

[COVID-19 gives a leg up to individual cyber insurance](#)

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Nidhi Razdan, a former high-profile anchor of NDTV surprised everyone when she revealed through her twitter handle recently that she had fallen prey to a ‘phishing attack’ which offered her appointment as an Associate Professor at Harvard University in June 2020.

Surprisingly, it took her eight months to know that it was a spear phishing attack targeted at individuals to extract their personal information and, in most cases, money.

“In fact, the entire process to ‘hire’ me, my ‘appointment’ to Harvard was all part of an elaborate and sophisticated phishing attack to access my bank account, personal data, my emails, my medical records, passport and my devices like my computer and my phone,” Razdan has revealed.

Razdan may be the most well-known case of phishing in recent times, but she is not the only one. Cyber risks have accelerated by as much as 500 percent since the first lockdown was imposed in India in March 2020. As work and education moved online, the number of cyber-attacks has gone up too, prompting people to protect themselves through cyber insurance.

Sanjay Datta, Head, Underwriting & Claims at ICICI Lombard, says the sale of retail cyber insurance as a product has finally begun.

“With the growing awareness of cyber frauds, we are seeing more and more queries from individuals to go for the cover,” Datta says.

Cyber liability, the premium for which is calculated at 1-2 percent of the sum assured, also covers cyber bullying and the money required to restore the software post hacking.

Cyber cover for individuals

Cybercriminals are targeting both corporates and individuals as the cybercrime ecosystem is maturing at a rapid pace. As per the Indian Computer Emergency Response Team (CERT-In), the total number of cyber security incidents went up from 49,455 in 2015 to 50,362 in 2016 and jumped to 53,081 in 2017. The data was shared by IT Minister Ravi Shankar Prasad in a written reply to Rajya Sabha.

What also lends urgency to individual cyber insurance is the rising number of digital transactions, especially in the wake of the Coronavirus pandemic.

The counter parties are almost invisible and unidentifiable and identity frauds and impersonations are on the rise for both individuals and corporates.

“Building cyber resiliency has become the priority of boards globally. Cyber compliance is a tedious task with the fast-changing regulations across the globe,” Prabodh Thakker, chairman, Global Insurance Brokers, said.

Cyber insurance has become a proactive cyber risk management measure for companies and individuals. It provides sufficient peace of mind and indemnity. Customised cyber insurance policy is required to address this evolving exposure, he added.

Bajaj Allianz also offers Individual Cyber Safe policy, which covers financial loss resulting from being a victim of a ransom-ware attack or cyber extortion, IT theft loss, E-Mail Spoofing and Phishing. It also covers losses and expenses related to defence and prosecution costs related to identity theft and cyber stalking, restoration cost to retrieve or reinstall data or computer programme damaged by entry of the Malware.

“At Bajaj Allianz General Insurance, we have seen an increase in inquiries, which clearly shows that people are taking interest in this policy. Although, the conversions are not nearly in proportion to the inquiries,” says TA Ramalingam, chief technical officer, Bajaj Allianz General Insurance.

The premium for Bajaj Allianz Individual Cyber Safe policy ranges from Rs 662 to Rs 8,933 (excluding GST). This policy has 10 pre-decided plans from which a customer can choose and the sum insured ranges from Rs 1 lakh to Rs1 crore.

The premium is determined based on the plan opted and is same across all ages irrespective of the number of digital devices the policy buyer owns.

In October 2020, the insurance regulator, Insurance Regulatory Development Authority of India (IRDAI) had set up a committee to explore possibility of a basic standard product structure to provide insurance cover for individuals and establishments to manage their cyber risks. According to the committee report while the current cyber policies address the requirement of the individuals reasonably well but there are some areas the product features and processes which need improvement.

Recommendations made to fill in the gaps include the need for flexibility in the insistence of a First Information Report (FIR) at the time of claims, clarity in exclusion language relating to compliance with reasonable practices and precautions, targeted intrusion, unsolicited communication and the need for coverage for bricking costs etc.

For a cover that's costs as less as Rs600, it might be relevant to add it to your financial kitty to brace yourself against the ever-evolving cyber threats.

(Kumud Das is a Pune-based teacher and freelance journalist. He writes on insurance, banking and subjects of human interest)