

Cyber insurance now a necessity

With online transactions increasing, the risk from cybercrimes has grown multifold

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With the lockdown rendering face-to-face business transactions impossible, reliance on the online medium has increased multi-fold. The risk of falling prey to cybercrimes has also risen proportionately. But cyber insurance can protect you against online frauds, and in fact, against any loss of damage that may arise due to the unauthorised disclosure or theft of personal and financial data online.

As Prashant Mali, president and founder, Cyber Law Consulting, says: "Cyber insurance is the best risk management instrument one can buy in these times. The world is transacting its business virtually, and the only crimes that are happening are cybercrimes."

Why now: Recently, the State Bank of India issued an advisory that cautioned customers against cybercriminals. The Insurance and Regulatory Development Authority of India (Irdai) warned buyers about fraudulent websites selling insurance at discount. "The exchange of physical money has reduced and online payment methods have taken on a larger role. This has led to increased cyber

threat exposure, especially to new users, the elderly, and the less tech-savvy," said TA Ramalingam, chief technical officer, Bajaj Allianz General Insurance. He adds that with more people using social media and online platforms, incidents of malware attacks have increased.

What it covers: Two types of policies exist—corporate and individual. They protect users from

online breaches on all internet-connected gadgets. Check a policy's list of inclusions. Some of the key things that are covered include unauthorised online transactions, phishing and email spoofing, damage to e-reputation, identity

theft, cyberbullying, e-extortion, cyberstalking, IT theft/loss, media liability claims, privacy and data breach by a third party, etc.

Some players offer a few additional features. "It also provides coverage for expenses incurred on counselling services that may be needed due to the stress or anxiety that the victim may experience," says Ramalingam. Similarly, HDFC Ergo covers legal expenses.

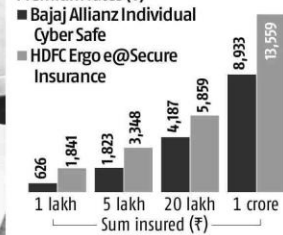
Individual policies usually cover all the devices that an insured

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operates. This also includes bank accounts, debit and credit cards, as well as e-wallets. Family covers secure the person, his spouse, and two dependent children (regardless of age).

What's excluded: Check a policy's list of exclusions before opting for it. One policy may cover malware attack primarily while another may have it as an add-on cover. By and large, the key exclusions are dishonest and improper conduct, bodily injury or property damage, unsolicited communication, unauthorised collection of data, immoral/obscene services, to name a few.

These policies come with sub-limits. A claim for phishing or

social media cover, for instance, could be restricted to 10 or 20 per cent of the total sum insured. The total sum insured can range from ₹1 lakh to ₹1 crore. These policies cover losses incurred due to online frauds and crimes worldwide.

Cyber insurance is not enough: "Adopt a threat protection programme to prevent your email or data from being compromised, and back up your data regularly so that you are able to continue doing business even if you are attacked," says Murali Urs, country manager, India of Barracuda Networks. Most anti-virus home security solutions protect all your internet-connected devices for prices that can range from ₹500-10,000.