



Consumer Risk Index

AN ANNUAL SURVEY OF THE RISKS AMERICANS BELIEVE ARE MOST PREVALENT IN THEIR LIVES

October 2015

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Anxiety over cyber-related risks – including fear of financial hacking – rose sharply in 2015.



Executive summary

Cyber fears on the rise

While financial security was again the top concern of Americans in 2015, anxiety over cyber-related risks – including fear of financial hacking – rose sharply, moving from the fifth-ranked to third-ranked concern overall.

Those were among the key findings in the third annual Travelers Consumer Risk Index that measures Americans' general perceptions of risk in daily life. It is based on a survey of more than 1,000 adult Americans and reveals who worries most and how Americans are managing risks.

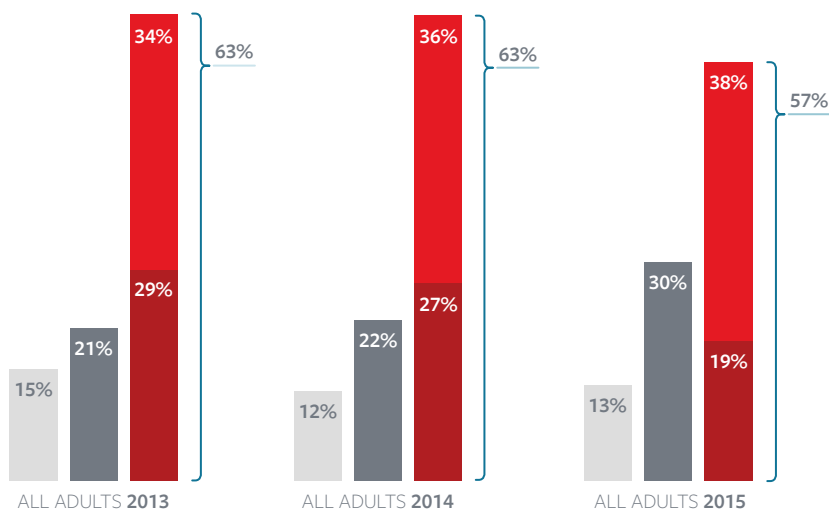
While slightly less than previous years, a majority of Americans continue to believe risks are growing. Fifty-seven percent see the world becoming riskier, and only 13% see risk decreasing.

When it comes to managing the risks, more than three-quarters of Americans say they have taken basic steps to reduce risk in their lives, such as installing carbon monoxide detectors, having annual auto safety checks or taking online precautions like creating strong passwords.

HOW RISK IS CHANGING

Thinking about the overall level of risk facing your family, including threats to your family's well-being, personal safety, property and financial assets, how is this level of risk changing?

- Less risky
- Not changing either way
- Much riskier
- Somewhat riskier



Key findings

Most still see the world as risky

- A majority (57%) of Americans believe the world is becoming riskier.
- Nearly 1 in 5 (19%) believe it is becoming much riskier. Only 1 in 8 (13%) believe risk is decreasing.
- Financial security remains the leading concern, followed by privacy and identity theft and cyber risks.
- Concern about cyber risk grew 21 percentage points over 2014, rising from 36% to 57%.
- Twenty-five percent of those surveyed say they have been a victim of a data breach or cyber attack.
- Americans' top cyber-related concern is fear that their bank or financial accounts may be hacked; 62% of respondents expressed this concern.
- Ninety percent of respondents are worried about getting into an accident due to someone else's distracted driving, yet only 37% of respondents are concerned about getting into an accident due to their own distraction.
- Two-thirds of households have consistently stated over the past three years of the survey that they believe severe weather is becoming more frequent in the U.S.; 40% believe that is the case in their local areas.
- More Americans in Tornado Alley and in brush fire areas believe that the frequency of severe weather is increasing where they live compared with last year.

HACKED BANK ACCOUNTS TOP CYBER CONCERNS

Concern over cyber, computer and tech-related risks rose sharply in 2015.

36%
worry in 2014



57%
worry in 2015

Specific concerns include:



62%
HACKED BANK/
FINANCIAL
ACCOUNTS



60%
VIRUS
ATTACKS



59%
OFFLINE
IDENTITY
THEFT



59%
ONLINE
IDENTITY
THEFT



58%
PERSONAL
INFO STOLEN
IN RETAILER
ATTACK

1 in 4

Americans believe they have experienced a data breach or cyber attack

Financial security remains the leading concern, followed by privacy and identity theft and cyber risks.



Top risks



FINANCES



PRIVACY



CYBER

The Travelers Consumer Risk Index reveals the issues that worry people and how much they worry about them.

What Americans worry about most:

Financial security

Sixty-six percent worry about their finances, with 30% saying they worry a great deal.

Personal privacy and identity theft

Loss of personal privacy and personal information worries 60% of respondents, with 25% worrying a great deal.

Cyber-related risks

Fifty-seven percent of this year's respondents reported they worry about cyber-related risks, with 21% worrying a great deal.

Personal safety

People also said they worry about their personal safety. Fifty-one percent worry about it at least to some degree, with 14% worrying a great deal.

Extreme weather

Forty-three percent of Americans worry about risks from extreme weather and natural disasters, with 13% worrying a great deal.

WHAT DO AMERICANS WORRY ABOUT?

How much do you worry about these things affecting you or someone in your immediate family?

■ Worry a great deal ■ Worry somewhat

FINANCIAL CONCERNS & RISKS

30% 66%

PERSONAL PRIVACY LOSS & IDENTITY THEFT

25% 60%

CYBER, COMPUTER TECHNOLOGY, DATA BREACHES & RISKS

21% 57%

PERSONAL SAFETY CONCERNS & RISKS

14% 51%

EXTREME WEATHER & NATURAL DISASTERS

13% 43%

TRANSPORTATION & TRAVEL RISKS

11% 42%

FOOD SAFETY CONCERNS & RISKS

13% 41%

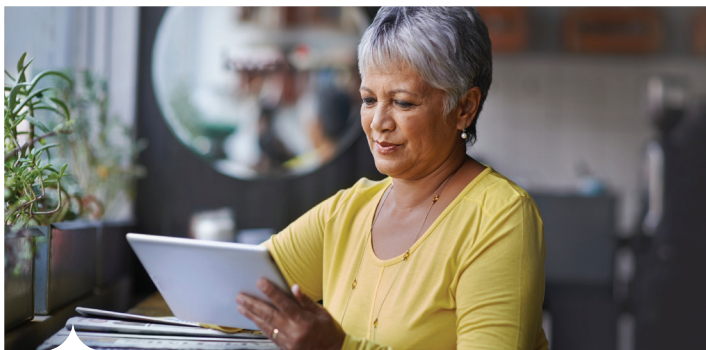


Demographic and regional highlights

Worry? It depends

As in earlier surveys, people view risk differently depending on location, gender, income, age and education.

Women, more than men, see the world becoming riskier, as do people over the age of 40. Those with incomes above \$50,000 are also slightly more inclined to see risk increasing.



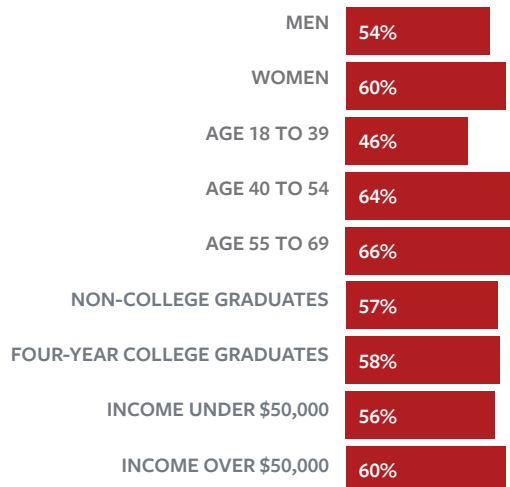
Women, more than men, see the world becoming riskier.

Distracted driving

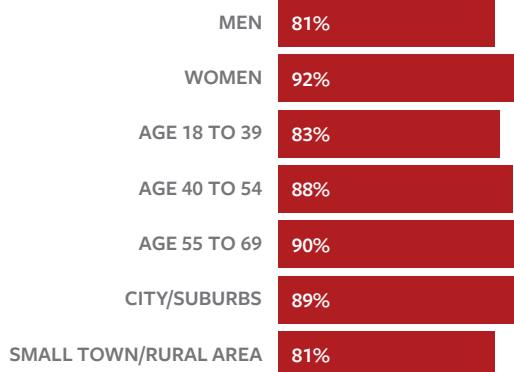
Similar, though not dramatic, differences for gender, age and location apply to concern about distracted driving. Ninety-two percent of women are concerned, compared with 81% of men; 90% of older drivers (55 to 69), compared with 83% of those 18 to 39; and 89% of those in cities and suburbs, compared with 81% in small towns and rural areas.

WHEN IT COMES TO RISK PERCEPTION, DEMOGRAPHICS MATTER

Believe the world is becoming riskier



Major/somewhat concern over distracted driving



Cyber, computer and technology risks

Hack attacks spur concern

The 2015 survey looked deeper into concerns over cyber threats. It identified nine specific issues that people fear. The potential for bank or financial accounts being hacked is the biggest cyber-related concern, with 62% reporting it is something which alarms them.

Other major concerns include having personal computer devices and phones infected with a virus (60%); identity theft, with

Americans equally worried about their identities being stolen online (59%) or offline (59%); and loss of personal information resulting from retailers being hacked (58%).

Of lesser concern was risk to medical information, with 43% concerned about medical records being breached.

25% of Americans say they have been a victim of a data breach or cyber attack.

Americans under age 55 are more likely to worry a great deal about cyber risks than those over 55.



HACKING, VIRUSES AND IDENTITY THEFT ARE THE TOP CYBER-RELATED CONCERNS

How much do you worry about these things happening to you or your family?



Distracted driving

Driving and technology: a bad mix

Fear of accidents due to distracted driving while using technology, like mobile devices and tablets, remains high. Still, many Americans believe other drivers and pedestrians are the problem.

In fact, 90% of respondents report they are concerned about getting into an accident due to someone else's distracted driving, yet only 37% are concerned about getting into an accident due to their own distraction.

Younger drivers

Parents continue to fear that their teen and young adult drivers will use technology while behind the wheel. Seventy-six percent of respondents are concerned about their children driving while distracted, up from 68% in 2014.

Car vs. pedestrian

Drivers also worry about hitting pedestrians distracted by technology. Overall, 60% expressed this concern. Where you are located is significant, with 67% of those living in the Northeast seeing this as a concern, versus 62% in the South, 58% in the West and 54% in the Midwest.

Parents continue to fear that their teen and young adult drivers will use technology while behind the wheel.



WHOSE DISTRACTIONS CONCERN YOU?



37%
MY OWN



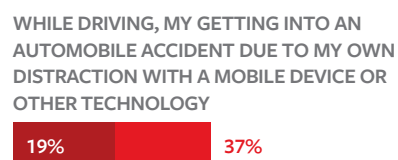
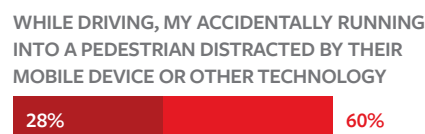
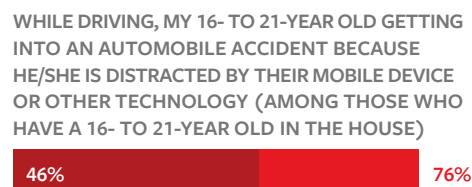
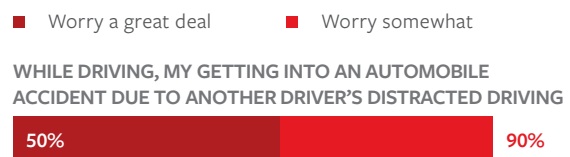
60%
PEDESTRIANS



90%
OTHER DRIVERS

MOST AMERICANS WORRY ABOUT DISTRACTED DRIVING ACCIDENTS CAUSED BY OTHER DRIVERS OR PEDESTRIANS

How big of a concern in your area are these risks that may occur to drivers or pedestrians as a result of being distracted by their cell phone, smartphone, mobile music player or other mobile device?



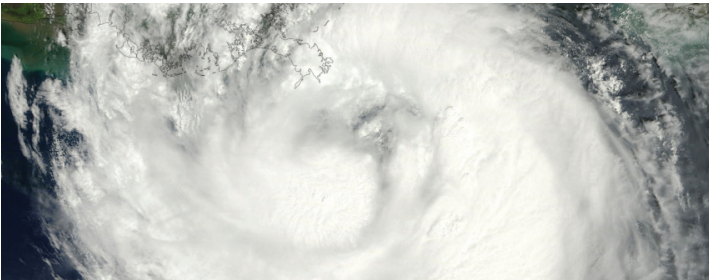
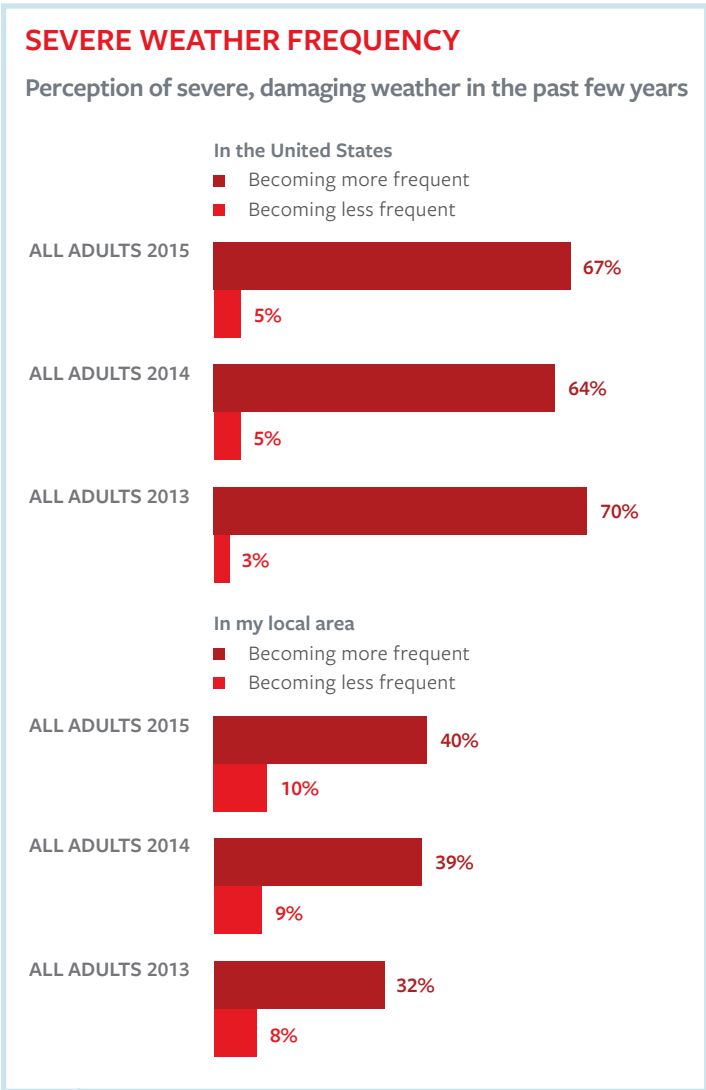
Extreme weather

Extremes are becoming more frequent

Two-thirds of American households have consistently stated over the past three years of being surveyed that they believe severe weather is becoming more frequent in the U.S. Forty percent of those asked believe this is true in their local areas.

Tornadoes, fires and blizzards

Fifty-one percent of residents in the Northeast believe extreme weather is becoming more frequent, compared with 36% in the South, 41% in the Midwest and 35% in the West. More Americans in Tornado Alley and in brush fire areas believe that the frequency of severe weather is increasing where they live compared with last year's survey.



MORE FREQUENT IN LOCAL AREA			
	2015	2014	2013
Northeast	51%	55%	36%
South	36%	33%	39%
Midwest	41%	45%	30%
West	35%	28%	21%
Tornado Alley	50%	34%	38%
Hurricane Zone	41%	42%	39%
Brush Fire Area	39%	29%	24%
Blizzard Area	44%	48%	30%

PROPERTY DAMAGE MORE LIKELY			
	2015	2014	2013
Northeast	41%	43%	29%
South	35%	34%	36%
Midwest	34%	34%	33%
West	22%	25%	21%
Tornado Alley	40%	39%	38%
Hurricane Zone	37%	38%	35%
Brush Fire Area	27%	26%	26%
Blizzard Area	36%	39%	30%

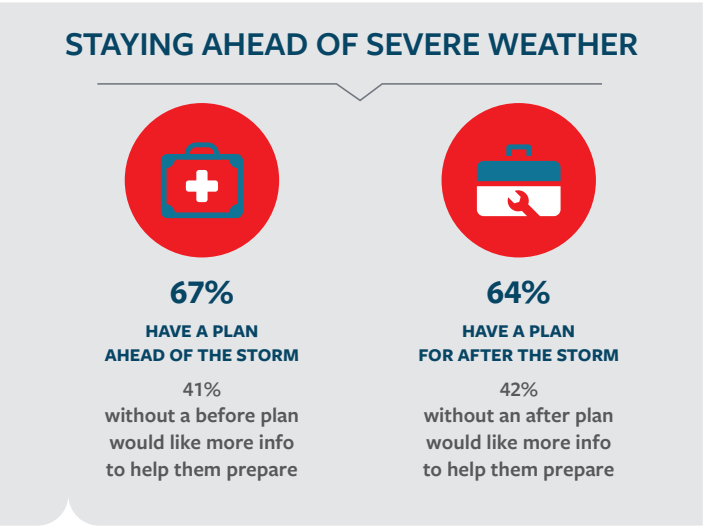


Managing risk

Countering risks

Most Americans report having taken basic steps to reduce some of the risks in their lives. Seventy-six percent of respondents say they have annual car safety checks; 77% have installed carbon monoxide or smoke detectors; and 58% have taken the step of storing food, water or flashlights in preparation for an emergency.

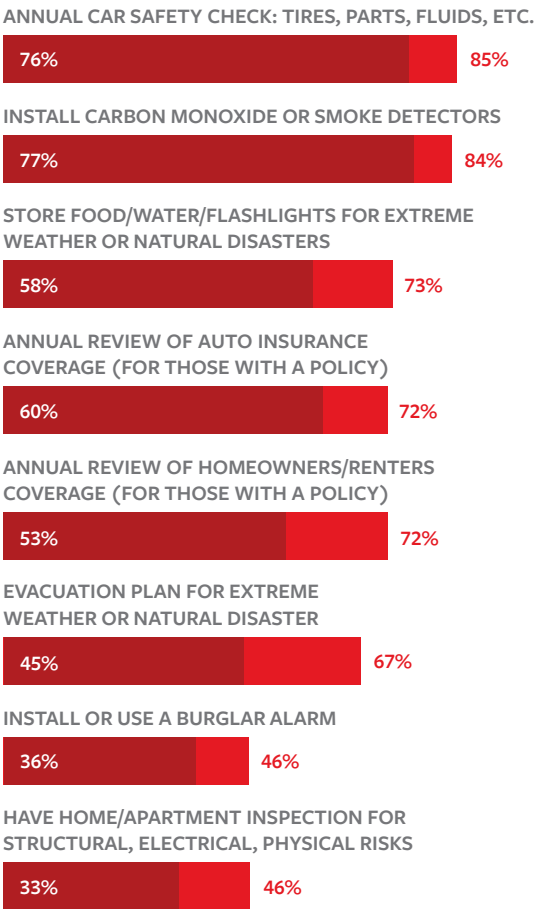
The least commonly observed precautions relate to the home: having a home or apartment inspection for structural, electrical or physical risks (33%); and installing or using a burglar alarm (36%).



Most Americans have taken basic steps to reduce some of the risks in their lives.

WHAT ARE AMERICANS DOING TO MANAGE RISK?

■ Have done this ■ Have not done this, but very likely to do this





Managing risk (cont.)

Foiling the hackers

Seventy-eight percent of those surveyed make it a point to create strong passwords and keep them private. However, only about 4 in 10 people (41%) regularly change passwords for their online bank and financial accounts. Users also limit the amount of personal information they put on the Internet (76%).

VICTIMS OF CYBER ATTACKS ARE MOST PROACTIVE ABOUT MITIGATING CYBER RISK

Proportions saying they make a point of doing each

- Cyber attack/data breach victims
- All Adults

CHOOSE STRONG PASSWORDS & KEEP THEM PRIVATE



LIMIT PERSONAL INFO PUT ON THE INTERNET



KEEP WEB BROWSER UPDATED WITH LATEST SECURITY FEATURES



INSTALL UPDATED FIREWALL/ANTI-VIRUS SOFTWARE



AVOID STORING PERSONAL INFO ON COMPUTER



CHANGE ONLINE BANKING/FINANCIAL PASSWORDS FREQUENTLY



Those who believe they have experienced a cyber attack are more vigilant than those who have not. Eighty-six percent choose strong passwords while 84% limit personal information.



Others keep web browsers updated with the latest security features (69%) and install updated firewall and anti-virus software (63%).

Preparing with insurance

Regular insurance reviews

How often Americans evaluate their personal risks and insurance needs is virtually unchanged from 2014. In 2015, 60% of Americans say they review their insurance needs at least once a year, while only 12% say they rarely or never do so.

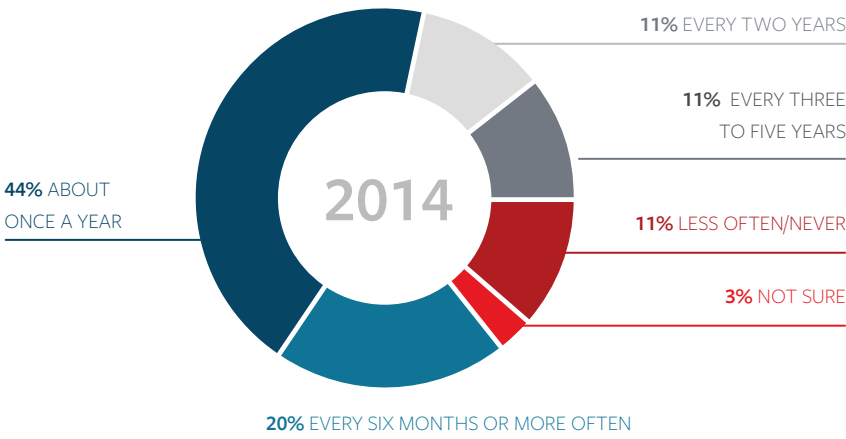
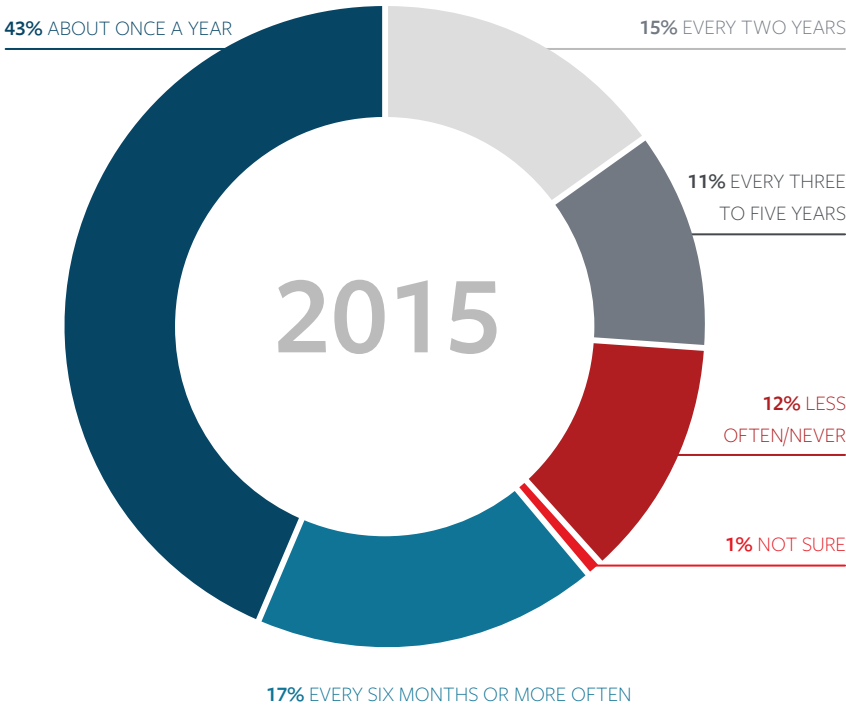
The majority of respondents (51%) say they talk to an insurance agent to gather information about home and auto insurance.



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FREQUENCY OF EVALUATING RISKS AND INSURANCE NEEDS

How often do you evaluate your personal risks and insurance needs?



About the survey

From June 24 to July 6, 2015, Hart Research Associates conducted a national survey among 1,029 Americans ages 18 to 69 – including 387 in households with a family income over \$90,000 per year – on the risks people face in daily life and the actions they can take to lessen or mitigate those risks. This is the third annual survey of consumer risk on these and related topics.

In 2015, Hart used a dual mode design for the first time, conducting 503 of the interviews by telephone and 526 online. The purpose of this design was to better reach Americans who may not respond to telephone surveys.

The statistical margin of sampling error for a randomly selected sample of 1,029 respondents is ± 3.1 percentage points, and higher for smaller subsets of the total sample. The online survey mode used quota sampling to create a sample that matched that of the telephone survey. Sampling error is just one form of error or bias that can affect survey results.



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