

As cyber crimes rise, insurers bat for individuals to opt for risk cover

Swati.Rathor
@timesgroup.com

Hyderabad: Cybercrime is set to cost the world \$6 trillion annually by 2021, up from \$3 trillion in 2015, suggest industry estimates. Wanna cry? Insurance companies say it may be better to get a personal cyber insurance instead.

While cyber insurance policies for corporates have been around for over five years now and companies across sectors such as automobile and pharma have latched on to it to shield themselves against cybercrime, personal cybercrime insurance products came into the market only in the last two years with three private general insurance players offering such policies to individuals.

"Cyber risk is an emerging risk. What is unique about it is that the risk is not a segregated one. For example, if you lose a vehicle, the loss is purely yours and the

company to which the vehicle belongs is in no way impacted. However, in the cyber world, risks travel from individuals to corporates and vice versa. It is interlinked. So, in such a case it is important to protect both," Sanjay Datta, chief (underwriting and claims), ICICI Lombard General Insurance said.

In March this year, ICICI Lombard along with digital payments solution provider Mobikwik launched a cyber insurance cover with a sum insured of Rs 50,000 at Rs 99 a month. The company has already sold over 15,000 policies till now.

Bajaj Allianz General Insurance chief technical offi-

cer (CTO) Sasikumar Adidamu said one of the challenges in the individual cyber insurance segment is that there are no set guidelines for assessing risk.

"There could be a 20-year old spending eight hours on a study app and there could be a grown-up spending the same amount of time on a banking app. Adequate data is not available to analyse trends which can lead to correct risk assessment for individuals," he explained.

In the absence of such data, the basic information that insurers tend to collect includes the number and kind of devices one uses, whether one uses anti-virus or not and the amount of time one spends browsing net, he explained.

Bajaj Allianz General Insurance was the first in the country to launch a cyber liability cover for individuals in November 2017 and covered risks such as identity theft, malware attack, IT theft loss, phishing, e-mail spoofing, cyber extortion, cyber stalking. The sum insured for the cover ranged from Rs 1 lakh to Rs 1 crore for premiums ranging from Rs 650 to Rs 8,950.

Anurag Rastogi, chief actuary and chief underwriting officer, HDFC ERGO General Insurance, pointed out that companies are taking cognizance of the emerging cyber risks and creating products to safeguard individuals. "But, there exists a huge gap in the form of optimism bias, which means that individuals feel they will continue to remain uncathed by cyber attacks. Hence, the onus lies on insurance players to create more awareness about the rising threat of security in the virtual space," he said.

