

# Corporates, small biz rush to up cyber insurance cover limit

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**Chennai:** Working from home is exposing systems and networks to cyber attacks as companies rush in to write more for cyber insurance.

Tata AIG General Insurance has sold 14 cyber insurance policies with sum assured from ₹5 crore onwards in April, 2020, double of what they sold last April. "Besides large IT companies, we see growing demand for cyber insurance policies from smaller companies and mini-factories who see the need to get covered against cyberattacks now. More customers request for coverage on their employee's laptop (under bring your own device) and third-party service providers as organizations move their IT applications and databases to cloud platforms. We also see requests to increase the limit of cyber cover, like one of our clients, a large IT company has increased its limit from \$50 million to \$75 million as they fear higher risk," its deputy VP, Najm Bilgrami said.

Cyber Insurance policies offer protection for both individual and corporate customers, with a sum assured ranging from ₹50,000 to ₹5 crore. The cover protects against the loss of sensitive personal and corporate information caused by theft or altering of data, virus or malware, denial of service, and also reputational damage in terms of both the reputation of the busi-



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ness and that of the senior executives. It also covers policyholders from law suits and also losses arising out of virus attacks.

Bajaj Allianz General Insurance has also seen a 20% increase from the average monthly sales of cyber insurance policies compared to the previous year. Its chief technical officer TA Ramalingam said "With the rising number of cyberattacks reported across sectors, we see uptake in demand among companies from the ITES sector: with higher exposure due to lockdown. Enquiries have increased by 50%, with 20% higher conversion rate compared to FY19."

With IT companies requesting to increase the limit of coverage, insurers also fear higher risk. Ramalingam said "Unlike motor insurance where the higher frequency of claims is an issue, whereas it is based on severity of the issue for cyber insurance. One large claim can wipe out the entire profit made in a year. This leads to revision in pre-

mium price by 10%-20%, as the risk exposure has increased and expected to further go up in 2020." Bajaj Allianz General Insurance reports loss claim ratio for cyber insurance products at less than 50% in FY20, with renewal of cyber insurance policy at 95%. ICICI Lombard General Insurance has registered a 30% growth in the number of policies underwritten in the last few months. Sanjay Datta, chief — underwriting, at the insurer said "Enquiries on cyber insurance covers were driven by BFSI & IT/ITES companies, while we see traction from companies in the hospitality, educational, manufacturing sectors, including SMEs." It has also recently launched a retail cyber insurance policy which provides coverage to the entire family, including children for a duration of one year. The premium ranges from ₹2,300-₹24,000 per year; with a sum insured between the range of ₹50,000-₹1 crore, as opted by the policyholder.