

# AMRAE

la Maison du risk management

COLLECTION AMRAE  
**SURVEYS AND PROSPECTS**



# LIGHT UPON CYBERINSURANCE

2024 Edition



Amrae publishes the 4<sup>th</sup> edition of Lucy,  
a study of the insurance coverage of cyber risk in France.

## **PREVENTION HAS PAID OFF: A CALM BUT STILL FRAGILE MARKET**

The French cyber insurance market continues some trends initiated in 2022 with a further reduction of claims, in terms of amount and frequency. This situation is coherent with an increase in prevention effort carried out by companies and the improvement of their abilities to face cyberattacks.

As an illustration of this level of preparation, in 2023, no large organization suffered a major crisis and no claim exceeding 10 million euros was recorded.

While the number of large subscribing companies has stagnated since last year, intermediate and medium sized businesses have increased their subscriptions. However, the corresponding premium volume remains very low.

The figures and information collected in this study now supports a correlation indicating that a company that is insured is company that manages its Cyber risk correctly. However, the French cyber insurance market remains fragile and volatile: the volume of premiums in France has only marginally evolved since 2022, increasing from 316 to 328 million euros in 2023. An amount that could be swallowed by two or three major claims, in a tense geopolitical context.

It is important to remember that cyber insurance has several functions: it offers not only financial cover but also crisis management support solutions, as well as providing a resource of communications advice and legal expertise from the very first suspicion of an attack.



**A study led by Philippe Cotelle,  
administrator of Amrae,  
president of its Cyber commission,  
administrator of Ferma and Risk Manager  
of Airbus Defence & Space**



**OLIVER WILD**  
Chairman of Amrae  
Risk and Insurance  
Director of Veolia

## Quantify exposures and never let down your guard

With this fourth edition of LUCY, we continue the exercise initiated three years ago: to offer an exclusive, well-documented and independent study that has no commercial interests to better understand the cyber insurance market. Thank you to all the brokers, to the insurer and to the underwriting agencies that have contributed with their data to this new version of LUCY.

In 2023, the cyber insurance market continued its development, mainly thanks to the small and intermediate sized companies that have increased their subscription to cyber insurance programs.

The increase in information system security prevention investments in recent years is bearing fruit as confirmed by Césin<sup>1</sup>. Hence, a lower claims rate in 2023, which may explain the return to a certain equilibrium in the claims/premiums ratio that we are observing.

Despite these positive notes in all categories of companies, vigilance remains necessary: the volumes of premiums and coverage remain below the real exposure to risk and testify to a still fragile and under-insured market. In this context, it is essential that insurers recognize, through the amount of the premium, the value of the prevention put in place and the growth of investments made by their policyholders.

Companies and risk managers must continue their prevention actions. We cannot, and will never, lower our guard.

This vigilance must systematically be accompanied by a better financial quantification of exposure to cyber risk. A strong necessity in an ever more digital environment, eager to integrate new technologies such as Artificial Intelligence into its processes.

1. 9<sup>th</sup> edition of the annual Césin barometer  
<https://cesin.fr/document.php?d=65b3d73136c80>

The integration of AI by companies with its proprietary tools, while a potential source of productivity and efficiency, must be accompanied by more secure environments, as it also generates its own cyber threats.

In this context, while large companies are showing increasing maturity in terms of identification, risk scenario assessment, implementation of protection systems and business continuity plans, small and medium sized companies must accelerate on the subject.

Key elements of the value chain, possible vectors of the propagation of this systemic risk, they need to reinforce their understanding of cyber risk and mobilise the resources necessary to ensure their resilience.

The geopolitical contexts are tense: in this year where more than half of the world population is invited to vote, the opportunities are strong for cyber attackers of all kinds and origins to influence these elections and to weigh on their results. It's important to remember, there can be no attractiveness of a territory without digital trust. Risk managers and CISOs now work together. The public authorities in France have, notably with ANSSI, developed an effective and virtuous ecosystem.

It remains for us all to quickly adapt certain legislative and regulatory provisions to allow the entire national economic fabric to be confident, resilient and resistant in the face of the cyber threat.

Amrae is forever vigilant. I hope you enjoy reading the LUCY 2024 study.

# KEY FIGURES

## €328M

The evolution of the volume of premiums is weak in 2023

No new large company has subscribed to cyber insurance compared to 2022 on the French market. These have subscribed to a nearly constant budget in 2023.

● 2021: **€183M** ● 2022: **€316M**

Detail of premiums collected by year for all segments of companies:

● **€263.1M** for large companies (-1% compared to 2022)

● **€48.3M** for intermediate-sized businesses (+27%)

● **€7.7M** for medium-sized businesses (+73%)

● **€4.5M** for small businesses

● **€3.8M** for micro businesses

## 0%

The number of large insured companies has not evolved between 2022 and 2023

With **280** large insured companies, this number remains stable compared to the strong increase that was noted in 2022. In a stark contrast to this, the other two categories of companies record a significant increase in the number of their insured in 2023:

● **47%**: evolution of the number of insured intermediate-sized businesses

● **194%**: evolution of the number of insured medium-sized businesses

## -46%

The year 2023 records a significant decrease in the total amount of claims recorded

● Large companies: **-45%**

● Intermediate-sized businesses: **-48%**

● Medium-sized businesses: **-68%**

We observe a decrease in severity coupled with a decrease in the frequency of claims recorded among large companies (**-40%**) and intermediate-sized businesses (**-37%**). Medium-sized businesses record the same number of claims (**0%** variation) but with a significantly decreasing amount although there are twice as many insured companies as in 2022 in this segment. This general decrease in severity is all the more remarkable as the panel of insured intermediate and medium-sized businesses has significantly increased.

# 15%

The number of intermediate-sized businesses that take cyber insurance remains low

Out of an economic fabric of **5,753** companies in this category of businesses, **868** subscribed to insurance in 2023, or 15%.

## COVERAGES – PRICING

### SOME TYPICAL INDICATIONS

- **A large company** subscribes to a coverage of €40M with a deductible of €7.5M for a premium of €950,000.
- **An intermediate-sized business** subscribes to a coverage of €8.5M with a deductible of €700,000 for a premium of €160,000.
- **An mid-sized business** subscribes to a coverage of €4M with a deductible of €100,000 for a premium of €38,000.
- **A medium-sized business** subscribes to a coverage of €1.5M with a deductible of €15,000 for a premium of €5,500.
- **A small business** subscribes to a coverage of €700,000 with a deductible of €2,500 for a premium of €1,260.
- **A micro business** subscribes to a coverage of €350,000 with a deductible of €1,000 for a premium of €500.

*Average indicative values of premium per year, some large groups subscribe to guarantees exceeding €100M.*

## METHODOLOGY

For this fourth edition, as for the previous ones, LUCY aims to establish an objective reference of the evolution of the cyber insurance market in France, allowing to understand the dynamics of the evolution of premiums and claims in this sector. This study, gathering five years of observations since 2019, is based on the analysis of a compilation of data collected from a panel of brokers representing the majority of the French market, with the aim of gathering exhaustive data extracted from their client portfolio encompassing the level of subscription (premiums, capacity), the number of subscribing companies, deductibles, as well as the claims (their number, their amount, and their distribution by company size).

All this within a commitment of confidentiality taken by Amrae with the brokers, their clients, and their insurance and reinsurance partners. Thus, the data is aggregated by portfolio to secure the anonymity of clients and none of it is shared.

This year, 8 brokers (Aon, Diot Siaci, Filhet Allard, Howden, Marsh, Verlingue, Verspieren, WTW), an insurer (SMABTP), and 2 subscription agencies (Dattak, Stoïk) as well as a professional organization (PLANETE CSCA, the insurance brokers' union) participated in this study designed and conducted by Amrae. Thus, over the period, the study feeds on the following data:

**13,508**  
Number of cyber  
insurance policies analyzed

**614**  
Number of  
compensated claims

### Number of policies

**280**  
large  
companies

**868**  
intermediate-sized  
companies

**1,445**  
medium-sized  
companies

**3,726**  
small companies

**7,189**  
microenterprises

This study carried out with brokers and subscription agencies provides great reliability to this study, particularly on the companies that use their services (large companies, intermediate-sized companies, medium-sized companies). It is less precise on smaller businesses with a panel of SMEs that are only partially integrated into this survey, these can subscribe their cyber contract directly with their insurer or via a general agent. The participation in the study of PLANETE CSCA, which also includes small and medium-sized businesses, allows in this context to benefit from a partial view of this economic category. *“Nevertheless, the trend we note remains that of the market, driven by large and intermediate-sized companies,”* says Philippe Cotelle, director of Amrae and president of its Cyber commission, director of Ferma and Risk Manager of Airbus Defence & Space.

Public authorities are, for their part, absent from the panorama offered by LUCY, given their limited access to brokerage. Despite being heavily attacked (ANSSI recorded an average of 10 incidents per month affecting local authorities from January 2022 to June 2023), they still have very little protection against cyber risks.

## GLOSSARY

- **Premium:** amount of gross premium paid by the company. For the year 2023, this corresponds to the placement between January 1, 2023, and December 31, 2023.
- **Claim:** number of claims and amount of the declared compensation between January 1 and December 31, 2023.
- **Claims/premiums ratio:** the ratio between the total amount of compensated claims and the total amount of premiums collected over the same period.

## CATEGORIES

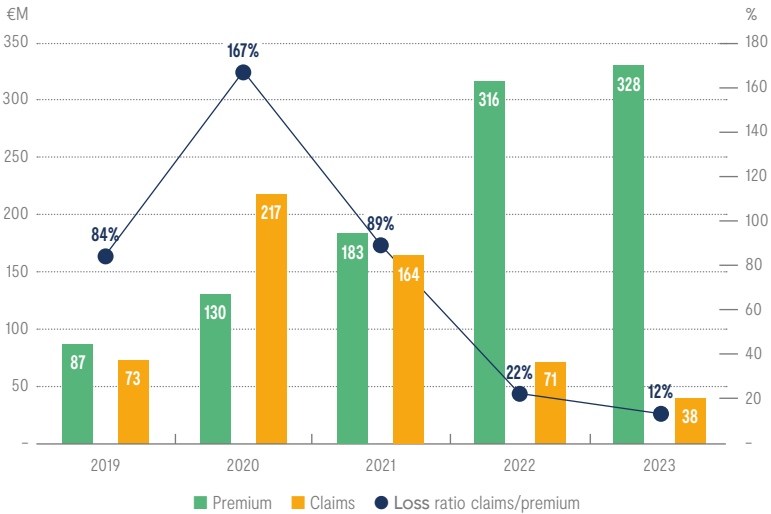
- **Large companies:** turnover more than 1.5 billion euros.
- **Intermediate-sized companies:** turnover between 50 million euros and 1.5 billion euros.
- **Medium-sized companies:** turnover between 10 million euros and 50 million euros.
- **Small companies:** turnover between 2 million euros and 10 million euros.
- **Microentreprises :** turnover less than 2 million euros.

# 1. STATE OF THE MARKET IN 2023

## Recorded claims on the decline

Notable fact this year is that the claims/premiums ratio continues to show a steady and marked decline since 2020 (with an increase in the volume of underwritten premiums from 87 to 130 million € in 2020, then to 183 million € in 2021, and to 316 million € in 2022). The claims/premium ratio has dropped from 22% in 2022 to 12% in 2023 with a premium amount set at 328 million €.

This year also saw a downward trend in recorded claims with only 38 million € in claims compensation compared to 71 million € in 2022 (for 316 million € in collected premiums).



## Large companies operate on a constant budget

Compared to 2022, the number of large companies subscribing to cyber insurance has not changed (moving from 281 to 280 in 2023) for a nearly identical premium, moving from 267 million € to 263 million €. *“Apart from a few new subscriptions and a few withdrawals, generally, we have reached a form of status quo with an almost equivalent number of subscribing companies,”* observes Philippe Cotelle. However, there is an increase in the number of mid-sized companies subscribing (+47%) increasing from 591 to 868 with an increase in the volume of premiums of about 10 million € in this segment. An even more marked finding among mid-sized companies who also record a strong increase in the number of insurance contracts subscribed (+73%) moving from 492 to 1,445 while the volume of premiums increased by only 3 million €.

**Large companies** have only slightly increased their average insured capacity (+12%) moving from 35 million € to 39.6 million € with an average premium rate moving from 2.70% to 2.37% (-12%). They have also seen a slight increase in their deductible level moving from 6.4 million € in 2022 to 7.6 million € in 2023: *“In 2023, large companies subscribed to a constant budget. The market having softened as anticipated, it resulted in a decrease in rates which led them to slightly increase their purchases in terms of capacity for the same budget, without going beyond, which explains why the premium has not moved. This is a unique phenomenon, which we had never seen appear before,”* indicates Philippe Cotelle.

On the contrary, **mid-sized companies** have seen their average premium rate increase by +7% and have recorded a decrease in capacity (-20%) moving from 6 million € to 4.8 million € due to the influx of smaller companies in this category led to buy a lower capacity (see pages 22 and 23). They have also seen the average amount of deductible decrease from 436,000 € in 2022 to 218,000 € in 2023 while it had increased between 2021 and 2022.

For **mid-sized companies**, the results are counter-intuitive compared to the analyses carried out in previous editions of LUCY. *“We had predicted that, for these companies, the average premium rate would increase. It turns out that it has decreased (by -7%) which can be explained by the decrease in their average insured capacity (moving from 2.3 million € to 1.4 million €). They therefore bought less, in a climate where the market has softened. This raises the following question: is the softening of the market a factor of attractiveness for new insureds?”* asks Philippe Cotelle.

Faced with the near-saturation of the segment of large insured companies, the overall market development can only occur in two ways: either by increasing the sums insured, which would be a logical corollary of the increasing digitalization of their business model and that of the economy which increases their contact surface with the cyber threat; or by increasing the number of insured companies in other categories. A phenomenon in progress but at lower levels. In summary, either we are dealing with a constant panel that will buy more capacity, or we are faced with more and more medium and intermediate companies that insure themselves.

### Premium by category

	2019		2020		2021		2022		2023	
	Number of companies insured	Premium subscribed	Number of companies insured	Premium of companies subscribed	Number of companies insured	Premium of companies subscribed	Number of companies insured	Premium subscribed	Number of companies insured Evolution vs 2022	Premium subscribed Evolution vs 2022
Large companies (>€1.5bn in sales)	207	73,118,563	251	105,891,882	240	151,835,775	281	266,978,513	280 0%	263,161,522 -1%
Mid-sized companies (€50M to €1.5bn)	307	8,093,921	441	14,872,640	530	24,198,470	591	38,178,541	868 47%	48,372,610 27%
Medium-sized companies (10 to €50M)	311	2,932,394	362	5,287,862	322	2,455,874	492	4,508,378	1,445 194%	7,782,243 73%
Small business (2 to €10M)	616	709,087	643	707,079	503	3,367,699	624	2,150,050	3,726 497%	4,491,429 109%
Micro-enterprises (less than €2M)	7,025	1,609,504	7,027	1,613,708	433	1,262,987	7,684	3,888,890	7,189 -6%	3,772,879 -3%
<b>TOTAL</b>		<b>87,199,664</b>		<b>129,694,174</b>		<b>183,120,805</b>		<b>315,704,371</b>		<b>327,580,683 4%</b>

### Capacity, deductible

	Average subscribed capacity					Deductible		
	2019	2020	2021	2022	2023	2021	2022	2023
Large companies (>€1.5bn in sales)	38,085,652	41,030,677	31,262,762	35,230,285	39,600,982	3,990,104	6,443,876	7,644,796
Mid-sized companies (€50M to €1.5bn)	8,138,553	7,567,604	6,552,864	6,017,885	4,835,516	227,976	436,030	218,284
Medium-sized companies (10 to €50M)	1,934,341	2,066,514	2,333,050	2,301,632	1,459,194	32,217	47,269	15,335
Small business (2 to €10M)	1,180,893	1,240,110	1,017,160	599,895	672,323	7,670	8,721	2,537
Micro-enterprises (less than €2M)	1,225,000	1,172,222	872,061	307,028	340,832	885	1,075	968

### Evolution and distribution of claims

	2019	2020	2021	2022	2023	Evolution in % vs 2022
Large companies (>€1.5bn in sales)	0.93%	1.03%	2.02%	2.70%	2.37%	-12.00%
Mid-sized companies (€50M to €1.5bn)	0.32%	0.45%	0.70%	1.07%	1.15%	7.36%
Medium-sized companies (10 to €50M)	0.49%	0.71%	0.33%	0.40%	0.37%	-7.29%
Small business (2 to €10M)	0.10%	0.09%	0.66%	0.57%	0.18%	-68.78%
Micro-enterprises (less than €2M)	0.02%	0.02%	0.33%	0.16%	0.15%	-6.59%

# Evolution and distribution of claims

## Towards a general reduction in the severity of claims?

The total amount of recorded claims decreased by 46% in 2023.

A decrease visible at different levels, regardless of the category involved: large companies record a reduction of 45%, Intermediate sized companies of 48% and medium-sized companies of 68%. In addition to the amount, the frequency of claims is also down for large companies (-40%) and intermediate sized companies (-37%) while it remains equal to 2022 among medium-sized companies (with 30 recorded claims).

**Large companies** have almost halved the annual amount of declared claims since 2020 while their individual severity has also decreased. No XXL claims (from 10 to 40 million €) were declared in 2023, the largest of them amounting to 10 million euros. The softening of the market, on the other hand, has not made coverage conditions more complicated compared to 2022. *“The high deductible level among large companies in 2023 (7.6 €) could explain the level of declared claims but, in reality, its evolution compared to 2022 (6.4 million €) is slight. Today, XXL claims are not sensitive to the deductible. This means that there are fewer and fewer very large claims,”* judges Philippe Cotelte. This constant coverage, associated with a decrease in claims to be compensated, suggests a general reduction in the severity of claims.


The same observation applies to **intermediate sized companies**, with a reduction in the number and amount of declared claims decreasing from 73 to 46 (-37%) and from 19.4 million € to 10 million € (-48%). On the side of these Intermediate sized companies, even though more claims are declared between 300,000 and 3 million €, this nonetheless results in a decrease in their severity with no XXL claims in 2023.

Regarding **medium-sized companies**, if the frequency remains stable with 30 claims declared in 2023 as in 2022, the associated impact has decreased, moving from 4.5 million € to 1.4 million €, i.e. -68%.

## Development of prevention measures

Regarding the evolution of the distribution of claims between 2019 and 2023, it is notable that they have declined in severity during this period. While the year 2020 had seen a significant increase in their amount due to the occurrence of four XXL cyberattacks and the year 2021 had also included its share of claims, despite a reduction in their severity, the last two years (2022/2023) mark a general reduction in the frequency and severity of claims.

### Claims 2019-2023

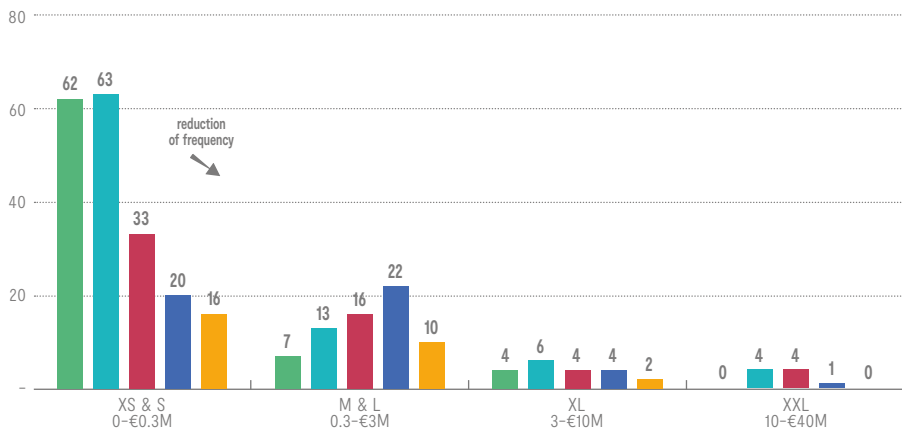


	2019		2020		2021		2022		2023	
	Number of claims	Amount of indemnity	Number of claims	Amount of indemnity	Number of claims	Amount of indemnity	Number of claims	Amount of indemnity	Number of claims Evolution vs 2022	Amount of indemnity Evolution vs 2022
Large companies (>€1.5bn in sales)	73	31,833,407	86	201,508,875	57	88,633,935	47	43,153,262	28 -40%	23,553,677 -45%
Mid-sized companies (€50M to €1.5bn)	74	38,936,304	75	12,673,500	110	63,140,440	73	19,419,283	46 -37%	10,046,817 -48%
Medium-sized companies (10 to €50M)	7	2,294,960	13	2,355,000	26	892,463	30	4,509,888	30 0%	1,453,250 -68%
Small business (2 to €10M)	2	465,600	7	34,961	318	10,941,578	10	1,401,200	168 1 580%	1,234,687 -12%
Micro-enterprises (less than €2M)	0	-	-	-	7	37,330	17	2,336,200	343 1,918%	1,818,090 -22%
<b>TOTAL</b>	<b>157</b>	<b>73,530,871</b>	<b>183</b>	<b>216,586,298</b>	<b>518</b>	<b>163,645,746</b>	<b>177</b>	<b>70,819,833</b>	<b>615</b>	<b>38,106,521</b> -46%

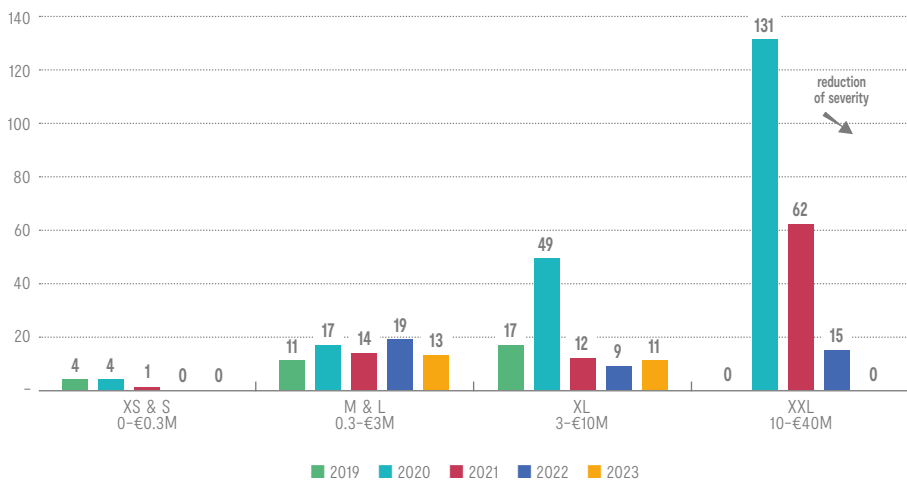
## Statistical distribution of claims 2019-2023

### Large companies

#### Distribution of the number of claims by size of claim

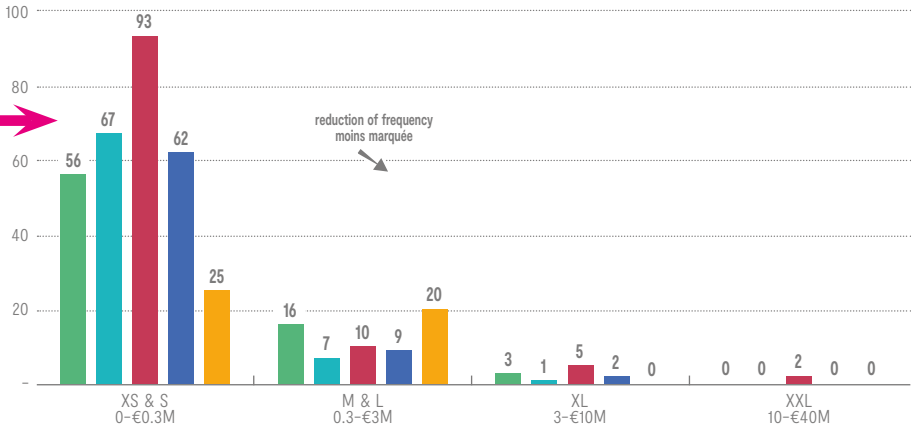


#### Distribution of the amount of claims by size of claim

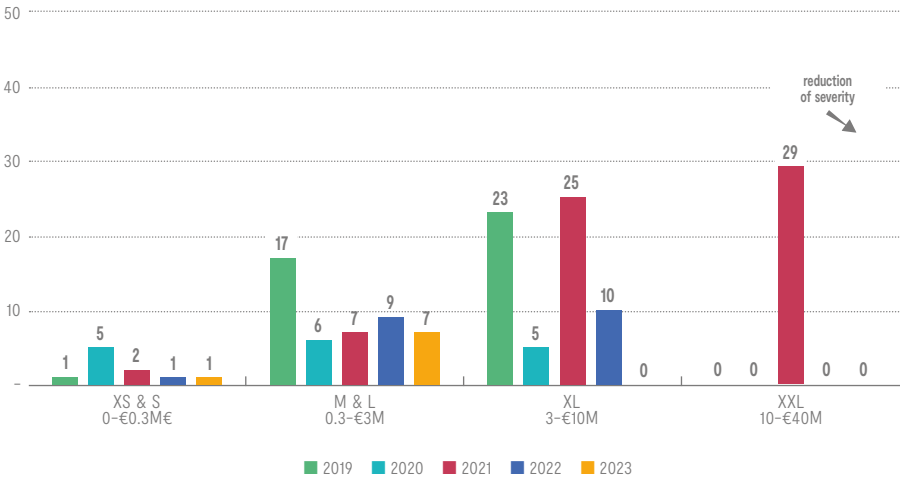


## Intermediate-sized enterprises

### Distribution of the number of claims by size of claim



### Distribution of the amount of claims by size of claim



These results may seem contradictory with those of the “2023 Cyber Threat Panorama” published by ANSSI (National Agency for the Security of Information Systems) which, on the contrary, reports a *“constantly increasing level of threat”* with notably a total number of ransomware attacks 30% higher in 2023 compared to the same period in 2022. It should be borne in mind, in this regard, that LUCY only collects claims declared to insurers, so it is conceivable that some of them may not have been declared (lack of coverage, under deductible, etc.). *“Faced with this phenomenon of general reduction in the severity of claims, a rational explanation would lean towards the development and combined effectiveness of prevention practices, judges Philippe Cotellet. Attacks are just as frequent but their economic consequences, when they succeed, are proportionally lighter.”*

The 9<sup>th</sup> edition of the 2023 barometer of the Césin<sup>2</sup> (Club of experts in information security and digital technology) based on a sample of 456 respondents (40% from ETIs and 48% from large companies), observes that the number of successful cyberattacks remains stable compared to 2022. Less than one in two companies reports having suffered at least one cyberattack with significant repercussions and the number of companies having suffered 15 cyberattacks or more has decreased. Among the reasons cited to explain this stagnation: increasing efforts developed to anticipate these crises, including *“investments in protection tools, improvement of the capacity to detect and manage incidents, awareness campaigns or even training exercises for crisis situations.”* In this regard, the Césin barometer notes that 7 out of 10 companies surveyed have subscribed to cyber insurance and 57% plan to renew their contract. However, three-quarters of the insured companies have never called on their cyber insurance, despite an average of three incidents per year per company. *“This observation suggests that two out of three incidents on average are not the subject of an insurance claim, suggesting that the impact of these incidents is below the amounts of the deductibles. This situation could be explained by the capacity of companies to manage these incidents without incurring significant costs.”*

1. <https://www.cert.ssi.gouv.fr/cti/CERTFR-2024-CTI-001/>

2. 9<sup>th</sup> edition of the annual Césin barometer <https://cesin.fr/document.php?d=65b3d73136c80>

## 2. MARKET DYNAMICS

### A developing but volatile market

Since its creation by Amrae, LUCY has shown the spread of cyber insurance across all layers of the economy, from large corporations to small businesses, including mid-sized enterprises. *“We were able to observe a correlation between the sharp increase in the number of companies getting insured and the claims/premiums ratio. Also, this phenomenon evolves like a wave, year after year, towards smaller companies, which illustrates the penetration of cyber insurance into different layers of the economy,”* illustrates Philippe Cotelle. This phenomenon has now subsided: in 2023, the number of insured mid-sized enterprises increased compared to 2022, moving from 12% to 47%, and the number of insured medium-sized businesses has tripled, from 53% to 194%, while the corresponding loss ratios have decreased.

In 2020, while many **large corporations** were getting insured, the claims/premiums ratio was poor, reaching 190%. Result? Insurers doubled the premium rates, lowered the level of available capacity, and raised deductible levels. Faced with this lack of attractiveness, fewer companies insured themselves in 2021 (-4%). In parallel to this situation, the claims/premiums ratio improved in 2021 due to the results of the first prevention measures put in place. The market’s softening contributed to making cyber insurance attractive again, resulting in a 17% increase in the number of large businesses insured in 2022. At that time, the claims/premiums ratio, at 16%, was very advantageous and it continues to decrease in 2023, standing at 9% with an evolution of the average premium rate to -12%. *“It is nevertheless interesting to note that this has not generated a growing appetite in terms of the number of large companies insured, which leads us to conclude that budget constraints have had a strong impact on this economic layer,”* indicates Philippe Cotelle.

The current situation encourages considering an extension of this market softening trend in 2024 with a continued decrease in premium rates by insurers. *“However, if they decrease the rates and the number of insured companies remains the same, it means that these companies can buy more capacity at a constant budget, otherwise risking seeing the volume of premiums stagnate,”* anticipates Philippe Cotelle

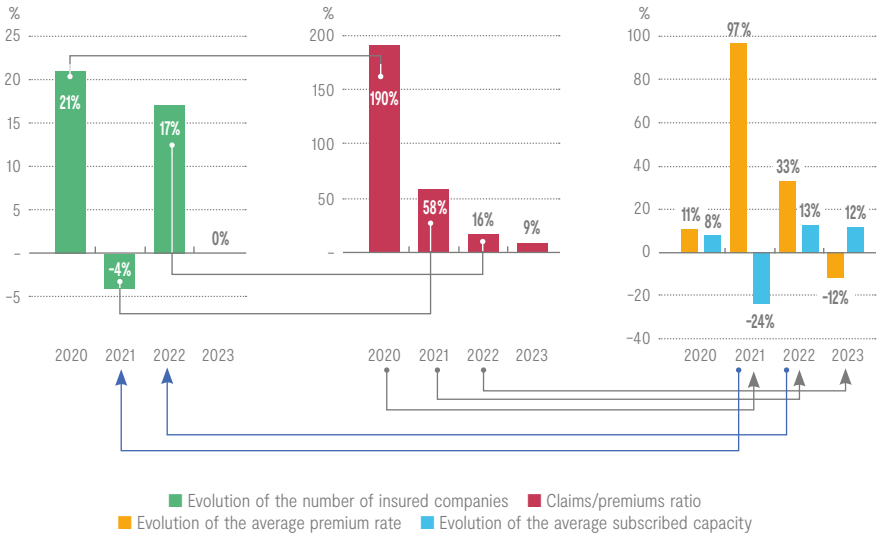
For **Intermediate-sized Enterprises** (ETIs), 2021 saw a surge of intermediate businesses subscribing to cyber insurance (+20%) coupled with a poor claims/premiums ratio (261%). The consequence of this upsurge was a change in the average premium rate of +54% in 2022. This increase had the effect of slowing the growth of their subscription. This was followed by a more favourable claims/premiums ratio in 2022 (51%), leading to a softening of the market, but the average subscribed capacity decreased on the other hand. What can we predict for 2024? The claims/premiums ratio remained very good in 2023 (21%) in this segment, so we can, by projection, envisage a trend towards a softening of the ETI market, similar to that experienced by large companies.

The phenomenon differs for **medium-sized companies**. In 2022, there was a 53% increase in the number of them insured, coupled with a claims/premiums ratio that is performing poorly at 100%. *“Until 2022, the medium-sized business market had shown little receptivity, so we anticipated an increase in average premium rates for this economic category in 2023. It is clear that this is not the case: the rates have instead decreased (-7%), which is not necessarily coherent,”* observes Philippe Cotelle.

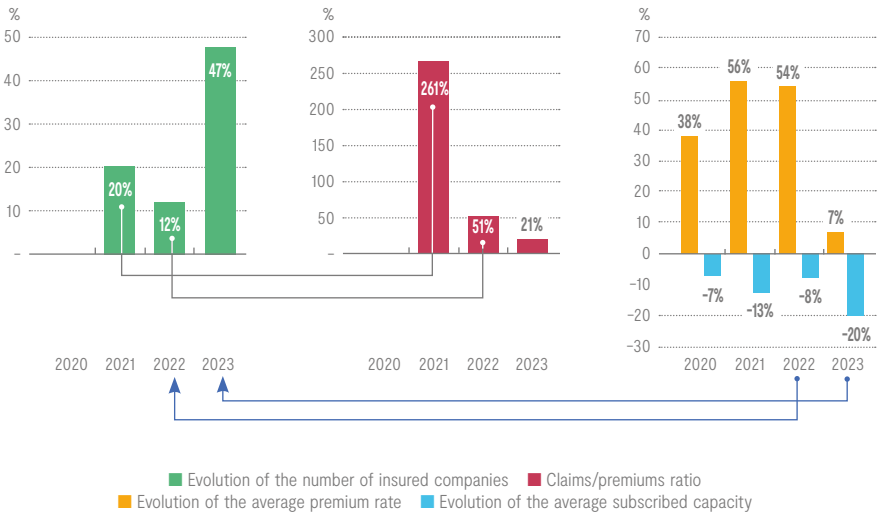
**2023 thus stands out as a positive year, with stability in successful attacks and a development of cyber insurance activity among intermediate and medium-sized companies but stagnation among large companies.** However, the growth of the cyber insurance market in France is slowing down, mainly due to large companies that seem to be setting a limit to their subscription. *“With total premiums of 328 million € in the French market, it remains fragile,”* says Philippe Cotelle. *The tense international context also means that the conditions for a future crisis are in place, which means that the insurance market is fragile and volatil.”*

## Market dynamics

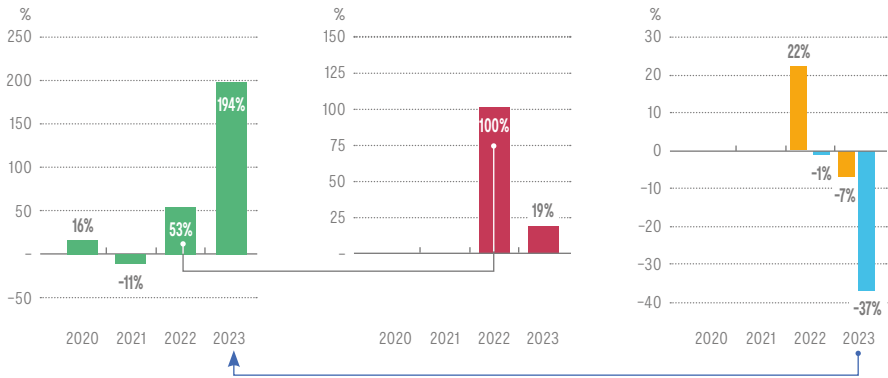
### Large companies



### Intermediate-sized companies



### Mid-sized companies



- Evolution of the number of insured companies
- Claims/premiums ratio
- Evolution of the average premium rate
- Evolution of the average subscribed capacity

### 3. FOCUS ON MID-SIZED COMPANIES

#### A very significant potential for subscription still remains

Considering the panel of mid-sized companies that have now subscribed to an insurance policy included in our study (with an almost 40% increase in their number this year), Amrae has added an additional company category to the scope of the LUCY study.

The group of mid-sized companies, which until now encompassed companies recording between 50 million and 1.5 billion € in turnover, has been split into two: ETIs (Intermediate sized enterprises) between 500 million and 1.5 billion € in turnover and mid-sized companies between 50 million and 500 million € in turnover. This new categorization will set a starting point for subsequent editions.

Out of an economic fabric of 5,753 companies recording from 50 million to 1.5 billion € in turnover, it turns out that 127 ETIs and 741 mid-sized companies have subscribed to cyber insurance, a total of 868 companies. Despite this increase in the number of subscribing companies, the potential remains enormous with only about 15% of companies in this category currently insured. The claim/premium ratio is on the other hand relatively higher among the ETIs (29.8% versus 9% among large companies and 14.4% among mid-sized companies). *“In the previous edition, we had highlighted a correlation between a significant influx of insured companies and the claim/premium ratio. We no longer observe this in 2023 for this category of companies, which may be a sign that insurers have matured in their subscription policy on this segment,”* explains Philippe Cotelle.

In terms of capacity, while for ETIs, it averages 8.3 million €, it is 4.1 million € for mid-sized companies, which explains the drop in capacity recorded globally on this category of mid-sized companies from 6 million in 2022 to 4.8 million in 2023, given the influx of intermediate companies subscribing to a cyber policy.

## Smaller businesses purchase less capacity

The distinction made within the group of mid-sized businesses allows, on the other hand, to highlight the increase in capacity offered to the largest of them, while logically, the smaller ones entering the market are subscribing less. With respect to Premium rates, if the deductible proves to be lower among the mid-sized companies compared to large companies (about 703,000 against 7.6 million euros), their premium rates are not far apart (1.87% for mid-sized businesses against 2.37% for large companies). Given an average of only 0.94%, this rate proves to be quite attractive for mid-sized businesses and shows a real differential between these and intermediate-sized businesses.

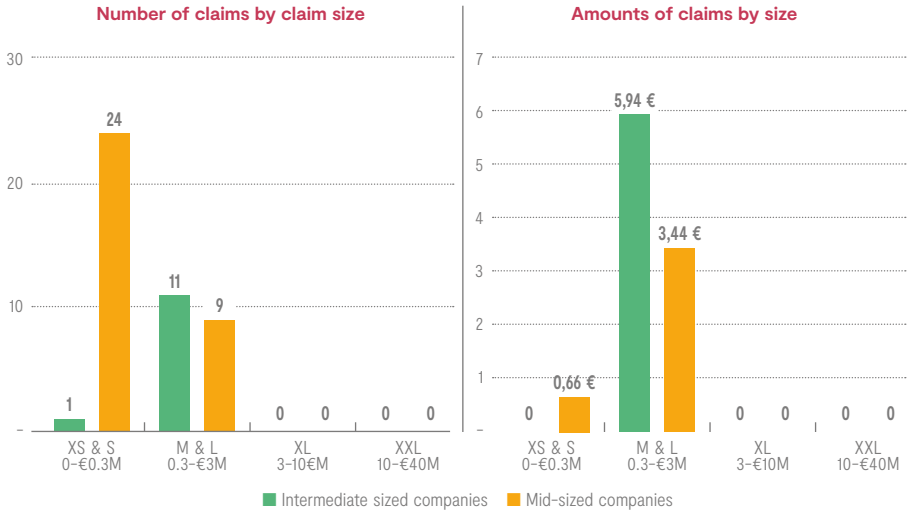
By continuing this distinction within the group of mid-sized businesses at the level of claims, it results in a higher frequency of small claims among the smallest of them, but a greater severity of these among the largest.

## Focus on Intermediate-sized and mid-sized companies

	No. of companies in portfolio	Subscribed premium	Average Insured Capacity	Average deductible	Average premium rate
Large companies (>€1.5bn in sales)	280	263 161 522 €	39 600 982 €	7 644 796 €	2,37 %
Intermediate-sized companies (ETIs) (€500M to €1.5bn)	127	19 910 331 €	8 377 165 €	702 837 €	1,87 %
Mid-sized companies (€50M to €500M)	741	28 462 278 €	4 107 056 €	114 994 €	0,94 %
Medium-sized companies (10 to €50M)	1 445	7 782 243 €	1 459 194 €	15 335 €	0,37 %
Small businesses (2 to €10M)	3 726	4 491 429 €	672 323 €	2 537 €	0,18 %
Micro-enterprises (less than €2M)	7 189	3 772 879 €	340 832 €	968 €	0,15 %

## Sinistres et ratio de pertes

	No. of claims	Total claims	Claims/premiums ratio
Large companies (>€1.5bn in sales)	28	23 553 677 €	9,0 %
Intermediate-sized companies (ETIs) (€500M to €1.5bn)	12	5 940 000 €	29,8 %
Mid-sized companies (€50M to €500M)	33	4 106 817,00 €	14,4 %
Medium-sized companies (10 to €50M)	30	1 453 250 €	18,7 %
Small businesses (2 to €10M)	168	1 234 687 €	27,5 %
Micro-enterprises (less than €2M)	343	1 818 090 €	48,2 %



## INTERVIEW



“Companies are better organizing their cyber defense and response to attacks.”

**MYLÈNE JAROSSAY**

CISO of LVMH Group and President of Cesin  
(Club of Information and Digital Security Experts)

**Our new LUCY study shows that, in a context of insurance coverage stabilization, compensated claims have decreased in frequency and amount between 2022 and 2023. What are your reactions to this trend?**

According to the 9<sup>th</sup> edition of our Cesin Opinion Way barometer published in January 2024, we do not observe a decrease in successful attacks, but rather a stabilization (66% of companies surveyed consider that the number of attacks has remained stable). However, the number of attack attempts and the number of vulnerabilities have increased. Companies have increasingly large public attack surfaces, so statistically more risk of being targeted. Among the attacks that our member companies have suffered, we see a progression of denial of service attacks, whether for destabilization purposes or other objectives. Thus 34% of companies surveyed have suffered at least one denial of service attack, 11 points more than last year. In practice, these types of attacks are rarely reported to insurers, which may explain some of the differences with the results of the LUCY study.

**Have Cesin members increased their security budget between 2022 and 2023?**

The portion of the budget dedicated to cybersecurity is at the same level as last year. So there probably has not been a significant increase in the number of solutions deployed, a number that one might be tempted to correlate with the reduction of claims. On the other hand, the maturity of companies has certainly increased and it is possible that the solutions have been better deployed, integrated and operated, bringing more efficiency. Companies have generally good confidence (87%) in prevention and detection solutions. EDR (Endpoint detection and response) and MFA (multi-factor authentication) are, along with firewalls, the solutions considered the most effective. More than 90% of companies confirm this performance. Note that in recent months, a number of large-scale attack scenarios have been able to succeed in bypassing MFA protections.

Among the companies in our panel, 70% have taken out cyber insurance and 13% plan to do so, which would bring more than 80% coverage soon. Companies are better organizing their cyber defense and their response to attacks. They show better resistance to incidents. Some “fire starts” are quickly mastered. But cyber threats are constantly evolving and our ability to counter them can vary from one year to the next, nothing is certain...

**On the subject, what are your forecasts for the year 2024?**

The geopolitical context is tense, the two conflicts in the Middle East and Ukraine have cyber repercussions inside and outside these regions. In 2024, we fear that politics and geopolitics will continue to invite themselves into the cyber field, particularly through the Olympic Games event or in the background of election periods. These attacks, whether they are disinformation actions or denial of service, will not necessarily lead to claims reported to cyber insurers.

Another topic is gaining momentum, that of artificial intelligence. According to our barometer, one in two companies has launched projects around AI. Generative AI is experiencing tremendous growth, and we are starting to see malicious deepfakes causing serious impacts. More and more solutions, including cybersecurity ones, are incorporating this new technology. And we can assume that new attacks will be augmented by AI. It is thus at the heart of the subjects of cybersecurity managers in 2024.

## INTERVIEW



“There is indeed a maturity on the subject of cybersecurity but it remains fragile.”

### LUMENA DULUC

Director of Clusif (Association for the promotion of cybersecurity, bringing together companies and administrations around the development of good digital security practices)

**Our LUCY study shows a decrease in insured losses affecting large companies and ETIs but also medium-sized companies. Can these results be explained by increased awareness among companies?**

We are currently conducting a study at Clusif on awareness practices to analyze their effectiveness. A budget dedicated to awareness does not necessarily mean that it is successful. Various existing trainings can, for example, contain contradictory indications, making their implementation variable and difficult. If the message indicating that companies could be personally affected by cyberattacks has passed, communication about the means to be deployed to protect against them is not yet in place. But we're making progress...

**In terms of prevention, do you have the impression that the technical investments made by companies are stable or increasing?**

Many technical solutions are emerging and enjoying certain success, such as EDRs. Our members, however, call for reflection at a global level. It is extremely important for a company to conduct a consequential analysis to know what threats concern it and put the right tools in front of it. So there is indeed a maturity on the subject of cybersecurity but it remains fragile depending on the size and structure of the company.

## THE VIEW OF ANSSI



“ANSSI welcomes the work carried out in the context of the LUCY study which provides a multi-year vision of the financial impact of cyberattacks”

### GAËTAN PONCELIN DE RAUCOURT

Deputy Director of Strategy of ANSSI  
(National Agency for the Security of Information Systems)

“ANSSI welcomes the work carried out in the context of the LUCY study which provides a multi-year vision of the financial impact of cyberattacks on victim organizations as well as the positive impact of support policies. This study demonstrates that the consideration and investment of organizations, especially the most strategic ones, in their cybersecurity has made it possible to limit the impacts of cyberattacks and thus reduce the number of claims recorded by insurers. The entry into force of the NIS2 directive<sup>(1)</sup> will be an opportunity to continue this dynamic of strengthening cybersecurity in all layers of the economy and provide a signal of confidence in the insurability of small and medium sized and ETIs.”

(1) Network and Information Security

# WHAT YOU NEED TO KNOW

- Following 2022, the cyber insurance market in 2023 remains positive with a development of its activity in different company categories.
- Compared to 2022, which was already a good year, we observe a reduction in claims by almost half in 2023. No claim greater than 10 million € was recorded this year. This is visible across all categories of companies, including medium-sized ones that were heavily affected in 2022.
- In terms of frequency, we record fewer claims for large companies, with an equal surface area, as well as for ETIs, with an expanded surface area, as they are now more numerous to insure themselves.
- The market is not developing as fast as previous years because large companies have subscribed at a constant budget.
- While the number of large insured companies has not changed between 2022 and 2023, one might wonder if they are sufficiently insured and if they are sufficiently aware of the need to regularly analyze and quantify the evolution of their financial exposure to cyber risks.
- At the subscription level, the potential for insurance subscriptions among ETIs (with turnover between 50 million and 1.5 billion €) remains very important, with only about 15% of them insured today.
- We observe an increase in the number of intermediate-sized and medium-sized companies that insure themselves but this increase remains slight with an increase of 10 million € in premium volume for ETIs and 3 million € for medium-sized companies.
- In a tense international geopolitical context, the French cyber insurance market remains fragile and volatile. With 328 million € in premiums, the occurrence of two or three major claims could be enough to absorb all the premium and destabilize the market.
- The risks associated with the emergence of AI need to be analyzed and taken seriously and could constitute a major upcoming risk of cyberattacks.



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