MORE VALUE TO YOUR CUSTOMERS WITH CYBER SECURITY AND IDENTITY PROTECTION SERVICES

A business opportunity for insurance companies
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CYBER CRIMINALS SEEK FINANCIAL GAIN

Cyber crime is big business, and its business depends on victimizing people. According to a recent F-Secure survey, one out of every three people has experienced cyber crime just within the past year.¹ Damages from cybercrime are projected to reach $6 trillion globally by 2021.²

Cyber crime against consumers can take different forms and use different methods, but the common thread is money. Whether spreading malware, setting up phishing sites, or harvesting credentials in data breaches, criminals’ end goal is financial gain – profit at the average consumer’s expense.

F-Secure research over the years has shown consumer concern about cyber crime is high, and the most recent survey shows worries have grown even more in 2020. But while consumers understand the value of protecting their personal information, they feel a sense of helplessness about just how to do that. Few are using an identity protection service.

The situation represents a growing opportunity for trusted providers to step in and offer their clients practical solutions for a real problem. Protecting customers with value-added security solutions delivers value to the client base, increasing customer stickiness and reducing risk. Identity protection solutions also create additional revenue streams and generate fresh marketing angles that can reach new target audiences.

F-SECURE IDENTITY PROTECTION CONSUMER SURVEY

Conducted in 12 countries

![Country flags]

Number of respondents

4800

Age of respondents

+25

Conducted in May 2020

¹ F-Secure Identity Protection Consumer Survey
² Cybersecurity Ventures 2019 Official Annual Cybercrime Report
29% OF CONSUMERS HAVE EXPERIENCED CYBER CRIME DURING THE PAST 12 MONTHS

A large portion is related to accounts and credentials

Consumers are well aware that our digital data can be used to undermine our identities, and those concerns are only growing. According to F-Secure’s global Identity Protection Consumer Survey 2020, worries about online fraud increased considerably from 2019 to 2020. The online threats consumers worry about most, such as bank account hacks and online shopping fraud, involve some form of identity theft.

CONSUMER CONCERNS ABOUT A PERSISTENT PROBLEM

CONSUMER WORRIES ABOUT MONEY AND PERSONAL INFORMATION 2019 VS. 2020

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Aside from the crimes themselves, consumers are also wary of the implications connected with becoming a victim. 73% of respondents worry about losing their data, 71% about losing control of personal accounts or information, 71% are concerned about the loss of money, and 64% are concerned about the associated stress.

CONSUMERS ARE WORRIED ABOUT THE IMPLICATIONS OF CYBER CRIME

Consumers are so worried about losing their personal information that they are making changes in their behavior. 81% avoid giving certain types of personal information to online services. Credit card (74%) and bank account numbers (72%) are the types of data consumers most often avoid giving when they fill out online forms.

PERSONAL INFORMATION PEOPLE AVOID GIVING TO ONLINE SERVICES
The Password Predicament

When it comes to protecting one's online life, one of the most important areas is passwords. But while consumers know how important passwords are, they often do not follow recommended password practices, putting their accounts at risk and highlighting an area in which they could use additional support.

**Protecting the Following Personal Information Is Important to Consumers**

- 80% Credit card number
- 79% Password
- 73% Bank account number
- 72% Social security number
- 64% Passport number

79% of consumers rated passwords as important to protect, second only to credit card numbers. But 41% of consumers admit reusing the same passwords across many online services. 59% use the same passwords with small variations.

**Reusing Passwords Is Common**

- **41%** I use exactly the same password in many places
- **59%** I use the same password with small variations

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CONSUMERS UNDERESTIMATE THE NUMBER OF THEIR ONLINE ACCOUNTS AND PASSWORDS

Proper password hygiene is all-important for protecting our personal data, our accounts, our finances and our digital lives, but with consumers using so many online accounts, it’s no wonder password reuse is common. Respondents report having an average of 18.1 online accounts; given that people tend to underestimate the numbers of accounts they have, we can assume the actual number is higher. What’s more, many online services create accounts for consumers without them even realizing it. For example, when consumers make online purchases, every service provider in the delivery chain registers their data — the online store, payment processor and shipping service.

Consumers report having an average of 12.6 passwords, and only 30% use a password manager application to store them. 32% store their passwords on paper, and 23% say they do not store passwords at all.

PASSWORD STORING HABITS

- 32% I store them on paper
- 30% I use a password management application
- 25% I have a file containing passwords on my computer/phone
- 23% I don’t store them at all
- 18% I just use ‘forgot password’ if I need to use a product or service
- 3% Someone else stores them for me
ACCOUNT TAKEOVER ON THE RISE

Most identity theft today takes the form of account takeover, which, according to Javelin Research, increased by a staggering 72% from 2018 to 2019.¹ It’s a crime that is made easier by two enabling factors: The tendency of users to choose weak and reused passwords, and company data breaches that continually expose our personally identifiable information.

Cyber criminals share dumps of breached data on the dark web. Once criminals obtain lists of breached credentials including usernames and passwords, they use automated tools that can crack weak credentials in seconds. They can then use those credentials to log in to the user’s account and perform account takeover.

Once inside an account the attacker can exploit its privileges, whether that means performing a financial transfer, making a credit card purchase, or performing another transaction benefiting the attacker.

Account takeover can quickly spread between accounts as criminals use the cracked credentials against other online services the victim has used the same password for. 85% of F-Secure survey respondents report using social media, and 79% webmail services. Some of these services store vast amounts of information about a user. With each account, the perpetrator gains greater access to the victim’s sensitive details and online life, and has more opportunity to do financial or other damage.

ALMOST EVERYONE IS USING SOCIAL MEDIA AND WEBMAIL SERVICES

Social media: Facebook, WhatsApp, Instagram, Twitter, LinkedIn or similar
Webmail: Google, Yahoo, Microsoft Live or similar
Finance: Online bank, payments, stock, insurance or similar
Shopping: Amazon, eBay, Alibaba, Wish or similar
Entertainment: Youtube, Netflix, Spotify, gambling or similar
Travel: Hotels, airlines, bus, taxi or similar
Productivity: Skype, Zoom, GoToMeeting, Trello or similar
Games: Online gaming sites
News: CNN, Reuters, New York Times, Fox News or similar
Lifestyle: Blogs, forums, fashion or similar
Online magazines: National Geographic, Rolling Stone, Harvard Business Review or similar

³ Javelin Research 2020 Identity Fraud Report
Falling victim to identity theft can have long-lasting consequences. Once information leaks to the internet, it stays there. Even resolved identity theft issues may resurface years later, as personal information such as name, address, bank account and social security number tend to stay the same and can be exploited even years after a breach. The best solution for account takeover and identity theft is to prevent them from happening in the first place.

Strong and unique passwords, secure password storage habits, personal information monitoring, and alerts if an online account has been part of a breach can effectively prevent identity theft. A solution that combines all these capabilities in one gives consumers the tools to take control of their data and minimize the chances of compromise.

WILLINGNESS TO PAY FOR IDENTITY PROTECTION IS HIGH

Given their very real concerns about online crime, it’s no surprise that consumers do not feel fully in control of their digital lives. 80% believe they could become a victim of cyber crime sometime in the future, up from 71% in 2019.

Worry is a strong indicator for willingness to pay, and this factor was underscored when consumers were asked about the attractiveness of identity protection-related benefits. 53% of consumers rated safe online shopping and banking protection as appealing benefits, and 46% of consumers are willing to pay for such protections. Personal data-related benefits are attractive, too: 48% of consumers find the idea of a breach alert service appealing, and 32% are willing to pay for such a service.
### HIGH ATTRACTIVENESS AND WILLINGNESS TO PAY FOR IDENTITY PROTECTION BENEFITS

<table>
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<th>Benefit</th>
<th>Percentage of Consumers Wanting It</th>
<th>Percentage Willing to Pay</th>
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<tr>
<td>Safe online shopping and banking</td>
<td>53%</td>
<td>46%</td>
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<tr>
<td>Alerts if online services I’m using have been breached and my personal data has been stolen</td>
<td>48%</td>
<td>32%</td>
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<tr>
<td>Secure storage for personal information (passwords, social security numbers, PIN codes etc.)</td>
<td>43%</td>
<td>36%</td>
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<tr>
<td>Monitoring theft of my personal information online</td>
<td>41%</td>
<td>26%</td>
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<tr>
<td>Insurance to cover the costs of identity theft or online fraud</td>
<td>32%</td>
<td>33%</td>
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<tr>
<td>Security solution that does everything for me automatically</td>
<td>32%</td>
<td>23%</td>
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<tr>
<td>Tips on how to keep your identity safe on the internet</td>
<td>31%</td>
<td>14%</td>
</tr>
<tr>
<td>Phone or chat support in case of a cyber-crime and identity theft incident</td>
<td>30%</td>
<td>16%</td>
</tr>
<tr>
<td>Recommendations on how to improve my security and privacy</td>
<td>29%</td>
<td>13%</td>
</tr>
<tr>
<td>Protection that covers my entire family</td>
<td>29%</td>
<td>24%</td>
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A password manager feature is appealing to 43% of consumers, and 36% are willing to pay for it. Insurance for covering the costs of identity theft or online fraud is appealing to 32%, and 33% say they are willing to pay for it.

This interest in identity protection is only increasing. Looking back at 2019 data, we can see that the willingness to pay in 2020 has grown for all identity protection-related benefits.
WILLINGNESS TO PAY FOR IDENTITY PROTECTION BENEFITS IS INCREASING

2019 VS. 2020

When it comes to how much consumers are willing to pay, amounts vary across markets. For example, consumers in Mexico think 4,40 € per month for identity monitoring is a bargain, while Italian respondents consider 7,60 € per month a low price. Italians also feel that 10,70 € per month is still a bargain, if the service also contains restoration and insurance.

TRUSTED PROVIDERS ARE THE PREFERRED PURCHASE CHANNEL

Consumers report that if they were to purchase identity protection, they would prefer to do so from a provider they already know. 38% said they would prefer to purchase from their internet service provider, 25% from their insurance company and 23% from their bank. This purchase channel preference is strongly influenced by already established trust and by the convenience of an existing billing relationship.

PREFERRED PURCHASE CHANNELS FOR IDENTITY PROTECTION

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One in five respondents reported they currently use an identity protection product, service, or insurance policy. Of these, 29% purchased it through their insurance company, 28% from their bank and 24% from their internet service provider.

Don't have a dedicated identity protection product, service, or insurance policy currently

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F-SECURE ID PROTECTION FOR PEACE OF MIND

Given consumers’ willingness to purchase ID protection solutions from providers they know and trust, offering a value-added app-based solution to protect your customers’ valuable data and information only makes sense. The solution that offers a comprehensive approach to protecting against today’s many forms of online identity theft is F-Secure ID PROTECTION.

F-Secure ID PROTECTION continuously monitors and detects exposed personal information online, responds quickly to threats to users’ identity, and doubles as a password manager to prevent account takeovers.

Utilizing F-Secure’s deep understanding of attackers’ mindsets and methods, the solution offers a powerful combination of human intelligence and real-time monitoring that helps track down breached data. The approach is proven: F-Secure ID PROTECTION can detect stolen data on average six to nine months earlier than other protection solutions on the market, and often within mere days of an initial breach.

Hit rate refers to the probability of finding and associating leaked data with a specific monitored email address. F-Secure hit rates are among the best on the market: While competitors typically talk about 30% hit rates, F-Secure’s hit rate is 55%.

More value to your customers with cyber security and identity protection services
F-SECURE SAFE FOR MALWARE PROTECTION

Cyber criminals constantly look for weaknesses in security and develop their tactics to gain an advantage. There is no silver bullet to protect your customers against all cyber threats - online security works best in layers that complement and back each other up.

Security starts by preventing or reducing the risk of incidents with the help of capabilities like antivirus, browsing protection and good password habits. As 30% of identity theft originates with malware,⁴ endpoint protection is essential in keeping your customers safe.

F-Secure SAFE is award-winning internet security that protects from viruses, trojans and ransomware. SAFE also secures your customers’ online banking connection and lets parents set limits for children’s internet usage. Your customers and their families will surf safely.

INTERNET SECURITY FOR ALL DEVICES

ONE PROTECTION FOR ALL
Complete security and privacy for PCs, Macs, phones and tablets with a single easy-to-use app

ENTIRE FAMILY PROTECTED
Protect your entire family with a single product. Set healthy boundaries for your children

BROWSING AND BANKING PROTECTION
Worry-free browsing, banking and online shopping. Secure use of your apps

BEST PROTECTION
Keep your devices safe from viruses, trojans, spyware, and ransomware with award-winning antivirus protection.

⁴ Verizon 2017 Data breach investigations report

More value to your customers with cyber security and identity protection services
PARTNERSHIP BEYOND EXPECTATIONS

Identity protection and security solutions present a unique opportunity for insurance companies to differentiate their offerings, increase customer loyalty and reduce risk.

In partnership with F-Secure, you can provide best-of-breed cyber security solutions backed by over 30 years of industry experience. In more than 20 years working with service providers, we’ve built up a network of over 200 service provider partners who use our value-added solutions to increase their average revenue per user (ARPU) and average customer lifetime.

When a value-added service becomes a part of consumers’ lives, they are more likely to commit, take advantage of the product and renew, and they are more loyal to their service provider. That’s why we support our partners throughout the full customer journey and lifecycle, to ensure your customers get the most out of our solutions – and so do you.

As an F-Secure partner, you’ll receive support with launches and marketing campaigns, and you’ll get the latest insights into consumer behavior when we share our research findings with you. Through the customer satisfaction surveys we conduct for our partners, you will be the first to know exactly how your customers feel about value-added security and identity protection solutions.

* Benchmark by our European service provider partner
** Savings of a US service provider with 10 million broadband customers and 20% yearly churn (broadband ARPU 70€)

More value to your customers with cyber security and identity protection services
SECURITY SERVICES DRIVE VALUE FOR INSURANCE SECTOR

In today’s competitive environment, value-added services are a key differentiator for insurance companies. When choosing an insurance company, 45% of consumers say the offering of non-insurance services is the most important factor in their selection. Insurers feel even stronger about this, believing that 62% of consumers regard non-insurance products as the most important factor when choosing an insurer. By 2024, 33% of premium volume is expected to come from new services.⁵

According to our research, one out of four consumers would prefer to buy ID protection from their insurance provider. Among those who already have an ID protection-related service or solution, the largest share, at 29%, purchased it from their insurer.

As an insurance provider, you’re working to insure against unexpected external threats and offer your customers peace of mind. Identity protection and related insurance services are a natural extension to your insurance offering. Keeping your customers secure with preventive tools from F-Secure can even lower your risk of claims.

Bundled security and privacy solutions can increase the value and sales volume of the standard home insurance offering. They can raise your ARPU and increase customer loyalty. Among our insurance sector partners we have seen ARPU increases of over 20%. Our service provider partners who offer security experience up to 60% less churn. What’s more, customers using security services generally give their providers a higher NPS.

Get in touch with F-Secure to talk about how you can build new revenue streams and engage your customers in new ways with value-added identity protection and security solutions. Securing the devices and technologies consumers rely on could be the foundation for a customer relationship that lasts decades.

For more information, please contact

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⁵ Deloitte – A demanding future. The four trends that define insurance in 2020.
ABOUT F-SECURE

Nobody knows cyber security like F-Secure. For three decades, F-Secure has driven innovations in cyber security, defending tens of thousands of office, homes, and millions of people. F-Secure shields enterprises and consumers against everything from advanced cyber attacks and data breaches to widespread ransomware infections. F-Secure’s AI-driven solutions also help to protect the connected devices and homes of your customers. The unique combination of technology and world-class Business Services supporting the entire customer lifecycle is what makes F-Secure an excellent fit for the service provider channel. F-Secure’s products are sold globally by more than 200 service providers and thousands of resellers.

f-secure.com/insurance