

Cyber insurance policies get clicks as victims look to cover their losses

Shields For Phishing, Frauds And Extortion

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Pune: A host of unsuspecting citizens have been targets of cyber scams losing crores of rupees to glib talkers and cyber criminals. Very few of these crooks have been apprehended and victims can only despair.

However, people like Kunal Bhatia, who trades in cryptocurrency, have decided to buy an insurance policy to protect themselves from any financial fraud. "I am constantly stressed out about internet scams especially because of crypto. Many friends have been victims of web traps," he said.

TIMES Special

Insurance companies now offer cover for cybercrimes, both for individuals and corporates. They are buying policies to avoid losing money from cyber extortion, phishing and online transaction frauds.

Cyber insurance, though nascent in India, has seen good acceptance among SMEs and larger clients.

"As our clients are enterprise clients we took cyber insurance very early in our journey, almost 3-4 years ago. We have not made any claims so far," Shameel Abdulla, CEO of Clootrack, said.

T A Ramalingam, chief technical officer, Bajaj Allianz General Insurance, said that there is a quantum jump in interest for buying a cyber insurance policy.

"We are seeing a big interest from corporates in the IT, ITes, BFSI and manufacturing segment opting for these policies. However, adoption of these policies is not as much as it should be due to the lack of awareness," he added.

Yogesh Agarwal, founder and CEO of Onsurty, said that their cyber insurance policies offer comprehensive protection, with premiums starting at Rs 50,000 for a cover-

MARKET VALUED AT \$50-60M

► Premium calculation is based on the quantum of risk that organisations typically face, the firewall installed and other factors ascertained by an in-house cyber security expert

► Insurers said digital theft of funds and ransomware are common cyber frauds that corporates are raising claims for

► Only about 10% SMEs and corporates in India have opted for cyber insurance covers

► Based on a survey of chief information security officers conducted by Deloitte, three-fourths of respondents possessed cyber insurance coverage of Rs 100 crore or less, over 50% had less than Rs 10 crore of coverage

NCRB DATA

► Pune ranked 12th among the 19 metropolitan cities in cybercrime recording 225 cases in the National Crime Records Bureau's (NCRB) "Crime in India-2021" report

► The registered cybercrime cases were 238 and 309 in 2020 and 2019, respectively

CYBER POLICE STATS

► The city has seen a 16% rise in incidents of cybercrimes as of August 18 this year as compared to 2022, data from the police revealed

► According to the police, a total of 22,671 cybercrimes were recorded up to August 18 as against the 19,500 registered last year

The market is growing at 27% to 30% CAGR in the last three years, according to a report from Deloitte

32-year-old techie loses ₹14 lakh in task fraud

Three lose ₹33 lakh in separate online frauds

Businessman, techie lose over ₹1cr to task frauds

Tingrenagar techie loses ₹27L to online task fraud

GREED A FACTOR

► Cybercrime experts attributed the rise in cybercrimes, especially in cases of cheating and fraud, to the greed of victims

► The modus involves online fraudsters contacting different people with Ponzi schemes by promising celestial gains on a nominal investment

► Often than not, people transfer the money to the fraudsters without consulting experts, police and other authorities

rage amount of Rs 1 crore.

"Onsurty's cyber insurance product is tailored specifically for startups and SMBs, and we are seeing a healthy demand," he added.

Eva Saiwal, business head (liability, cyber and financial risk) of Policybazaar said that they have seen a 30% to 40% growth in new cyber policies from the SME segment.

"These policies are expensive to buy. Owing to the increased risk and number of cyber frauds, premiums for

these cyber policies have almost doubled since the pandemic," she added.

As an example, for an insurance cover of Rs 100, the premium payout is 0.7% on an average, this was 0.4% just before the pandemic, Saiwal said.

Hiten Kothari, appointed actuary of HDFC ERGO General Insurance, said that earlier it used to be BFSI companies that used to be targeted by hackers, but now a lot of manufacturing companies

have been getting caught in cyber crimes because of low tech security infrastructure.

"We constantly evaluate cyber exposures of our client, advise them on events that are happening globally, that could lead to a loss of brand value or customer data," he said.

HDFC ERGO has seen a 25% to 30% increase in a number of new corporate cyber policies. Its retail cyber policy was launched in 2020 and is relatively new in the market.

On the flipside, many companies say that it is not easy to purchase cyber insurance. Insurance players are now working on streamlining the purchase process and reducing the onboarding time for new policies.

"Purchasing cyber insurance in India is cumbersome, and its onboarding isn't digital. The entire process of cyber insurance, from sign-up to claims, should be streamlined," Sarthak Dubey, co-founder of Mitigata, said.