Gallagher

Technology Insurance Market Report

H2 2026



Executive Summary

As organizations enter the second half of 2026, many technology companies continue to benefit from competitive insurance market conditions across several lines of coverage. Ample capacity, continued carrier participation, and generally stable underwriting conditions have supported favorable renewal outcomes for many organizations. At the same time, insurers continue to evaluate emerging risks such as artificial intelligence (AI), cyber aggregation exposures, privacy litigation, and third-party technology dependencies as part of the underwriting process.

Key Takeaways

Competitive market conditions continue across many coverage lines: Many technology companies continue to experience stable or improved renewal outcomes across Cyber, Technology Errors & Omissions (Tech E&O), Directors & Officers (D&O), and several Property & Casualty coverages. Underwriters remain focused on cybersecurity controls, AI governance, privacy practices, and third-party risk management.

Claims activity highlights emerging areas of focus: While ransomware frequency has moderated, severity continues to increase, with average global ransomware claims rising to approximately $713,000, up from $374,000 the prior year. Privacy litigation continues to gain momentum, including a 43% increase in website tracking and pixel-related claims.

Property and Casualty conditions remain generally stable: Many technology organizations continue to experience stable Property & Casualty renewal conditions supported by ongoing carrier competition. However, results may vary based on an organization's exposure profile, loss experience, vehicle fleets and excess liability requirements.

Management Liability remains competitive: Many technology companies continue to experience competitive conditions within the D&O marketplace. Employment Practices Liability (EPL) remains an area of greater underwriting focus, particularly for organizations with significant employee concentrations in jurisdictions that experience higher levels of employment-related litigation.

Opportunity to review risk financing strategies: Organizations may wish to use current market conditions as an opportunity to evaluate coverage limits, review program structure, and assess whether existing insurance strategies align with business operations and emerging risks.

Technology Insurance Market Snapshot

Coverage Line	Rate Trend*
Tech E&O/Cyber	Flat to Down 5%
D&O	Flat to Down 10-15%
EPL	Stable
Property	Flat to Down 5%
Umbrella	Mixed
Auto	Increasing

* Pricing trends reflect Gallagher's analysis of technology client renewal and placement activity during the reporting period and may vary based on an organization's risk profile, loss experience, and underwriting considerations.

Technology Sector and Risk Environment

Technology companies continue to operate in an environment shaped by rapid innovation, changing regulatory requirements and increasing reliance on interconnected digital ecosystems. As organizations adopt new technologies and expand their operations, many are evaluating how emerging risks may affect governance, privacy, security, compliance, and business continuity.

Artificial intelligence continues to be an important area of focus across the technology sector. While AI may create opportunities to improve efficiency, enhance products, and support growth, organizations are also evaluating issues related to governance, intellectual property, data management, security, and regulatory compliance.

Many technology organizations continue to identify cybersecurity as a significant business risk. Ransomware events, business email compromise, privacy-related claims, and technology service interruptions remain areas of focus for risk managers, business leaders, and insurers alike.

As organizations increasingly rely on shared cloud infrastructure and third-party technology providers, insurers are also paying closer attention to how disruptions may affect multiple organizations at the same time.

Third-Party and Cloud Dependency Risk

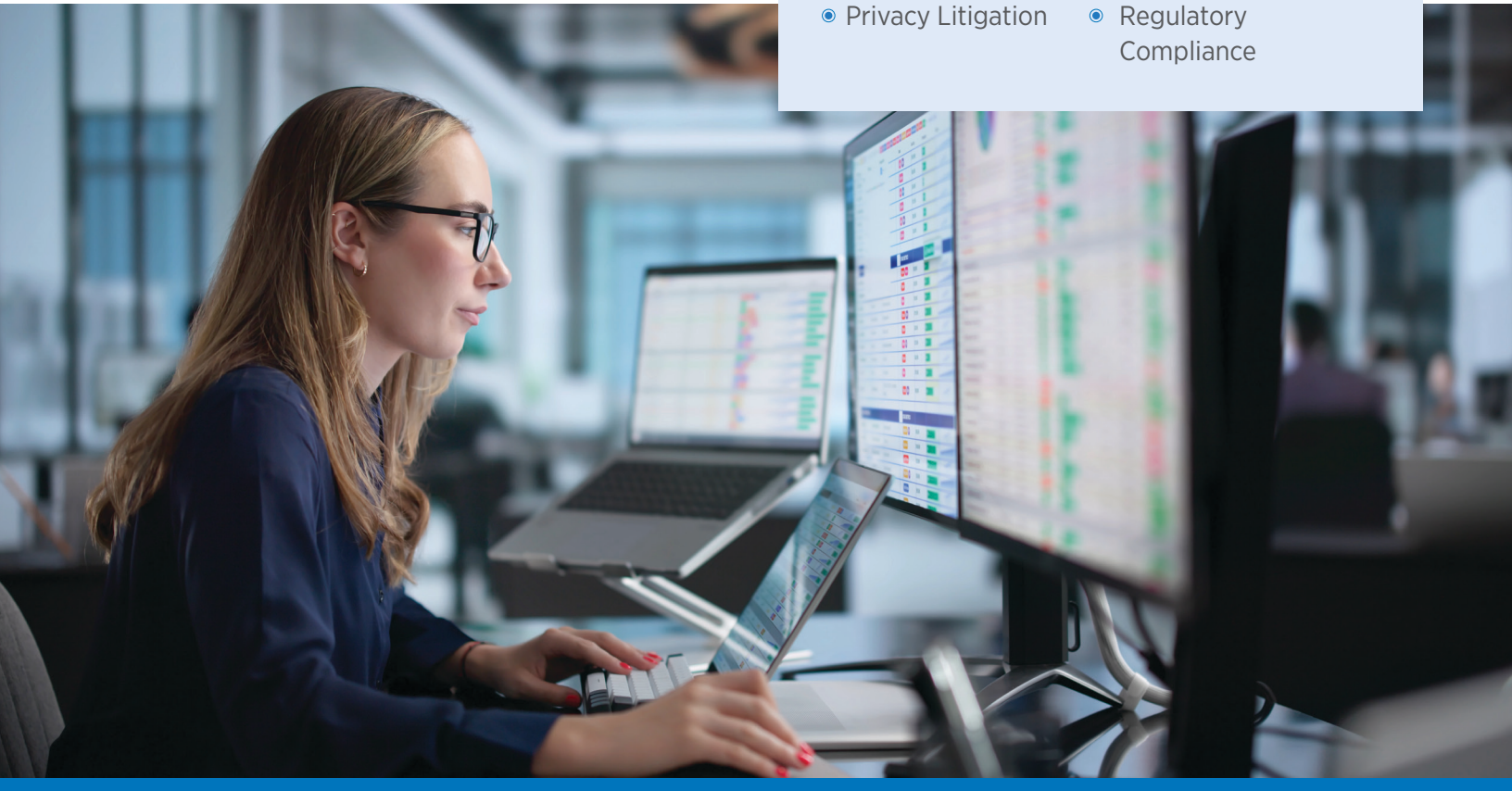
Many technology organizations rely on a relatively small ecosystem of cloud providers, infrastructure partners, SaaS vendors and cybersecurity service providers to support critical operations. As a result, a disruption affecting one provider may have broader implications across multiple organizations.

Approximately two-thirds of large organizations identify third-party risk as their greatest cyber exposure, reinforcing insurer concerns regarding vendor dependencies and systemic events.[1] Underwriters increasingly evaluate vendor management practices, dependency mapping and contingency planning during the renewal process.

Organizations are also navigating a changing regulatory environment as privacy requirements, cybersecurity disclosure expectations and AI governance initiatives continue to develop across multiple jurisdictions.

Top Technology Risk Drivers

- Cybersecurity
- AI Governance and Liability
- Privacy Litigation
- Vendor and Cloud Dependency
- Business Interruption
- Regulatory Compliance





Key Trends Across the Insurance Market

Many technology organizations continue to experience competitive insurance market conditions as they enter the second half of 2026. Carrier participation remains broad across many technology-focused insurance lines, while underwriting results continue to vary based on an organization's risk profile, claims history, cybersecurity maturity and operational characteristics.

Capacity and Pricing

Capacity remains widely available across many technology-focused professional and management liability lines. Numerous organizations continue to experience flat renewals or modest premium reductions, particularly when supported by favorable loss experience and strong risk controls. Actual renewal outcomes continue to vary by organization and exposure profile.

Organizations with significant claims activity, elevated cybersecurity concerns, payment processing operations, healthcare technology exposures or more complex AI-related activities may experience greater underwriting scrutiny during the renewal process.

Carrier Focus

Many insurers continue to pursue growth opportunities within the technology sector while maintaining underwriting discipline. Common areas of focus include cybersecurity controls, third-party dependencies, contractual risk transfer provisions, operational resilience and governance practices. Coverage enhancements and service capabilities continue to be areas of differentiation among competing carriers.

Property and Casualty Market

The Property & Casualty market remains generally favorable for technology companies. Strong carrier profitability and increased competition continue to support stable pricing and enhanced underwriting flexibility.

Insurers remain eager to deploy capacity for technology organizations with strong risk controls and favorable loss experience. At the same time, underwriters continue to evaluate emerging exposures involving technology-enabled products, intellectual property concerns and business interruption risk.

Commercial auto remains challenging, with many carriers reporting loss ratios exceeding 100%, driven by inflation and increasing claims severity.[2] Umbrella capacity has also become more difficult to secure in certain segments as some carriers reduce primary participation.

Implications for Clients

Current market conditions may provide an opportunity for technology organizations to review coverage structures, evaluate casualty program design and assess contractual risk transfer strategies. Depending on their risk profile, loss experience and business objectives, some organizations may also wish to explore whether existing coverage limits and program structures continue to align with their evolving exposures.

Tech E&O/Cyber Insurance Market

Market Conditions

The Cyber and Tech E&O market continues to favor buyers. Pricing has largely returned to pre-hard market levels, capacity remains abundant, and coverage enhancements continue to be readily available.

Standalone cyber pricing continued to decrease during 2025, while Tech E&O pricing generally ranged between flat and down 5%. However, the pace of rate reductions is slowing. The 2024 US cyber loss ratio increased to 48.9%, up from 40.7% in 2023[3], while reported Cyber and Tech E&O incidents continued to increase. As a result, insurers are increasingly competing through broader coverage and multiyear structures rather than pricing concessions alone.

Claims and Loss Trends

Cyber claims activity continues to highlight the importance of cybersecurity preparedness across the technology sector. Industry loss data has drawn attention to ransomware severity, privacy-related litigation, and incidents involving third-party service providers and software vendors. These trends continue to influence underwriting discussions and risk assessments across the market.

Privacy-related claims remain an area of focus for many organizations as regulatory requirements evolve and litigation activity continues across a variety of industries. At the same time, insurers continue to monitor risks associated with vendor dependencies, business interruption events and technology service disruptions that can affect multiple organizations simultaneously.

Rather than indicating a shift in overall market conditions, these developments underscore the importance of strong governance, incident response planning and ongoing risk management practices.

Underwriting Focus

Current underwriting discussions often include discussions related to:

- Multifactor authentication (MFA)
- Endpoint detection and response (EDR)
- Backup and recovery procedures
- Vendor risk management
- Privacy governance practices
- Incident response preparedness
- AI governance and oversight

Organizations that can clearly demonstrate their risk management practices and operational controls are often able to support more productive underwriting discussions.

Implications for Clients

Technology companies should view today's market as an opportunity to strengthen their programs rather than simply reduce costs. Many organizations may still be underinsured relative to current loss trends and claim severity.

Cyber Claims Trends (2023-2026)[3]

- Cyber incidents: +38%
- Cyber loss ratio: 40.7% → 48.9%
- Average ransomware severity: $374K → $713K





Executive Liability (D&O, EPL, Fiduciary)

Management Liability conditions remain highly competitive within the technology sector. Many organizations continue to experience flat renewals and, in some cases, premium reductions of approximately 10-15% year-over-year.

Employment Practices Liability remains an area of closer underwriting attention for many insurers. Organizations with complex workforce exposures, operations across multiple jurisdictions or changing employment practices may encounter additional underwriting review. Common areas of focus include workplace policies, employee training, complaint management procedures, and broader governance practices related to workforce management and compliance.

Additional factors influencing underwriting decisions include:

- Geographic footprint
- Board composition and turnover
- Financial performance
- Funding activity
- International operations
- AI-focused business models
- Cryptocurrency and Web3 exposures

Implications for Clients

Organizations facing geographic or industry-specific challenges may consider alternative market strategies and specialized carriers to improve pricing, reduce retentions, and address difficult-to-place exposures.

Strategic Implications for Technology Companies

The current insurance market presents a valuable opportunity for technology organizations to strengthen risk financing strategies while supporting growth and innovation.

Strengthen Coverage

- Reevaluate coverage limits
- Review historical coverage gaps
- Benchmark program structures
- Secure coverage enhancements while pricing remains favorable

Improve Governance

- Review AI governance frameworks
- Assess privacy and regulatory exposures
- Strengthen board oversight and compliance practices

Increase Operational Resilience

- Enhance cybersecurity controls
- Improve vendor management
- Review business continuity and incident response plans

Organizations that align insurance strategy with operational risk management are most likely to achieve favorable underwriting outcomes both now and into the future.

EPL Exposure Hot Spot Map

- California
- Texas
- New York
- Florida



Outlook for 2026-2027

Based on current market conditions, the technology insurance market appears likely to remain generally favorable into 2027, supported by abundant capacity, strong competition among carriers and generally stable loss performance across technology-focused insurance lines. Most organizations should continue to benefit from flat renewals or modest pricing reductions if they maintain strong risk controls and favorable claims experience.

Current market conditions may provide an opportunity for organizations to review their insurance programs in the context of broader business objectives and changing risk exposures. Organizations that regularly assess coverage strategies, strengthen risk management practices and maintain open dialogue with underwriting partners are often better positioned for productive renewal discussions.

Key Areas to Watch

1. Artificial Intelligence Risk
2. Cyber Aggregation Exposure
3. Privacy Litigation
4. Regulatory Developments
5. Management Liability Trends
6. Underwriting Selectivity

Sources

Pricing trends reflect Gallagher's analysis of technology client renewal and placement activity during the reporting period and may vary based on an organization's risk profile, loss experience, and underwriting considerations.

[1]World Economic Forum. Global Cybersecurity Outlook 2026.

[2]Insurance Business America. "Commercial Auto Insurance Faces 13th Year of Losses." 2025.

[3]National Association of Insurance Commissioners. 2025 Cybersecurity Insurance Report. 2025.

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