

PROPERTY & CASUALTY

# Q1 Cyber Market Update

2024



## Market Conditions:

The stabilization of the cyber market is contending with a steady uptick in ransomware attacks and incidents. This has led to current renewals trending from -5% to +5% changes in premium for companies with improved controls. Companies that have yet to demonstrate year-over-year improvements to IT security controls, or those with recent incidents, are more susceptible to further increases.

## Claims:

Cyberattacks increased in frequency throughout 2023. Ransomware negotiator, Coveware, notes the percentage of companies paying a ransom demand has decreased considerably over the past year. However, when ransoms are paid, the amount being paid has notably increased.



## Ransomware Attacks\*

493.3 MILLION

- 21%

\*2023 Sonicwall Threat Report

## Premium & Retention

- Anticipate 5% increases/decreases for entities maturing their IT security controls and possible increases for insureds with recent losses or less than fully mature IT security
- Pressure on carriers to reduce Increased Limit Factors (ILFs) has slowed in response to the decreases felt by excess insurers in 2023
- Significant opportunity for competition on rate and considerable savings from 2022 for those with best-in-class controls
- Retentions continue to be driven by revenue and industry

## Capacity

- Carriers are offering expanded capacity in the U.S. and London, fostering competition on programs with quality controls
- Some markets have increased their available lines, and there are new entrants into the cyber market

## Coverage

- Potential increase to sub-limited coverages and added enhancements
- Pixel tracking has the focus of underwriters. Coverage may be excluded if appropriate governance is not demonstrated by insureds
- War exclusions continue to be revised by carriers
- Wrongful collection of information, biometrics and cyber-crime coverages remain limited

**Premium Range estimates assume no major exposure changes and/or adverse claims activity year-over-year.**



## How Brown & Brown Can Help

Connect with our Brown & Brown team to learn about our knowledge in your industry, how we build our risk mitigation strategies and how we can aid your business in building a cost-saving program.



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