

# Q3 Cyber Market Update

2023



## Market Conditions:

Due to refreshed capacity and carrier growth strategies, competition has increased throughout 2023, especially for risks exhibiting best-in-class controls. For those insureds who have recently implanted strong controls and experienced market corrections over 2021 and 2022, Q3 2023 shows potential for 0 - 15% decreases. However, there have been increases for insureds not demonstrating year-over-year improvements to controls or those with recent incidents. With respect to coverage, carriers are willing to engage in discussions for certain enhancements.

## Claims:

The easing of market conditions is somewhat in discord with the frequency of Cyber claims. Ransomware incidents have leveled off in recent years but, as of the past few months, have increased in activity. Other incidents and zero-day vulnerabilities like MOVEit and GoAnywhere have resulted in an overall uptick in claims.

## Pricing Considerations

### Premium

- Expect increases for insureds with recent losses or less than fully mature IT security controls.
- With increased competition in the market, there is continued pressure on carriers to reduce Increased Limit Factors (ILF's), driving down overall prices, especially in multi-layer programs.
- Where there are best-in-class controls, there is significant opportunity for competition on rate.

### Retention/Waiting Period:

- Some markets are willing to reduce retentions and waiting periods down from attachments that were increased in 2020 and 2021.
- Retentions are driven by revenue and industry.

## Capacity and Coverage Considerations

### 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 some new entrants to the Cyber market.

### Coverage

- There is some availability for the potential to increase sub-limited coverages and add 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.



## 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 cyber insurance program.



Find Your Solution at [BBrown.com](https://www.BBrown.com)

---

*Brown & Brown, Inc. and all its affiliates, do not provide legal, regulatory or tax guidance, or advice. If legal advice counsel or representation is needed, the services of a legal professional should be sought. The information in this document is intended to provide a general overview of the topics and services contained herein. Brown & Brown, Inc. and all its affiliates, make no representation or warranty as to the accuracy or completeness of the document and undertakes no obligation to update or revise the document based upon new information or future changes.*

©2023 Brown & Brown. All rights reserved.