

<b>Date:</b> 15.11.2018	<b>Publication:</b> Economictimes.com
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### [What to consider while buying a cyber insurance plan?](#)

By Sunil Dhawan, ET Online | Updated: Nov 15, 2018, 10.40 AM IST

Cyber fraud is on the rise and it has become all the more important to insure ourselves and our hard-earned money from scamsters. Most of us use personal email and carry out financial transactions not just from our personal computers and smartphones but even from office computers and public Wi-Fi. Accessing personal information from different devices exposes us to all types of risks.

A cyber insurance policy will protect us from online breaches on all gadgets that are connected to the Internet. In India, there are two such cyber insurance plans from general insurance companies - Bajaj Allianz's Individual Cyber Safe Insurance Policy and Cyber Security by HDFC ERGO.

While getting such a policy there are three important things to consider. One, what all events are covered in the plan. Second, the sub-limits. And three, which clauses represent the claim against any financial loss.

What is covered?

Look closely at the inclusions, i.e., what all is covered in the policy. Some plans will treat the inclusions as 'clauses' while others may call them the 'limit of liability'. An important element of cyber security is malware and some plans may provide it as an optional cover.

"It is important to have protection from malware threats in the form of antivirus and firewalls in place however, there can still be an attack on to the system due to a malware. Maintaining download discipline from legitimate sources would minimise malware threats," says Sasikumar Adidamu, Chief Technical Officer, Bajaj Allianz General Insurance.

A typical cyber insurance plan should cover the following. So, while choosing between the two cyber insurance policies that are available, see if these aspects are covered:

- \* A financial loss resulting from being a victim of email spoofing and phishing
- \* Fraudulent online transactions in one's bank account, debit or credit card or e-wallet
- \* Reputational liability, including claims alleging defamation and invasion of privacy
- \* Losses and expenses related to defence and prosecution cost related to identity theft
- \* Restoration cost to retrieve data or computer program damaged by entry of the malware
- \* 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.

#### **Sub-limits**

In Bajaj Allianz Individual Cyber Safe Insurance Policy there are 10 clauses, and each one has a sub-limit. For example, the claim for e-mail spoofing, phishing and social media cover will be restricted to 15 percent, 25 percent and 10 percent respectively and so on. In addition, the insurer pays for IT Consultant Services Cover cost, which is a fixed amount as per the amount of plan opted for.

Similarly, in Cyber Security by HDFC ERGO, there are sub-limits but protection from malware attacks has been kept optional, and thus will cost extra. This plan also offers a Family Cover for coverage of Rs 5 lakh and above.

### **Clauses for financial loss**

Generally, only two events, i.e., phishing and e-mail spoofing covers the financial loss. Also important to note is that if any event gives rise to a claim, one may then claim under only one of the insuring clauses per event. "In case of multiple breaches at the same time, it is up to the customer to choose one breach for which he or she decides to file the claim. At one point of time, claim for only one breach can be filed. However, there is no cap on the number of claims that can be filed in a given policy period," informs Adidamu.

### **How the policies work**

For example, if one buys Rs 5 lakh plan, the annual premium of Bajaj Allianz Individual Cyber Safe Insurance Policy is Rs 1,823 (exclusive of GST). The percentage of limit of liability will differ as per the breach, i.e., a financial loss due to phishing has a 25 percent limit while email spoofing has a 15 percent limit. So, for phishing the claim will be capped at Rs 1.25 lakh and any claim resulting from email spoofing will be restricted at Rs 75,000, despite buying the plan for Rs 5 lakh.

### **What you should do**

As a user, even if there is cyber insurance, take adequate precaution. The circumstances leading up to the cyber attack can be closely looked into. "This is a subjective situation that may vary from claim to claim, it will depend on various factors such as how has the cyber attack happened and what were the circumstances under which a loss has triggered? We as an insurer would not want to refrain from accepting the claims that are honest and genuine," says Adidamu.