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[Why individuals should have cyber insurance cover? 5 things to know](#)

In this day and age, insurance cover against the risk of cybercrime could be a necessity.

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A few years ago, our biggest risk was the cash in the wallet. Having being pick pocketed or protecting gold kept in the home were our main concerns. However, today we are living in a digital world with perpetual fear that our banking details and data stored online could get stolen, hacked, damaged or erased. The biggest nightmare that an individual can wake up to is to see an unauthorised debit in their bank account and realise that they are a victim of an online fraud.

Sasikumar Adidamu, Chief Technical Officer, Bajaj Allianz General Insurance told Moneycontrol that in today's digital world, the amount of personal data being generated, transmitted, and stored on to various digital devices is growing. "The critical nature of this data and the complexity of the systems that support its transmission and use have created a gamut of cyber risks. Therefore, the major worry for everyone today is not if their physical wallet is pickpocketed, but whether the latest download on their Smartphone or laptop is a bait for a digital hacker who may secure access to their hard-earned money which they may lose in a matter of minutes," he said.

This insurance cover will provide customers with a comprehensive protection against various cyber risks. Here are some of them:

Online Banking frauds

Apart from large corporates, individuals too face a lot of cyber risks such as cybercrime, including loss of funds to online fraud, identity theft, cyberstalking, phishing, cyber extortion and malware attack. A majority of banking transactions today are conducted online with a lot of personal information also being available online and on social media websites which can be used by hackers. While taking into account all the risk factors that individuals currently face in their everyday lives, a comprehensive cyber insurance cover that can provide protection against these risks is the need of the hour.

Phishing mailers

Phishing has increasingly become a popular way for cybercriminals, wherein a scammer uses an authentic-looking page or email from trusted companies, such as online payment firms, to trick users into giving out their personal information, such as log-in credentials, credit card and bank account details, personal identification ID details, and other important personal information. Therefore, if the 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 against the culprit once found. Also in cases of cyber extortion, the insurance company will pay all the costs of hiring a specialised consultant to mitigate and minimise the loss.

Adidamu said spear phishing or the act of sending a malicious file or link through a seemingly innocuous message, via social media accounts is quite common today. There have also been increasing cases of 'identity theft' and hacking of individuals' social media accounts to post malicious information defaming the individual which can cause immense reputational damage. "This data can be misused to transfer the funds from your account or your personal photographs, emails, texts etc. A cyber insurance cover will pay the cost of filing a criminal complaint against the culprit," he said.

IT Theft Loss

The recent worldwide 'WannaCry' ransomware attack has served as a wakeup call for all of us on the new age risks that enterprises and individuals face in the modern digital era. From government institutions to temple trusts, hospitals and large enterprises, the ransomware threatened each one of us.

Adidamu said WannaCry's virulent attack managed to cripple over 2 lakh computers in over 150 countries. The attack clearly showed that Asia is particularly vulnerable to such attacks. "Moscow-based Kaspersky Labs found India to be among the worst hit by the malware, and Indian IT security firm QuickHeal also revealed that over 48,000 systems in the country were found infected," he added.

Malware attacks

In cases of malware disruption which damages access to the computer, cyber insurance will pay the cost of restoration of the computer system, software and data. "The insurance company will also pay the policyholder the legal fees to defend the policyholder in the court of law if any third party files a suit against the policyholder for their loss of data," said Adidamu.

Cyber extortion loss

A comprehensive cyber insurance plan will also provide coverage for expenses incurred on Counselling Services treatment, claim for Damages Against Third Party for Privacy Breach and Data Breach, Cyber Extortion Loss and transportation for attending Court summons.

While the internet has made our life easier, it has also made everything a lot more risky for individuals. In this day and age insurance covers against pickpockets do not help when the bigger risk is of cybercrime.