the cyberattack impact or jeopardize your business / your personal finances? // Q10. Which of the following best describes your situation when the cyberattack occurred?
Base: Consumers (n=197), Consumers with cyber risk insurance at the time of incident (n=96), Consumers without cyber risk insurance at the time of incident (n=101),

Over half of Consumers either knew where to start but needed more information or did not even know where to start or what to do after they experienced a cyberattack

Most common steps taken to prevent future attacks include changing passwords, adding multi-factor authentication, and installing cybersecurity software. 15% reported buying cyber insurance.



Steps Taken Since Experiencing Cyberattack
(Shown % Select)

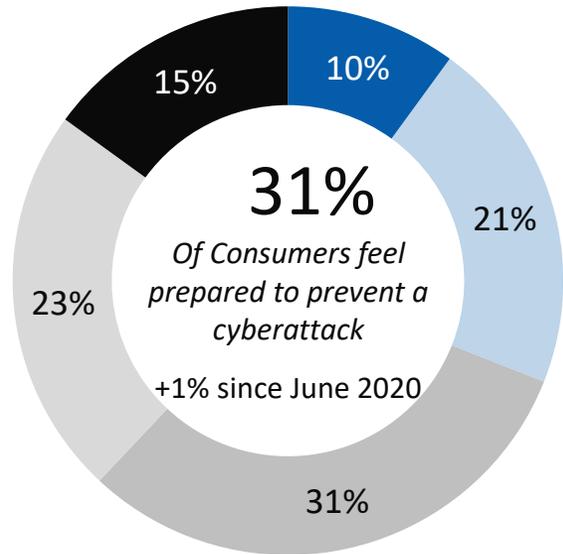
1	Changed my passwords	58%
2	Added multi-factor authentication to accounts	39%
3	Installed a new cybersecurity software	32%
4	Added comprehensive monitoring of all my accounts	28%
5	Talked to my family members about the risk of Cyberattacks and how to mitigate them	27%
6	Updated my cybersecurity software	27%
7	Purchased identification theft protection (relevant to information from passports, social security numbers, addresses, etc.)	27%
8	Asked my friends and family for advice	25%
9	Began using a password manager	25%
10	Asked my insurance agent for advice and information about insurance	18%
11	Set-up parental controls	18%
12	Bought cyber insurance	15%

Q11. Did you personally know what to do once you identified the attack? // Q11b. Which, if any, of the following steps have you taken since experiencing a cyberattack to prevent future attacks? Please select all that apply. Base: Consumers (n=197)

Just 3 in 10 Consumers feel prepared to prevent a cyberattack

Consumers haven't given much thought to what they would do if they fell victim to an attack, but they expect cyber coverage to take care of all their needs in the event of one.

Sense of Preparedness for Preventing a Cyberattack
(Shown % Select)



- Extremely prepared
- Somewhat prepared
- I don't know
- Moderately prepared
- Not at all prepared

Response if a Cyberattack Occurred
(Shown % Select)

	Agree	Disagree
I trust that my cyber risk insurance coverage would take care of all my needs	86%	14%
I would stop doing business with the company responsible for the data breach that impacted me	76%	24%
I haven't given much thought to what I would do if I fell victim to a cyberattack	68%	32%
I'm confident that I could recover all my losses from the attack	54%	47%
I trust that my non-cyber insurance coverages would take care of all my needs	49%	51%
I would know where and how to begin the recovery process after the attack	47%	53%
Right now, I have all the resources I would need to recover any losses from the attack	43%	57%

Q17. How prepared is your business in preventing a cyberattack? // Q19. Thinking about how you would respond if you personally were to fall victim to a cyberattack, how much do you agree or disagree with the following statements? Base: Consumers (n=1000)

There is no consensus among Consumers about the length of time or cost required to recover from the average cyberattack – but most believe it would be difficult

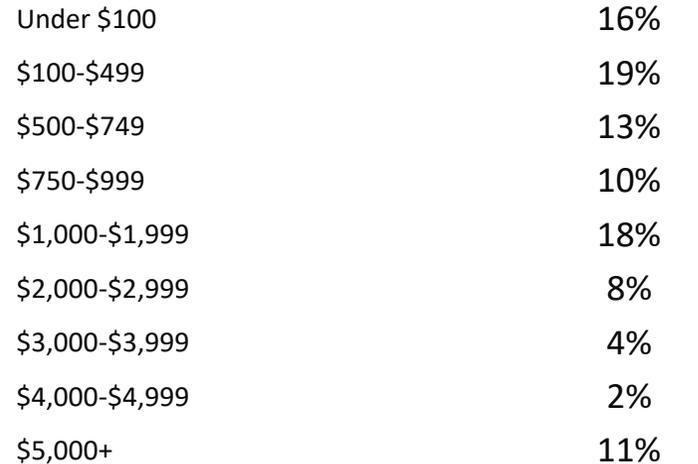
Length of Time to Recover
(Shown % Select)



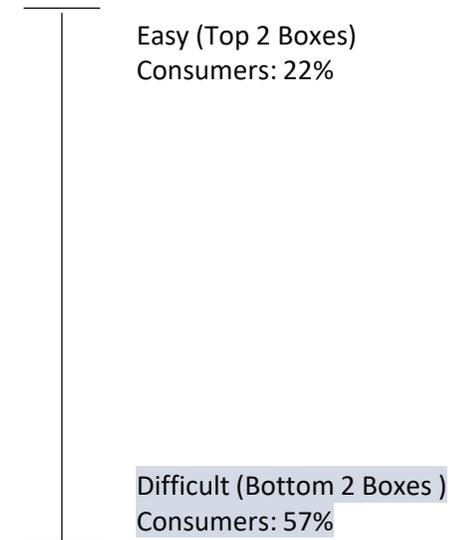
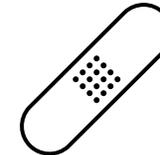
Consumers



Anticipated Cost of Recovery from Average
Cyberattack
(Shown % Select)



Ease of Covering Recovery Costs
(Shown Top 2 Box Easy and Bottom 2 Box Difficult)

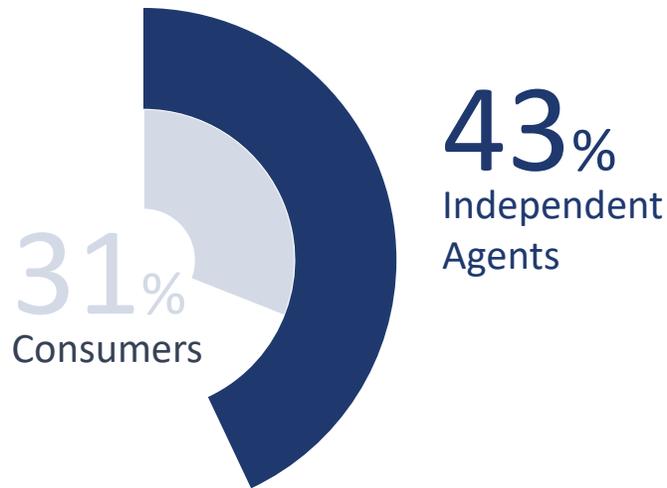


Q12. Thinking about if you personally were to fall victim to a cyberattack in the future, how long do you anticipate recovering from a cyberattack would take? If you are unsure or don't know, please select that option. // Q13a. Thinking about if you personally were to fall victim to a cyberattack in the future, how easy would it be to cover the costs of recovery? // Q13b. How much do you think it would cost for you personally to recover from the average cyberattack/identity theft incident? Base: Consumers (n=1000)

Independent Agents report most of their consumer clients don't know much about cybersecurity – or that cyber insurance exists

83% of Agents say their clients view them as a credible source of information when it comes to cybersecurity.

Agent Belief the Average Consumer is Prepared for a Cyber Attack vs. Consumer Perceived Preparedness
(Shown Top 2 Box Prepared)

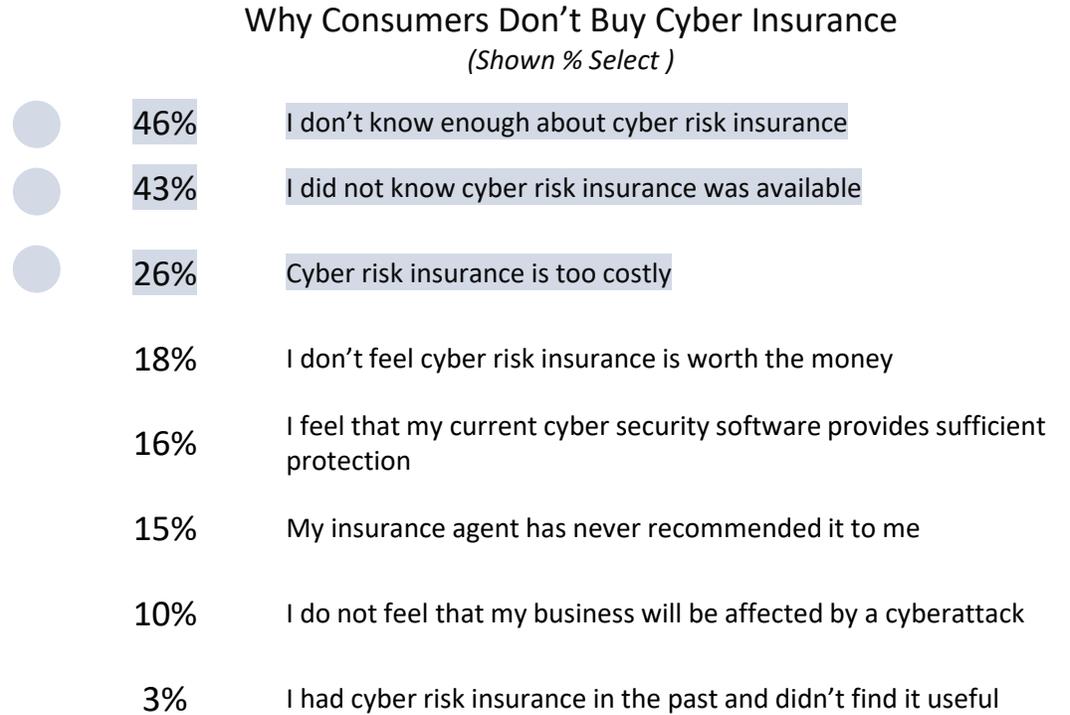
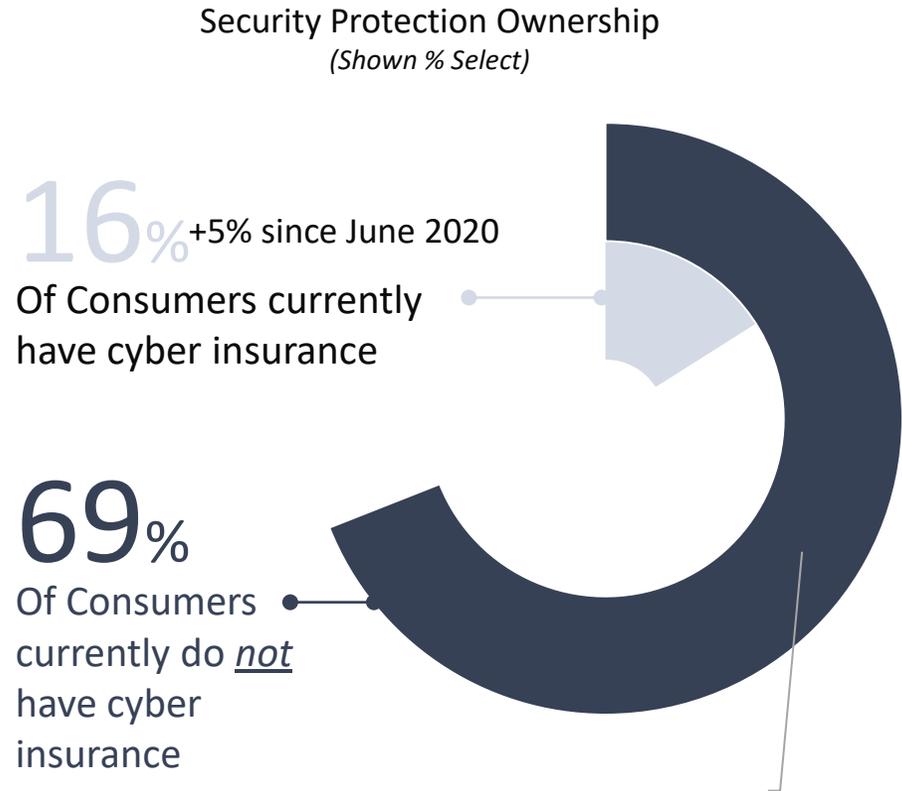


Agent Perceptions of Client Cybersecurity Knowledge
(Shown Top 2 Box Agree)

Many of my clients are unsure of what is covered in a cyber risk insurance policy	85%
Most of my clients believe the chance of becoming a victim of a cyberattack is small	83%
My clients view me as a credible source of information when it comes to cybersecurity	83%
Many of my clients are unaware of the security threats from having employees working from home or a remote location	82%
I'm concerned about the lack of knowledge among my clients around cybersecurity in general	80%
Most of my clients are unaware of the security threats from using point of sale (POS) systems such as Square or Clover	79%
Many of my clients are unaware of their exposure to cyberattacks	79%
Many of my clients are not even aware that cyber risk insurance exists	73%

Lack of awareness is the top barrier to Consumers purchasing cyber insurance

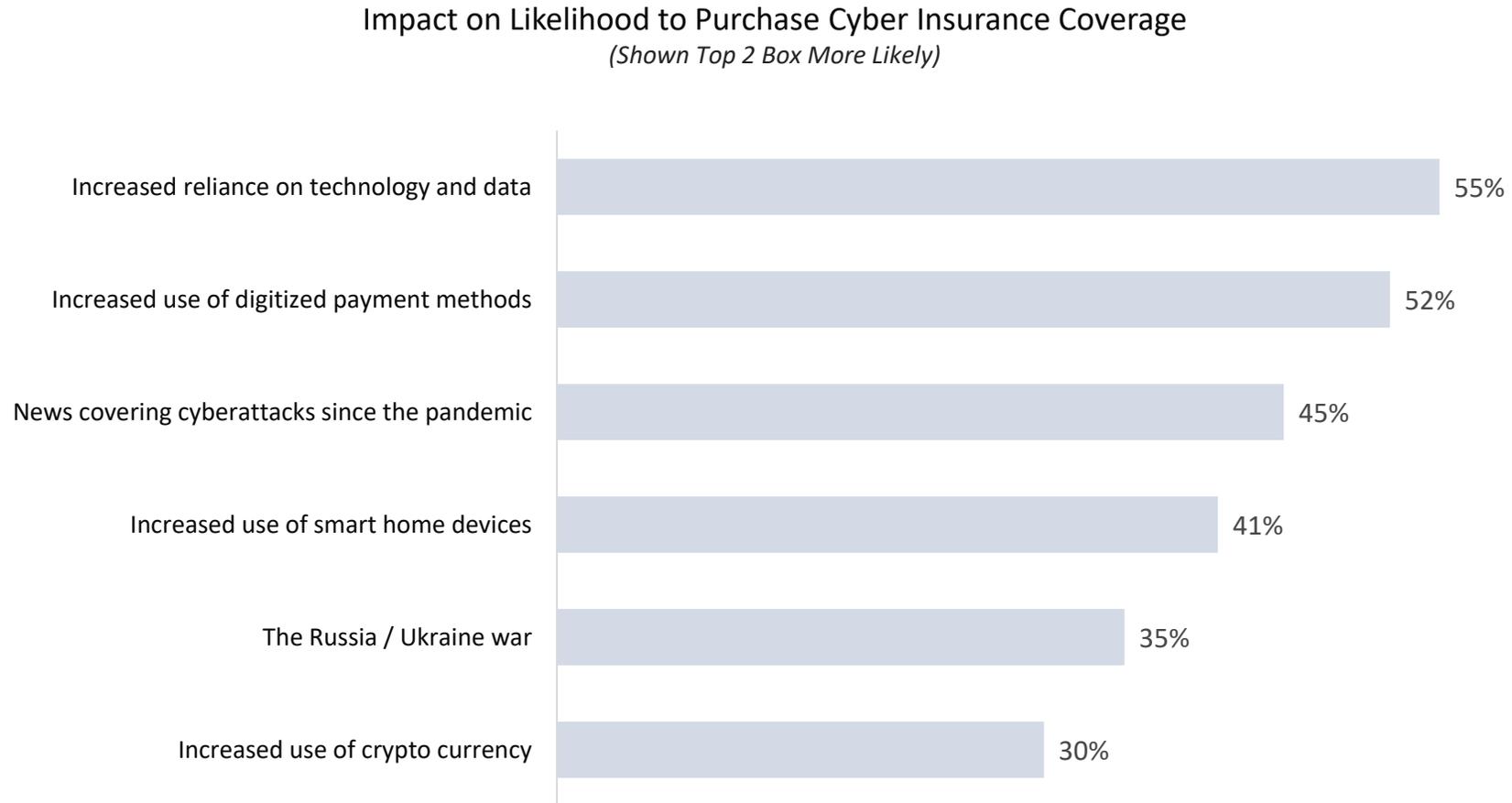
Cost is a secondary concern – 26% say they believe the coverage is too costly and 18% say they don't feel its worth the money.



Q14. Do you currently have the following security protections? // Q15. Why don't you currently have cyber risk insurance? Please select all that apply. Base: Consumers (n=1000)

Increased reliance on technology and digital payment methods have made Consumers more likely to consider purchasing cyber insurance

45% say news of recent cyberattacks since the pandemic has made them more likely to purchase coverage.



Q33a. Have each of the following events made you more or less likely to purchase cybers risk insurance or expand your current level of cyber insurance coverage? Base: Consumers (n=1000)

3 in 4 Consumers are interested in investing in resources or products affiliated with identity recovery and computer attacks

Monitoring and activity alerts for payment and financial accounts follow closely behind.

Interest in Purchasing Cyberattack Protection Resources or Products *(Shown Top 2 Box Interested)*

Consumers

Identify recovery – Pays for the costs of recovering from an identity theft as well as full-service ID theft restoration services.

74%

Computer attack – Removes malware and reprograms computers and tablets, Wi-Fi routers, or other internet access points.

73%

Payment accounts and financial accounts monitoring and activity alerts – Monitors bank accounts, debit/credit cards, and other financial accounts for suspicious activity and notifies the user.

72%

Monitoring for compromised login credentials – Monitors the deep and dark web where stolen personal information is bought and sold. You select the accounts to track and receive a notification if suspicious activity is detected.

67%

Data breach – Pays for notification costs and recovery services when private non-business data entrusted to an individual is lost, stolen, or published.

67%

THANK YOU

For media inquiries or to coordinate interviews with Nationwide leadership, please contact Evann Berry

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