

Cyber insurance has rarely been more affordable.

Cyber risk has rarely been more consequential.

For many New Zealand businesses, cyber risk is no longer a question of technology. It is a question of business continuity.

If your systems stopped working tomorrow, what would happen?

Could you still access customer records, process orders, issue invoices, pay staff or communicate with customers? How long could your business continue operating?

These are the questions more business owners are asking as cyber incidents become an increasingly common part of the business landscape.

What's encouraging is that, despite the growing threat environment, cyber insurance remains one of the most competitive areas of the insurance market. Capacity remains strong, insurers continue to compete for quality risks, and many businesses may have opportunities to access broader cover and specialist support at a lower cost than they might expect.



Could this actually happen to us?

One of the biggest misconceptions about cyber risk is that it primarily affects large corporates.

The reality is that cyber criminals rarely discriminate based on business size. They look for opportunity, vulnerability and access.

Many SMEs rely heavily on cloud platforms, online banking, accounting software and customer databases. While these tools improve efficiency, they also create new points of vulnerability. For many businesses, the impact of losing access to them could be immediate.

A cyber incident doesn't need to make national headlines to create significant disruption. Sometimes the most damaging events are the ones that simply stop a business from functioning normally.

What could stop working?

Cyber incidents can affect far more than IT systems.

A ransomware attack may prevent staff from accessing critical files and applications. A compromised email account can lead to fraudulent payment requests. A technology provider experiencing its own cyber event can interrupt your ability to operate, even though your own systems remain unaffected.

The consequences can include:

- Inability to access critical systems or data
- Business interruption and lost revenue
- Theft or exposure of sensitive information
- Fraud involving payments or banking details
- Regulatory and privacy obligations
- Reputational damage and loss of customer confidence

For many businesses, the greatest exposure is not the technology itself. It is the operational disruption that follows when people can no longer do their jobs.

AI is changing the cyber landscape

Artificial intelligence is creating significant opportunities for organisations, but it is also changing the tools available to cyber criminals.

Attackers can now use AI to:

- Create increasingly convincing phishing emails
- Generate highly personalised social engineering attacks
- Produce realistic deepfake audio and video content
- Automate research and targeting activities
- Increase the speed and scale of cyber campaigns

At the same time, many organisations are still working through how AI should be governed internally, creating new considerations around privacy, data security and compliance.

Cyber risk is no longer simply about protecting systems. It is increasingly about managing how technology, people and information interact across the organisation.

Who would help if something happened?

One of the most overlooked aspects of cyber insurance is that it often provides access to specialist support when a business needs it most.

When a serious cyber event occurs, organisations may require immediate assistance from forensic investigators, legal advisers, privacy specialists, ransomware negotiators, crisis communication experts and data recovery professionals.

Access to specialist response teams can often be just as valuable as the financial protection provided by the policy itself, helping businesses contain incidents, make informed decisions and return to normal operations more quickly.

A market moving in two directions

The cyber insurance market and the cyber threat landscape are currently moving in opposite directions.

Cyber incidents continue to challenge businesses of every size, while insurers remain highly competitive.

Increased capacity in the insurance market and stronger cyber controls have helped create more favourable conditions for purchasing cyber insurance.

As a result, the cost of cyber insurance has reduced for many businesses, even as the potential financial and operational impact of a cyber incident continues to grow.

Why the current market creates an opportunity

Favourable market conditions create an opportunity for businesses to do more than simply renew an existing policy.

For organisations that already purchase cyber insurance, now may be an appropriate time to review:

- Coverage limits
- Business interruption settings
- Incident response services
- Policy wording
- Third-party and supply-chain exposures
- Emerging risks associated with AI and technology adoption

For organisations that have never considered cyber insurance before, today's market may provide an opportunity to explore whether cover is more accessible and affordable than expected.

Looking ahead

Cyber incidents are no longer only a technology problem or a large-company problem.

The encouraging news is that cyber insurance remains competitively priced, providing businesses with an opportunity to access specialist support and financial protection before an incident occurs.

The organisations that benefit most from current market conditions are unlikely to be those that focus solely on premium savings. They will be the organisations that use this opportunity to better understand their exposure, strengthen resilience and ensure they are prepared if the unexpected occurs.

How Rothbury can help



Cyber insurance is not simply about purchasing a policy.

Rothbury works with businesses to understand operational dependencies, identify key cyber exposures, review existing insurance arrangements and access appropriate protection and specialist support.

Whether you already have cyber insurance in place or are considering it for the first time, a conversation with your Rothbury broker may help you better understand your exposure and the options available in today's market.

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