



How Insurers Can Capitalize on the \$28 Billion ‘Active Cyber Insurance Market’ with 24% Annual Growth.

By: Cygienic Pte Ltd. ‘Don’t Risk Tomorrow, Be Cyber Secure Today’



Introduction

The market for cyber insurance has seen significant growth in recent years, driven by the increasing frequency and severity of cyberattacks. According to a report by Allied Market Research, the global cyber insurance market was valued at approximately \$7.8 billion in 2020 and is projected to reach \$28.6 billion by 2026, growing at a compound annual growth rate (CAGR) of 24.9% from 2021 to 2026.

In an era where cyber threats are continually evolving, the traditional model of cyber insurance is undergoing a significant transformation. Active Cyber Insurance is emerging as a critical innovation, offering insurers and small to medium-sized enterprises (SMEs) a dynamic approach to managing cyber risks. This article explores the benefits of Active Cyber Insurance for insurers, the role it plays in addressing the shortage of cyber experts, and the continuous risk monitoring it provides to SMEs. Additionally, we will examine the future growth prospects of the Active Cyber Insurance market and its value to insurers and SMEs.

Addressing the Shortage of Cyber Experts

The cybersecurity landscape is characterized by a growing shortage of skilled professionals. According to recent reports, the global cybersecurity workforce gap is widening, with millions of unfilled positions. This shortage presents a significant challenge for insurers who need to accurately assess and manage cyber risks.

Active Cyber Insurance providers bridge this gap by integrating advanced technologies such as artificial intelligence, machine learning, and automation into their services. These technologies enable continuous monitoring, threat detection, and proactive risk management, reducing the reliance on human expertise. By leveraging these tools, insurers can offer more robust and effective cyber insurance solutions without being constrained by the scarcity of cybersecurity professionals.

Continuous Monitoring and Risk Mitigation for SMEs

For SMEs, the implications of a cyber attack can be devastating, often leading to significant financial losses, reputational damage, and operational disruptions. Unlike traditional cyber insurance, which typically responds after an incident occurs, Active Cyber Insurance provides continuous monitoring and real-time threat mitigation.

Active Cyber Insurance services often include features such as:

1. **24/7 Network Monitoring:** Constant surveillance of the business's IT infrastructure to detect and respond to threats in real-time.
2. **Threat Intelligence:** Access to the latest threat intelligence to anticipate and defend against emerging cyber threats.
3. **Incident Response:** Immediate support and expertise in the event of a cyber incident, minimizing damage and recovery time.
4. **Vulnerability Management:** Regular assessments to identify and remediate security weaknesses before they can be exploited.

These proactive measures significantly enhance an SME's cyber resilience, ensuring that potential threats are addressed promptly and effectively, thereby reducing the likelihood and impact of cyber incidents.

Market Growth and Value to Insurers

The Active Cyber Insurance market is poised for substantial growth. As businesses increasingly recognize the importance of robust cyber risk management, the demand for dynamic and proactive insurance solutions is rising. Market forecasts suggest a strong upward trajectory for Active Cyber Insurance, driven by the following factors:

1. **Rising Cyber Threats:** The increasing frequency and sophistication of cyber attacks are compelling businesses to seek more comprehensive insurance solutions.
2. **Regulatory Requirements:** Enhanced regulatory frameworks are mandating stricter cybersecurity measures, prompting businesses to adopt advanced insurance policies.
3. **Technological Advancements:** The integration of cutting-edge technologies in insurance services is making Active Cyber Insurance more effective and attractive.

For insurers, this market growth translates into significant value. Active Cyber Insurance not only helps insurers mitigate their own risks by reducing the frequency and severity of claims but also opens new revenue streams through the provision of value-added services. Insurers can differentiate themselves in a competitive market by offering innovative and proactive cyber insurance solutions.

Benefits to Insurers and SMEs

For Insurers:

1. **Risk Reduction:** Continuous monitoring and proactive risk management reduce the likelihood of large claims.
2. **Customer Loyalty:** Providing comprehensive and responsive insurance services enhances customer satisfaction and loyalty.
3. **Market Differentiation:** Innovative insurance products set insurers apart from competitors, attracting more clients.

For SMEs:

1. **Enhanced Cyber Resilience:** Continuous risk monitoring and proactive threat mitigation significantly improve an SME's ability to withstand cyber attacks.
2. **Cost Savings:** Preventing cyber incidents reduces the potential financial impact, saving businesses from costly recoveries.
3. **Regulatory Compliance:** Active Cyber Insurance helps SMEs comply with regulatory requirements by maintaining robust cybersecurity practices.

Conclusion

The future of Active Cyber Insurance is bright, with significant benefits for both insurers and SMEs. By addressing the shortage of cyber experts and providing continuous risk

monitoring, Active Cyber Insurance not only enhances the value proposition for insurers but also significantly bolsters the cyber resilience of SMEs. As the market continues to grow, the adoption of Active Cyber Insurance will become increasingly essential, driving innovation and improving cybersecurity outcomes across the board.

Contact sales@cygienic.com to discuss our **AI-Active Cyber Insurance** service tailored for insurers. Let us manage the risks, while you focus on managing your clients.

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