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Product Review



Are you a victim of cyberstalking?

Cyber Safe Insurance from Bajaj Allianz offers protection only against some risks

ISTOCK.COM/DXIJIAN

BAVADHARINI KS

Bajaj Allianz, has launched a cyber protection product for individuals – Cyber Safe Insurance.

Given that Twitter, Facebook and banks' payment platform continue to raise questions on data security, individuals are under constant pressure to protect their data.

Recently, Aadhaar has also joined the data leak scare. Cyber Safe Insurance looks welcoming on the face of it, but there are precautions one must take.

About the product

The product offers covers with the sum insured varying between ₹1 lakh and ₹1 crore. The annual premium, excluding tax, ranges from ₹662-8,993.

This policy is available for those aged 18 and above. It covers ten types of risks in-

cluding identity theft, cyberstalking, IT theft, malware, phishing, e-mail spoofing, cyber extortion and data and privacy breach by third party.

The coverage of the policy is for one year. You will have to renew the policy if you want to stay protected.

The policyholder is compensated for financial loss, if any, in case of phishing (an attempt to obtain sensitive information such as user names, passwords, and credit-card details, often by masquerading as a trustworthy entity through electronic communication), e-mail spoofing (sending emails to mislead the recipient) and IT theft (funds wrongfully or erroneously paid by the insured as a direct result of an IT theft).

However, if it is identity theft, social media theft (any form of electronic communication through online com-

munities to share information, ideas, personal messages, and other contents) and damage to the computer's OS through malware, the policy will compensate the insured for costs incurred owing to prosecution of a criminal case.

Note that in case of malware attack (software designed to disrupt, damage, alter or gain unauthorised access to a computer), the costs incurred for restoration of computer system will also be covered.

The policy limits the liability to a maximum of 25 per cent of the sum insured under phishing and IT theft, to a maximum of 15 per cent in the case of e-mail spoofing and 10 per cent in all other cases.

The policy also additionally covers expenses on hiring services of a IT consultant. It also pays for medical counselling, if you need one.

The policy states that reasonable precautions need to be taken by the policyholder to avoid cyber attack.

Things to note

For instance, updating virus protection from time to time as per the instructions of the software provider, maintenance of back-up of all the valuable data stored in the system need to be done from the policyholder's end regularly.

Similarly, best practices of security to prevent data breach, that is, steps to strengthen password, change password regularly and use two-factor authentications as recommended by various service providers, such as social media, banks and government authorities, need to be implemented by the policyholder.

The policy excludes from cover any dishonest or deliberate act or omission of duty

or violation of law by an individual. It will also not cover cyber attacks that an individual was subject to, prior to taking the policy.

Our take

When your data is stolen, there are high chances that you will face all threats at one go – financial theft, identity theft, data and privacy breach and cyber extortion.

But the policyholder, under Cyber Safe Insurance, can make claim for only one cover at a time. Further, the financial loss in such a situation will be covered only under phishing, e-mail spoofing and IT theft loss.

For others, only prosecution charges will be covered. Since this is a one-of-a-kind policy and the product will evolve over a period of time, it is unclear as of now, on how useful the cover for prosecution charges is, given that you are up against a faceless individual or group.

Further, not many individuals keep the systems or the applications up-to-date due to various reasons such as lack of awareness, storage space or change in privacy settings.

The other problem is also the loose definition of the different covers under the policy which can result in a dispute between the policyholder and the company. Say, for instance, between IT theft and malware.

While in both the cases there is damage to the insured's computer system, in the former, it is a third party's targeted intrusion where the policyholder gets financial compensation, but in the latter, it is a computer programme received and downloaded by the insured's computer, where the policyholder can't claim for financial loss.



Downside

- There are chances that you will face all threats at one go
- Financial loss is not covered under all situations
- Lack of clarity in the definition of cyber threats

IT theft

A third party's targeted cyber intrusion into the insured's computer system, resulting in fraudulent and unauthorised access or alteration of data