THE CYBER INSURANCE GAP IN SMBs

WHY MOST BUSINESSES ARE EXPOSED...
AND WHY IT MATTERS TO BROKERS

Cyber attacks are surging, but most small and mid-sized businesses are not protected. This creates risk for your clients—and for you.

Cyber is no longer an IT problem.
It's a business survival issue.

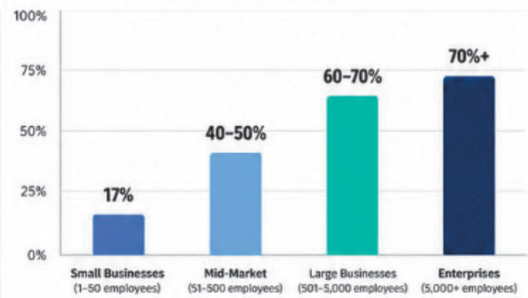
ONLY ~1 IN 5 SMALL BUSINESSES HAVE DEDICATED CYBER INSURANCE

17%
of small businesses have a dedicated cyber insurance policy

83%
are uninsured or have inadequate / insufficient coverage

Up to 80%+ of small businesses are effectively uninsured.
Many think they're covered—but their policies have gaps or won't hold up in a claim.

CYBER INSURANCE ADOPTION BY COMPANY SIZE



Sources: Hiscox 2024 Cyber Readiness Report, Chubb 2024 Cyber Index, Coalition Cyber Insurance Snapshot 2024, IBM Cost of a Data Breach 2024

WHY THIS EXISTS

- Policies are harder to qualify for
- Underwriting is getting stricter
- Clients don't understand what's required
- Brokers don't control the client's security posture

Result: Policies get delayed, avoided, or written with uncertainty.

THE RISK NOBODY TALKS ABOUT

- Controls may not match what was declared
- Gaps get exposed during claims review
- Coverage disputes happen
- The client looks to the broker

It becomes a relationship and liability problem.

THE BROKER DILEMMA

- Expected to sell cyber
- Can't control whether the client actually qualifies
- Carry the reputational risk if something goes wrong

Default behavior:
Avoid it... or place it cautiously.

WHAT CHANGES THE EQUATION

Brokers who are successfully selling cyber are doing one thing differently:

They make sure the client can actually:

MEET UNDERWRITING EXPECTATIONS
Qualify and get approved faster.

MAINTAIN INSURABILITY
Stay compliant and remain covered.

RESPOND & RECOVER IF SOMETHING HAPPENS
Access coverage and recover faster.

PROTECT THE CLIENT RELATIONSHIP
Deliver confidence and long-term value.

That's what makes cyber sellable with confidence.

BOTTOM LINE

Cyber insurance isn't failing because it's not needed.
It's failing because most businesses aren't prepared to qualify for it...
or use it when it matters.

THIRD WAVE Innovations

We help brokers remove the uncertainty from cyber.
So you can sell it with confidence—and protect your clients and your reputation.

Let's make cyber simple, predictable, and profitable.
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