



Cyber Round-Up Q4 2022

Working with Cowbell: The Agent and Policyholder Perspectives

The Leading Provider of Cyber Insurance for SMEs | cowbell.insure



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Introduction

In Cowbell's [Q3 2022 Cyber Round-Up report](#), we highlighted that a Cowbell policy is more than just cyber insurance coverage. With every policy comes bundled risk management resources meant to enhance the policyholder experience, elevate their cybersecurity awareness, and improve their risk profile on a continuous basis.

Key findings of our Q3 Cyber Round-Up included the following:

- At renewal, the risk rating (aka Cowbell Factors) of Cowbell's policyholders as benchmarked against their respective industries shows a 9% improvement overall validating the ongoing efforts from Cowbell to engage policyholders on a continuous risk improvement process to help them avoid cyber incidents.
- In addition, accounts that activated [connectors](#) to bring additional inside-out data into the risk assessment process showed significant improvement across all Cowbell Factors by an average of 5 points, compared to their industry peers.

The policyholder relationship with Cowbell as the insurance provider is truly a partnership. We are dedicated to making our SME policyholders, agents, and brokers more cyber-ready and resilient.

In January and October 2022, we conducted surveys of Cowbell policyholders and agents. In this Q4 2022 Cyber Round-Up report, we share the results of our October 2022 survey and compare them to the results from earlier in the year.



The Leader in Cyber Insurance for SMEs

Cowbell delivers standalone and individualized cyber insurance to small and medium-sized enterprises. Cowbell's cyber policies include continuous risk assessment, access to risk engineers for advice, cybersecurity awareness training for employees, and more.





Policyholder Perspective

In October 2022, Cowbell asked policyholders for feedback on cyber insurance. Respondents included more than 400 SMEs in the U.S. with revenue up to \$250 million.

Policyholders agree that cyber insurance is worth the cost.



79% agree that **cyber insurance is worth the cost.**

Policyholders feel more prepared to respond to a cyber incident since purchasing cyber insurance.



81% agree that they **feel more prepared to respond to a cyber incident** since purchasing cyber insurance.

By comparison, in January 2022, 72% agreed that they feel more prepared to respond to a cyber incident since purchasing cyber insurance. This is a 13% increase in under one year.

Policyholders improve their company's risk profile through Cowbell.



82% have **improved their company's risk profile** through Cowbell.

By comparison, in January 2022, 74% agreed that they improved their company's risk profile through Cowbell. This is an 11% increase in under one year.



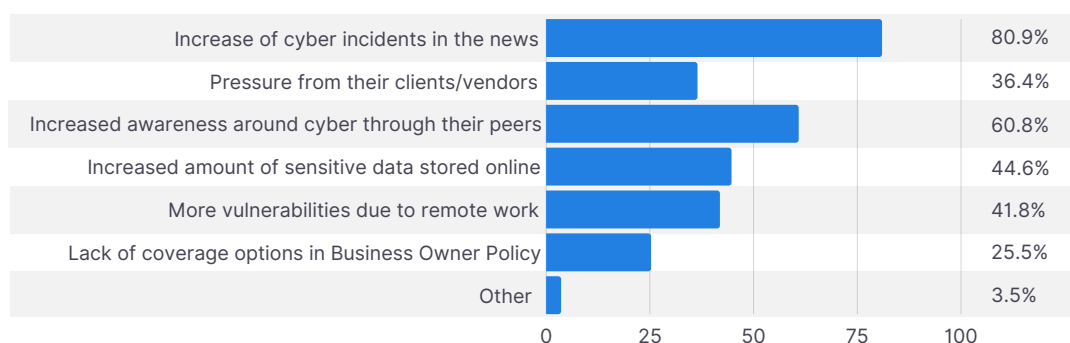
Agent Perspective

In October 2022, we asked Cowbell's agents about their experience selling standalone cyber insurance and their opinions about Cowbell's insurance products specifically. Respondents included more than 500 agents and brokers appointed with Cowbell.

Clients buy cyber insurance because of increased event frequency and awareness.

- According to agents, the increased number of cyber incidents in the news (80.9% respondents), awareness about cyber through peers, and amount of sensitive data stored online are the top three drivers for clients to buy cyber insurance.

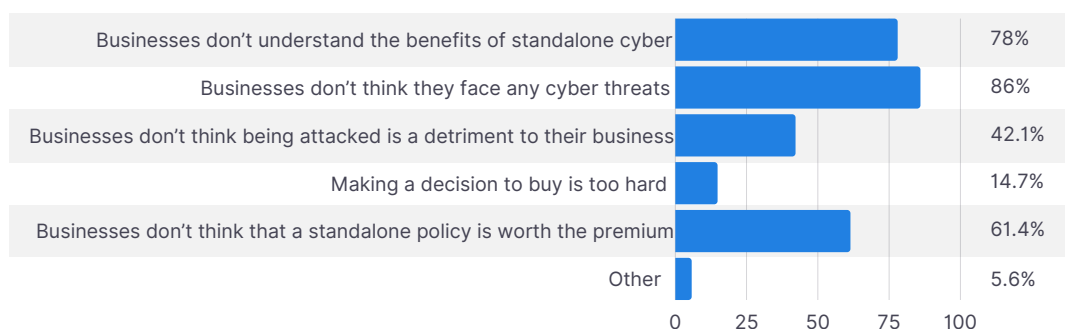
What are the **top drivers** for clients to buy cyber insurance?



Selling cyber insurance is inhibited by lack of understanding of costs and benefits.

- The top three barriers to selling cyber insurance are that businesses don't think they face cyber threats (86% respondents), don't understand the benefits of standalone cyber, and don't think that a standalone policy is worth the premium.

What are the **top barriers** to selling cyber insurance?

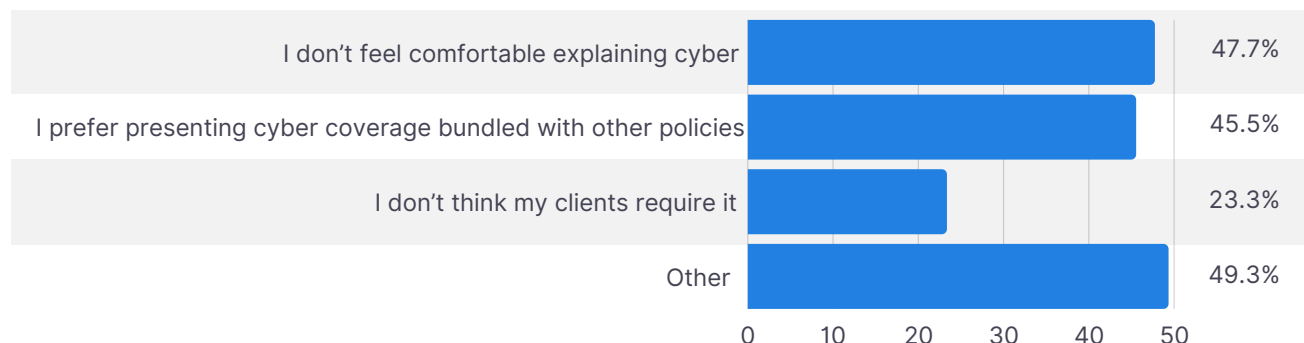




Agents don't feel comfortable explaining cyber to their clients.

- The top reason agents and brokers are prevented from presenting cyber insurance to a client is the challenge of explaining cyber insurance to them.

What are the top 3 reasons that prevent you from systematically presenting cyber insurance to a client?



Agents would recommend Cowbell.

- We observed a 5% increase in under one year when reviewing the percentage of agents that said they would recommend Cowbell to their industry peers in January 2022 vs. October 2022.

Conclusion

The results of our surveys illustrate the extent to which cyber insurance is growing in prominence. Whereas cyber insurance may have previously been a contractual obligation to engage with certain businesses, it now is commonly viewed as must-have protection against risk.

Businesses of all sizes, but particularly SMEs, are increasingly vulnerable to cyber threats that become more sophisticated and complex by the day. [Cowbell's adaptive cyber insurance](#) allows policyholders to keep pace with evolving cyber threats. This is done through our closed-loop approach to risk management (Assess, Insure, Improve, Respond); continuous risk assessment and [continuous underwriting](#) are paving the way for modern cyber insurance and allowing policyholders to be proactive and achieve cyber resilience.



Cowbell's quarterly data reports are created to provide real-life, relevant data surrounding cyber insurance security for small and medium-sized enterprises.

With these reports, we want to help businesses as well as U.S. insurance agents and brokers understand how to prepare effectively to avoid or respond to a cyber incident.

We hope that you will be able to use these reports and the information they contain to expand your education surrounding cyber insurance, and its value, and as a way to educate employees on the importance of cybersecurity awareness.

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Cowbell is signaling a new era in cyber insurance by harnessing technology and data to provide small and medium-sized enterprises (SMEs) with advanced warning of cyber risk exposures bundled with cyber insurance coverage adaptable to today's and tomorrow's threats. In its unique AI-based approach to risk selection and pricing, Cowbell's continuous underwriting platform, powered by Cowbell Factors, compresses the insurance process from submission to issue to less than 5 minutes.