

Cyber insurance a small price to pay for protection

Annual premiums do not exceed what you readily shell out for an OTT subscription

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Cyberattacks have increased manifold, according to India's national cybersecurity coordinator, Lt Gen (Retd) Rajesh Pant, as reported by this paper last week. Every day around 400,000 malwares are found and 375 cyberattacks witnessed. As cyberattacks rise and insurers see a surge in claims, premiums on cyber insurance covers have risen nearly 20 per cent for corporates in recent times.

Experts say the situation has turned alarming and one needs to pay greater attention to cybersecurity. Naval Goel, chief executive officer, PolicyX, says, "People need to secure their data as cybercriminals have turned hyperactive." Due to the lockdown, people have adopted digital means for making most payments, and this has put them at greater risk. One way they can protect themselves is by purchasing a cyber insurance cover.

Sanjay Datta, chief-underwriting, claims and reinsurance, ICICI Lombard General Insurance, says, "Cyber insurance protects individuals from loss or damages resulting from data breaches and other cyber incidents like ransomware attack, denial of service attack, etc." He adds that these policies indemnify customers for forensic costs, data restoration costs, defence costs, etc. They protect from breaches on all internet-connected gadgets.

What's out there: General insurers like Bajaj Allianz, ICICI Lombard, and HDFC ERGO offer these covers. Their covers are broadly similar, though the finer details vary. Some insurers offer these plans for individuals, while others



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offer them as family covers. All devices used for personal activities are covered. Bank accounts, debit and credit cards, and e-wallets are also covered. **TA Ramalingam, chief technical officer, Bajaj Allianz General Insurance, says, "This policy also provides coverage for expenses incurred on counselling services that may be needed as a result of stress or anxiety that can develop on becoming the victim of a cyber-attack."** Some insurers cover legal expenses.

Cost: The cost is usually not more than an annual Netflix or Amazon Prime subscription. **Ramalingam says, "The sum insured for the cover ranges from ₹1 lakh to ₹1 crore. The premium for this policy is quite affordable and ranges from ₹662-8,933 (excluding GST) approximately, depending on the sum insured. The premium is the same for all age groups."**

Things to double-check: At the time of purchase, understand the features of the policy properly. One insurer may cover malware attacks as part of

its main policy while another may cover it only if you buy an add-on, for which you will have to pay more. These policies may also come with sub-limits. A claim for phishing and social media, for instance, could be restricted to only 10-20 per cent of the sum insured. It is also important for buyers to understand the exclusions in their policies (see box). Goel says, "This will save you from unwanted surprises at the time of making a claim."

Depending on your usage pattern, make the right choice between an individual and family cover. Do not skimp on a comprehensive antivirus software even if you purchased cyber insurance.

AMBIT OF CYBER INSURANCE COVER

What's covered	What's excluded
Unauthorised online transactions	Losses due to connection with extremist, pornographic sites
Phishing and email spoofing	Property damage caused due to cyber attack
Damage to e-reputation	Unsolicited communication by the policyholder
Identity theft	Unauthorised collection of data
Cyber bullying and cyber stalking	Dishonest or improper conduct of the insured leading to claim
E-extortion; privacy and data breach by third party	Mechanical failure, standard depreciation, malfunction, etc

Source: Company websites/ List is non-exhaustive