

Insurers asked to launch cyber risk cover soon

TIMES NEWS NETWORK

Mumbai: Citing rising risks of cyber-attacks, the insurance regulator has asked non-life companies to launch individual cover soon and widen the scope of their existing cyber risk policies. The regulator has also recommended that insurers need not ask for a first information report (FIR) for losses below Rs 5,000 and settle them on the basis of an e-complaint at the National Cyber Crime Reporting Portal.

The Insurance Regulatory and Development Authority of India (IRDAI) has come out with a product structure for cyber insurance based on a working group constituted to bring about standardisation of

wording of cyber liability insurance. The working group has decided that it is not desirable to have a standardised product, given the evolving nature of the legislation. The group has, however, come out with a model policy wording for personal cyber insurance cover.

POLICY FOR INDIVIDUALS

The regulator has urged companies to come out with cyber risks cover for individuals at the earliest, noting that the focus of such covers introduced by insurance companies has been on businesses, although individual customers are increasingly exposed.

"An individual's exposure

to cyber risks is increasing with increase in exposure to the digital world. Considering the need for cyber insurance for individuals, IRDAI has charted out some salient features, coverage and suggestions in its guidance document on product structure for cyber insurance, which insurers can look to adopt," said TA Ramalingam, chief technical officer, Bajaj Allianz General Insurance. He added that his company was the first to introduce cyber insurance for individuals.

IRDAI wants insurance companies to be more specific in their language about excluding negligence. As per IRDAI, negligence can be an exclusion only when the loss is a direct consequence of negligence.