



PRESS RELEASE

AIG

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AIG European cyber claims statistics reveals extortion and ransomware is one of the fastest growing source of cyber loss

28th November – AIG Europe, part of global insurer American International Group, Inc., today released details of European cyber claims received between 2013 and September 2016 – highlighting both most frequent and developing trends in the sector.

While headlines are dominated by major data breaches and, more recently, by audacious Distributed Denial of Service (DDoS) attacks, it is encryption ransomware and cyber extortion that is one of the fastest growing cybercrimes, accounting for 16% of the cyber claims received by AIG in Europe, the Middle East and Africa (EMEA) during the period, with a further 4% of claims relating to other cyber extortions. 2016 in particular has seen a proliferation of cyber extortion attacks.

Noona Barlow, Head of Liabilities & Financial Lines Claims, Europe, commented “This year we have had a lot of notifications from businesses that were victims of ransomware type attacks, and nearly all of them had extortion elements to them as well. We are seeing cyber extortion and ransomware as one of the fastest growing areas of claims. In cases of cyber extortion, claims severity depends on the type of organisation, the level of business interruption caused and need for forensic investigation and system restoration. While ransom demands typically remain small, this form of extortion is a lucrative and relatively straightforward way of accessing ‘fast cash’ for cyber criminals and we can only see it growing in the future.”

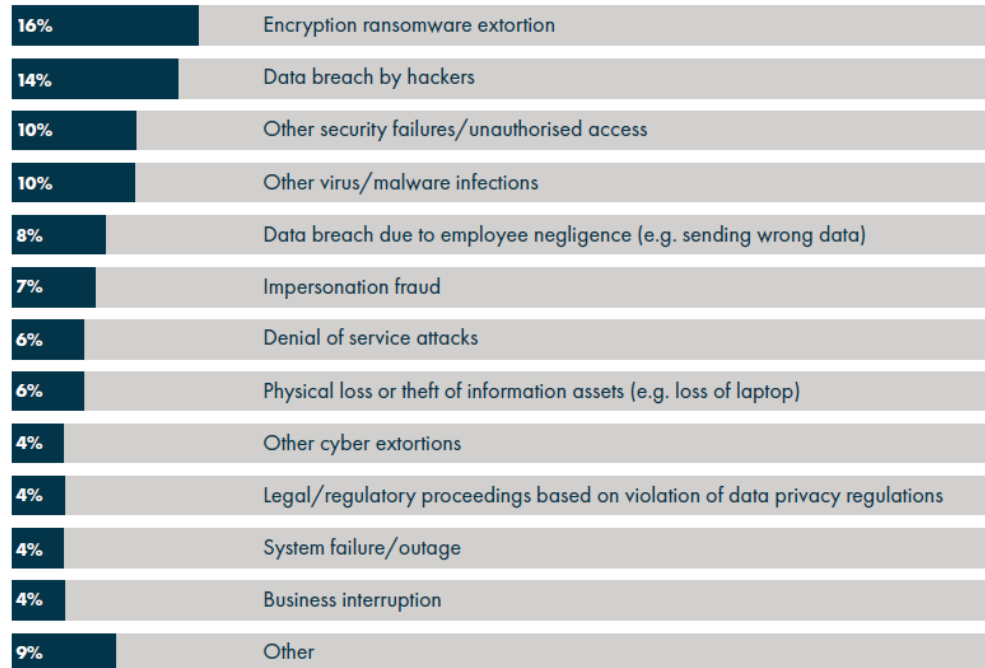
Unsurprisingly, the majority of cyber claims currently emanate from industries that are required to notify customers if sensitive data has been compromised, with financial services accounting nearly a quarter (23%) of all AIG’s EMEA cyber claims received during the past three years, followed by communications, media & technology (18%), a category that includes telecommunications.

Extortion and ransomware however tend to be found across a wide range of industries – often without any obvious online or IT angle – and are as likely in smaller businesses as large.

For example, an online gardening business that discovered ransomware was encrypting their files. While the small business did not have a significant amount of sensitive data that could have been compromised, they were unable to contact customers and access invoices.



Cyber claims received by AIG EMEA (2013-2016) - By type



Ends

Notes to editors

American International Group, Inc. (AIG) is a leading global insurance organization. Founded in 1919, today we provide a wide range of property casualty insurance, life insurance, retirement products, mortgage insurance and other financial services to customers in more than 100 countries and jurisdictions. Our diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

Additional information about AIG can be found at www.aig.com and www.aig.com/strategyupdate | YouTube: www.youtube.com/aig | Twitter: @AIGinsurance | LinkedIn: <http://www.linkedin.com/company/aig>. These references with additional information about AIG have been provided as a convenience, and the information contained on such websites is not incorporated by reference into this press release.

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