

Press release

Finlex expands cyber ecosystem in its digital marketplace

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Finlex has built a veritable ecosystem around cyber insurance. It's not just about transparency in a constantly changing market and a simple online closing process for all parties involved. At its core is an all-round service that starts with a risk assessment, which in many cases reveals the insurability of the product in the first place.

Cybercrime has become a real threat to every business, large or small. Data hijacking via ransomware, IT espionage and sabotage – never before have there been so many cyber attacks. German companies incurred damages of around 223 billion euros in 2021, as the digital association Bitkom discovered. Despite the high risk, however, only 16 per cent of companies increased their IT security budget in the Covid-19 crisis, the German Federal Office for Information Security (BSI) revealed in 2021.

As the minimum requirements of insurers for the IT of the insured company have increased in recent years, not all companies have been able to benefit from comprehensive cyber insurance. However, this does not only provide financial protection for the risk transfer. It also helps companies evaluate their own cyber security and, through its assistance services, provides them with qualified experts to help them in the event of a claim.

The ecosystem simplifies broker advice and leads to more deals

According to the industry association GDV, demand for cyber insurance remains very high, and it will continue to rise, especially in the SME segment. "This creates great sales potential for the brokers connected to our platform", explains Finlex founder and CEO Sebastian Klapper. In addition, new providers are about to enter the market. "The complexity and dynamics in the cyber market call for more transparency and smart processes, which can only be achieved through an ecosystem platform. For example, the automated questionnaire evaluation makes it easier for brokers to provide advice and helps them select the right insurance partner."

Risk assessment analysis shows a path to insurability

The consulting process around the coverage of cyber risks starts well before the insurance contract is signed. The Finlex network comprises the broad expertise of ecosystem partners relating to IT security:

- Workshops for quantitative risk analysis, whose results show a broad understanding of the monetary consequences of cyber risks.
- A quick check via telephone or a detailed risk audit as a qualitative risk analysis. For this purpose, Finlex cooperates with proven network and data security experts, such as Prof. Dr.-Ing. Ulrich Greveler. As a result, the customer receives an initial overview of its IT security level and recommendations for measures to improve it.
- Technical vulnerability audit in a project spanning several days by renowned IT service providers. Here, the specific weak points of the IT infrastructure are identified, and the way to eliminate them is shown.
- A risk score based on the questionnaire on the Finlex platform to classify the risk.
- Network of lawyers specialising in IT law.
- Continuous expansion of the ecosystem by additional IT security experts.

“The Finlex ecosystem is not only about the best cyber insurance policies, but also about optimal solutions for holistic cyber risk management”, describes Dr. Sven Erichsen, Non-Executive Director at Finlex and pioneer in the cyber insurance market in Germany. “With the help of the Finlex platform, brokers can advise their client companies more specifically on cyber risks and propose solutions right away through the ecosystem.” This increases awareness of their own vulnerability. “In the end, this also pleases the insurers because it gives them better risks. A vulnerability profile shows how the risk can be reduced. After all, it is often only through risk reduction that a company becomes insurable in the first place. Companies already insured can also potentially reduce their insurance premiums through better risk assessment.

Companies, brokers and insurers – everyone benefits

The Finlex Cyber Ecosystem offers an all-round service covering several core areas. It starts with “smart risk assessment,” identifying and evaluating risks. This is followed by the second core area, “smart protection”, which involves the placement of high-quality and competitive insurance solutions as well as the ongoing support and continuous monitoring of IT security. Core area three, “smart claims support,” completes the ecosystem.

“Finlex offers the best combination of cyber security and cyber insurance, processed through state-of-the-art technology”, Klapper is convinced. “With our unique cyber ecosystem, all stakeholders benefit.” Awareness of the topic increases among companies, and they directly access solutions, thereby reducing their area of vulnerability; brokers increase their chances of winning new business and securing existing business through high-quality, fast and smart solutions. And last but not least, this enables insurers to evaluate risks better. As a result, they benefit from more information and risk management, which ultimately ensures better risks in their portfolio.

Support from the very first sign of a cyber claim

Toni Gehring, Senior Cyber Consultant overseeing the development of the Finlex ecosystem, highlights the benefits of Finlex's cyber ecosystem: "Our cyber ecosystem helps both corporates and brokers. Our in-house claims department is a valuable component and assists those affected from the first sign of a claim. It coordinates communication with the insurer and its incident response team and accompanies the commercial settlement as well as any legal dispute." That's because a law firm specialising in cyber insurance is among the partners that Finlex ecosystem customers can access at discounted rates.

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Sebastian Klapper | ([Press photo](#))

Dr. Sven Erichsen | ([Press photo](#))

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About Finlex GmbH

Finlex – the online insurance platform for commercial and industrial clients – aims to be the leading digital marketplace for financial lines’ business segments throughout Europe. This includes D&O, cyber, legal expenses, fidelity, pecuniary loss liability and capital market transaction insurance. Finlex focuses on digitization and professionalism. The InsurTech Radar 2021, recently published by Oliver Wyman, considers Finlex one of the few ‘scale-ups’ with enormous potential. Scale-ups are start-ups that have left the initial phase and are showing rapid growth. Finlex is headquartered in Frankfurt am Main with offices in Berlin, Barcelona, Düsseldorf, Essen, and Vienna.

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