# Cyber insurance market poised to double as high-profile breaches surge costs



The cybersecurity landscape is witnessing unprecedented transformation, largely spurred by a series of high-profile cyberattacks that have heightened awareness among businesses and catalysed growth in the cyber insurance market. Prominent insurers, including Munich Re AG and Chubb Ltd., are positioning themselves to harness this burgeoning sector, which is projected to reach $16.3 billion in 2025, an increase from $15.3 billion the previous year. Furthermore, forecasts indicate that global cyber insurance premiums could more than double to approximately $30 billion by 2030, yielding an annual growth rate exceeding 10%.

The escalating threat of cyberattacks is starkly illustrated by the staggering financial losses attributed to hacking, with technology consultant Cyber Security Ventures estimating a global loss of $9.5 trillion in 2024. This figure sharply contrasts with the $600 billion loss reported by McAfee in 2018, highlighting the dramatic escalation in cybercrime and its economic repercussions. Recent events, such as the significant cyber breach experienced by Marks & Spencer Group Plc—which is projected to cost the retailer around £300 million ($405 million) in operational profit—underscores the urgency for businesses to reassess their cyber risk exposure and insurance coverage.

Beazley Plc, a pioneer in cyber insurance, reports a marked increase in demand for coverage in the wake of high-profile breaches. As Sydonie Williams, the head of international cyber risks at Beazley, noted, “When high-profile breaches happen, shareholders start asking questions.” This translates into heightened interest in cyber insurance, as companies reflect on their vulnerabilities. The need for comprehensive insurance solutions is further amplified by the observation that many organisations remain underinsured, with less than half of FTSE 100 companies having an active cyber policy—a trend mirrored across various sectors.

Industry experts assert that the severity of incidents like the Marks & Spencer breach may compel other businesses to seek cyber insurance and evaluate their current policies for adequacy. Analysts from Bloomberg Intelligence emphasise that high-stakes claims attract scrutiny from insurers and could signal a broader trend of premium increases, even as current rates have been declining due to more stringent policy conditions. "There's going to be another step change, either in the policy wording or in the premiums, or both," stated Abid Hussain, an analyst at Panmure Liberum, reflecting the ongoing evolution within the sector.

The invitation for greater involvement in cyber insurance is especially urgent against the backdrop of increasing regulatory demands and digital transformation across industries. Despite the rapid growth of the sector, data indicates that more than 80% of corporate leaders globally feel their organisations' protection against cyber threats is inadequate. Munich Re’s findings echo this sentiment, revealing that 87% of C-level executives lack confidence in their company’s cybersecurity measures.

Compounding the challenge is the disconnection between the recognition of cyber risk and the actual uptake of insurance solutions. As Hussain points out, while many businesses perceive the value of cyber insurance, economic pressures, such as the prospect of a global recession, may deter them from investing adequately in coverage. This tension between affordability and the need for protection is a critical concern for the insurance market moving forward.

In response to these challenges, some companies are opting to develop their own in-house cyber teams. Such teams provide ongoing threat monitoring and recommendations for bolstering cybersecurity systems. This proactive approach not only helps companies mitigate risks but can also lead to lower premiums, creating a beneficial cycle of risk reduction and cost effectiveness.

As the cyber insurance market continues to evolve, insurers are likely to play a pivotal role in shaping corporate strategies around cybersecurity, thereby transforming risk management practices in a digital age where cyber threats are omnipresent and growing. The scale of recent incidents serves as a stark reminder of the potential financial fallout businesses face—and the necessity for comprehensive coverage and robust cyber defenses.

## Reference Map:

* Paragraph 1 – [[1]](https://www.claimsjournal.com/news/national/2025/05/28/330833.htm), [[2]](https://www.munichre.com/en/insights/cyber/cyber-insurance-risks-and-trends-2025.item-78be2cf112500c73f14cfd6cc29bce27.html), [[6]](https://www.reinsurancene.ws/global-cyber-premium-to-more-than-double-by-2030-munich-re/)
* Paragraph 2 – [[1]](https://www.claimsjournal.com/news/national/2025/05/28/330833.htm), [[5]](https://www.munichre.com/en/insights/cyber/global-cyber-risk-and-insurance-survey.hsb.html)
* Paragraph 3 – [[1]](https://www.claimsjournal.com/news/national/2025/05/28/330833.htm), [[4]](https://www.ft.com/content/c2769c6d-8bec-4167-af5c-53c6cf139851), [[5]](https://www.munichre.com/en/insights/cyber/global-cyber-risk-and-insurance-survey.hsb.html)
* Paragraph 4 – [[3]](https://www.munichre.com/en/insights/cyber/cyber-insurance-risks-and-trends-2024.item-23300f839cadad497538c08cdc0a6778.html), [[4]](https://www.ft.com/content/c2769c6d-8bec-4167-af5c-53c6cf139851), [[6]](https://www.reinsurancene.ws/global-cyber-premium-to-more-than-double-by-2030-munich-re/)
* Paragraph 5 – [[2]](https://www.munichre.com/en/insights/cyber/cyber-insurance-risks-and-trends-2025.item-78be2cf112500c73f14cfd6cc29bce27.html), [[5]](https://www.munichre.com/en/insights/cyber/global-cyber-risk-and-insurance-survey.hsb.html), [[7]](https://www.captive.com/news/cyber-insurance-market-analysis-sees-both-opportunities-and-challenges)
* Paragraph 6 – [[4]](https://www.ft.com/content/c2769c6d-8bec-4167-af5c-53c6cf139851), [[5]](https://www.munichre.com/en/insights/cyber/global-cyber-risk-and-insurance-survey.hsb.html), [[6]](https://www.reinsurancene.ws/global-cyber-premium-to-more-than-double-by-2030-munich-re/)
* Paragraph 7 – [[1]](https://www.claimsjournal.com/news/national/2025/05/28/330833.htm), [[2]](https://www.munichre.com/en/insights/cyber/cyber-insurance-risks-and-trends-2025.item-78be2cf112500c73f14cfd6cc29bce27.html), [[4]](https://www.ft.com/content/c2769c6d-8bec-4167-af5c-53c6cf139851), [[5]](https://www.munichre.com/en/insights/cyber/global-cyber-risk-and-insurance-survey.hsb.html)

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## Bibliography

1. <https://www.claimsjournal.com/news/national/2025/05/28/330833.htm> - Please view link - unable to able to access data
2. <https://www.munichre.com/en/insights/cyber/cyber-insurance-risks-and-trends-2025.item-78be2cf112500c73f14cfd6cc29bce27.html> - Munich Re's 2025 report projects the global cyber insurance market to reach $16.3 billion in premiums, up from $15.3 billion in 2024. The market is expected to more than double by 2030, growing at an average annual rate exceeding 10%. North America led the market in 2024 with $10.6 billion in premiums, representing 69% of the global total. Europe followed with $3.3 billion, accounting for 21% of global premiums. Despite this growth, a significant protection gap remains, with many organizations lacking adequate cyber insurance coverage.
3. <https://www.munichre.com/en/insights/cyber/cyber-insurance-risks-and-trends-2024.item-23300f839cadad497538c08cdc0a6778.html> - In 2024, Munich Re estimated the global cyber insurance market at $14 billion, with projections to increase to around $29 billion by 2027. The market's growth is driven by the increasing frequency and sophistication of cyber-attacks, stricter regulatory requirements like the Network and Information Security Directive (NIS2), and ongoing digital transformation across sectors. Despite nearly tripling in size over the past five years, the industry has insured only a small portion of potential risks, highlighting the need for broader coverage.
4. <https://www.ft.com/content/c2769c6d-8bec-4167-af5c-53c6cf139851> - Major insurance groups, including Zurich and Marsh McLennan, are advocating for state support to mitigate the financial impacts of large-scale cyber attacks, likening the risk to that of terrorism and flooding. Their report highlights the limits of traditional insurance in addressing cyber threats, particularly attacks on critical infrastructure that could result in enormous losses. They propose public-private partnerships to share the financial burden of these 'uninsurable' events, similar to existing schemes for flood and terrorism losses in some countries.
5. <https://www.munichre.com/en/insights/cyber/global-cyber-risk-and-insurance-survey.hsb.html> - Munich Re's 2024 survey reveals that 41% of corporate decision-makers are considering cyber insurance, reflecting a cross-sectoral interest in leveraging insurance solutions to mitigate cyber risks. The survey also highlights the increasing relevance of technology trends such as AI, cloud services, and data analytics across industries. However, with technological advancements come heightened vulnerabilities and security gaps, necessitating proactive measures to safeguard against cyber threats. The protection gap remains disproportionately large, underscoring the urgent need for comprehensive cyber insurance solutions.
6. <https://www.reinsurancene.ws/global-cyber-premium-to-more-than-double-by-2030-munich-re/> - Despite a recent slowdown in premium growth, Munich Re projects that the global cyber insurance market will more than double by 2030, growing at an average annual rate of more than 10%. The reinsurer estimates that the global cyber insurance market premium totaled $15.3 billion in 2024. North America was the largest cyber insurance market in 2024, with total premiums of $10.6 billion, representing 69% of global premiums. Europe’s total premiums for the year reached $3.3 billion, accounting for 21% of the global market.
7. <https://www.captive.com/news/cyber-insurance-market-analysis-sees-both-opportunities-and-challenges> - The global cyber-insurance market is on track to reach $16.3 billion in 2025, according to a report from Munich Re. The report notes that global cyber-insurance premiums in 2024 represented less than 1% of the total global premium volume for all property and casualty insurance, underscoring the potential for the insurance industry with cyber insurance going forward. Despite this growth, the industry faces challenges in bridging the gap between economic and insured losses, exacerbated by the rapidly increasing prevalence and complexity of cyber risks.