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73% of Firms Fail Cybersecurity Readiness Tests

A staggering 73% of firms face major shortcomings in terms of cybersecurity readiness, according to a new report from specialist insurer Hiscox. Globally, almost half of the 4,500 businesses surveyed (45%) across the US, UK, Germany, Spain, and the Netherlands reported at least one cyber-attack in the past year. Of those, 66% suffered two or more attacks. To determine a firm's cyber readiness, Hiscox evaluated the following categories: Strategy, engagement, organizational leadership, training and evaluation, cyber insurance, and willingness to make changes in response to a cyber incident. In the US alone, large businesses lose an average of \$1.05 million to cybercrime annually. In the US, cyber threats are ranked as a top risk among companies: Though many lack adequate defenses, two-thirds of respondents ranked the threat of a cyberattack alongside fraud as a top risk to their business. Firms are responding by spending more money on cyber protections—almost 60% of survey respondents said they believe their overall cybersecurity spending budget will increase by 5% or more this year. It may sound simple, but employee training does work to prevent attacks, the report found: Of the organizations investing in cybersecurity efforts, 54% said that employee training helped reduce the number of cyber hacks and incidents at their company. In the US, 43% of employers

reported conducting cybersecurity exercises, like phishing experiments, on their employees to better understand behavior.