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IMPORTANCE OF CYBER INSURANCE FOR INDIVIDUALS

We live in a digital world where information is created and transmitted at a hyper speed. The various devices and applications being used in homes or at organisations have now become so integrated that it's hard to keep them separate. Thus, making it important to safeguard ourselves against the risk that digitisation brings along with it i.e. cyber threats. There has been an increase in consumption of internet on personal computers and digital devices in the recent past and even more so, post-demonetisation and now during this lockdown period due to COVID-19 pandemic thereby exposing more people to greater cyber risks.

Post the lockdown, more individuals are using digital means to process payments. With social distancing, the exchange of physical

money has reduced even further as online methods of payment are taking on a much larger role. This leads to an increased cyber threat exposure, especially to new users, the elderly or less tech savvy.

With an increase in social media users, there has been an increase in cyber-attacks including spyware and ransomware, phishing e-mails, cyber stalking, etc. I have further elaborated on how cyber insurance covers individuals against cyber threats and things one needs to consider while buying such a policy.

COVERAGE:

Phishing, spear phishing and spoofing are popular ways for cyber criminals, wherein a scammer uses an authentic-looking page or email from trusted companies, to trick users into giving their personal in-

formation, like their log-in credentials, credit card, bank account details, etc. So, if a customer who falls victim to a phishing scam has a cyber-insurance cover, it will not only pay for the loss of fund, but also incur the cost of filing a criminal complaint and pursuing legal action against the culprit once found. We have also seen increasing



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cases of 'identity theft' and hacking of individuals' social media accounts to post malicious information defaming the individual or a third party which can cause immense reputational damage and attract legal liability. This data can be misused to transfer the

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funds from your account or your personal photographs, emails, texts etc. A cyber insur-

ance cover in such cases, helps you pay the cost of filing a criminal complaint or pursuing legal action against the culprit or defending yourself against a legal suit.

THINGS TO KEEP IN MIND

While opting for a cyber-insurance cover, it is advisable for individuals to match the policy coverage with their needs and select the sum insured according to their exposure. Their exposure will be based on factors like their presence on social media, their public image i.e. if they are a public figure or not and their financial status. These factors will play a major role in deciding the limit for the cover they should buy. It is critical

to check the coverage and exclusion section of the policy to ensure that their needs are being met by the policy. Some of the common exclusions under such policies are dishonest and improper conduct, bodily injury/property damage, unsolicited communication, unauthorized collection of data, immoral/obscene services.

Internet has certainly made our lives easier, but it has also made everything a lot more risky for individuals. Considering the nature of risk that digitisation poses to individuals, an appropriate cyber insurance cover is the need of the hour. These policies are quite expensive and provide you comprehensive coverage against cyber threats.

(The writer is the Chief Technical Officer of Bajaj Allianz General Insurance)