

Cyber Insurance

State of the Market

Cyber insurance was born as a business interruption coverage for non-malicious cyber-triggered loss events. For example, network breakdown and interruption of network service. Since then, cyber insurance has evolved to protect firms against third-party liability actions, privacy breaches, malicious cyberattacks, ransomware, systems failure coverage, notification requirements, contingent business interruption and contingent business failure.

Current Cyber insurance market:

There is lots of capacity so pricing is low for most risks. Presently, there is a race for market share among the main cyber insurers. Certain cyber-attacks have impacted the market, but only in a limited way. For example, the Marriott breach might cause a small shift in pricing around the hospitality industry, but not impact other industry segments. Mostly, insurers are aggressively pricing cyber coverage so that they can spread their risk among as many clients as possible.

Personal identification and privacy is a critical consumer market that has many insurance players pricing the product very competitively and providing specific sub limits on personal lines policies, think Homeowners & Personal Liability policies.