

Report on Patient Privacy Volume 24, Number 6. June 27, 2024 Cyber Insurance Rates Drop Slightly Despite Increase in Ransomware Threats

By Jane Anderson

Cyber insurance rates dipped by 6% in the first quarter of 2024, even though risks such as ransomware and evolving privacy regulations continued to grow during the same period, an analysis by Marsh McLennan found.^[1]

S&P Global found a similar recent trend: Its analysis said that premiums in the U.S. cyber insurance market dipped slightly in 2023 after several years of rapid growth.^[2] “Direct written premiums for stand-alone and package cyber business combined fell 0.7% to \$7.18 billion in 2023 from \$7.24 billion in 2022,” S&P Global said. “Although a small drop, it ends a prolonged period of rapid growth in cyber premium volume.”

The S&P Global report noted that “some underwriters are concerned the price cuts are premature because they are being made without evidence of a sustained reduction in claims, although they say pricing remains adequate for the risks being taken on.” The direct loss ratio for stand-alone cyber business increased by just 0.5 percentage points in 2023 to 43.6% and remains well below 2020 and 2021 levels, the report said.

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