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[BT Insight: Worried about online frauds? Stay protected with cyber insurance](#)

A cyber insurance policy protects you against identity theft, cyber bullying, cyber stalking, phishing scams and email spoofing and malware attack

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Cyber insurance: To make claim, you need to inform the insurer within 90 days of the cyber fraud

A Noida-based engineer placed an order for liquor online by clicking on an ad, but to his dismay not just did the liquor never arrive but he also did not get his money back. One person received a mail to donate some amount to PM Cares Fund. He did, but it was a hoax. Similar frauds have happened under the guise of EMI moratorium and free COVID tests. Also, there is no end to phishing attacks and fraud in ATM withdrawals either. With work from home becoming a norm, the chances of cyber threats are even.

Being alert and securing your passwords can protect you to an extent, but how do you mitigate financial loss in case you do fall a victim? Cyber insurance policy is the answer.

"We have seen an increased interest in the policy and enquiries have gone up. Sales have increased too, but not as much as enquiries did," says TA Ramalingam, Chief Technical Officer, Bajaj Allianz General Insurance.

While cyber insurance policies are still popular at organisation level, adoption among individuals has been quite low. In fact, there are only two insurers - Bajaj Allianz General Insurance and HDFC ERGO General Insurance - which offer cyber insurance to individuals.

Anurag Rastogi, Chief Actuary & Chief Underwriting Officer, HDFC ERGO General Insurance says coronavirus pandemic has acted as a wake-up call for many individuals to opt for cyber insurance. "A few corporates are also considering individual cyber insurance policies for their employees' security and welfare, since many are working from home during this lockdown," he says.

HOW CYBER INSURANCE WORKS

- Protects you financially against unauthorised online financial transactions, e-extortion, media and social media liability
- Provides cover against identity theft, cyber bullying, cyber stalking, phishing scams and email spoofing and malware attack
- Helps you in case of breaches like IT theft loss, privacy & data breach by third party, restoration cost and defence cost
- The premium does not depend upon your age as the policy typically comes with standard rate for everyone
- For a cover of ₹5 lakh and ₹10 lakh, premiums range anywhere between ₹1,200-2,000
- There are many exclusions which you must understand before buying the policy
- To make claim, you need to inform the insurer within 90 days of the cyber fraud



What does a cyber insurance policy cover?

A cyber insurance policy protects you against cyber threats such as unauthorised online financial transactions, e-extortion, media and social media liability, identity theft, cyber bullying, cyber stalking, phishing scams and email spoofing, malware attack, IT theft loss, privacy & data breach by third party, restoration cost and defence cost.

So, if you have faced financial loss due to unauthorised access of your bank/debit or credit card, someone has leaked harmful information about you online or hacked your mail or system to steal confidential information, these will be covered under a cyber insurance policy. Bajaj Allianz provides coverage for expenses incurred on counselling services that you may require due to stress or anxiety as a victim of a

cyber-attack. If a court case happens, the policy will cover transportation for attending court summons, and unearned wages if prosecuting a criminal case covered under the policy.

HDFC ERGO policy has a special feature under which you can cover your family members (spouse and two dependent children with no age limit) as well. "Our E@secure policy is device agnostic and offers worldwide coverage," says Rastogi of HDFC ERGO.

Policy coverage and premium

Unlike health or life insurance policies, the premium does not depend on your age or your personal profile.

"The individual cyber safe product is a brochure driven over-the-counter retail product and has fixed prices which have been arrived at by means of actuarial modelling. There is no case to case underwriting involved. The rates were arrived at by analysing trends of internet usage, cyber-attacks, use of e-commerce and online banking etc. in India," explains Ramalingam of Bajaj Allianz.

The policy coverage completely depends on your usage of internet. "If someone has more online work with huge database, they should take the cover of at least Rs 20 lakh. But for individual who uses his mobile phone for netbanking and other things, they should have cover of Rs 5-10 lakh. Premiums range anywhere between Rs 1,200-2,000 for Rs 5 lakh and Rs 10 lakh cover, respectively," says Rakesh Goyal, director, Probus Insurance.

In Bajaj Allianz's cyber policy, the sum insured ranges from Rs 1 lakh to Rs 1 crore for the premium of Rs 662 to Rs 8,933 (excluding GST). Hence, the premium depends on the sum insured opted and remains same across all ages. However, enquire about sub-limits. For example, claims for e-mail spoofing, phishing and social media cover cannot exceed a fixed percentage of the sum insured.

Exclusions

When you buy a policy, make sure to take note of all exclusions, that is, all that the policy will not cover.

"A few cases where a cyber insurance will not be able to assist you include dishonest and improper conduct, bodily injury / property damage, any telephonic communication/spam/fraud, unauthorised collection of data, immoral/obscene services, online trading and loss of crypto-currency," says Naval Goel - Founder & CEO PolicyX.Com.

Needless to say any eventuality before you bought the policy will not be covered. "Our policy does not cover claims due to facts or circumstances that existed prior to the commencement of the policy. In addition, any kind of deliberate, fraudulent, illegal or malicious acts by an individual will not be covered. Further, any claim in connection with loss or damage caused by the order of any government authority too, will not be covered under the policy," says Rastogi of HDFC ERGO.

Claims process

You need to inform the insurer within 90 days of the cyber fraud. For the claims process, you need to submit forensic reports, claim form and details of the losses.

"If the claim is according to the terms and condition of the policy, claims amount will be deposited in the beneficiary account. If claims get rejected, policyholder may go for arbitration. Generally, claims are processed in a timely manner by the insurance companies and policyholders can get claims within 30 days," says Goyal of Probus Insurance.