

Insurance claims independent of human errors

PNS ■ NEW DELHI

The death of former Tata group chairman Cyrus Mistry in a road accident has ignited a debate over the eligibility of insurance claims in accident cases but industry players say the very purpose of buying insurance is to hedge against risk, whether due to human error or otherwise.

Human error or violation of rules is unlikely to vitiate an insurance policy and accidental death claims will continue to be honoured albeit in exceptional cases the compensation amount may be lowered.

Insurance documents per se do not list out acts, such as not wearing a seat belt, that could impact payment of compensa-

tion in case of death of occupants other than the driver, they said.

However, most policies mention 'any accidental loss or damage suffered whilst the insured or any person driving the vehicle with the knowledge and consent of the insured is under the influence of intoxicating liquor or drugs', the compensation amount may be limited and would vary from car make and the kind of policy taken.

It is to be noted that the former Tata Sons Chairman and a friend of his died in a tragic road accident on Sunday afternoon while driving back to Mumbai from Ahmedabad along with two other persons, who have sustained injuries.



As per the preliminary investigations by the state police, the deceased were not wearing seat belts and termed over-speeding and an 'error of judgement' by the driver to have led to the accident.

'Majority of the accidents happen because of human negligence. We are here because

such human errors happen. If such human errors didn't happen, then very less number of accidents will happen. One buys a policy which actually covers his/her negligence.

'But our emphasis is always on safety. We keep on educating the customers about their safety and sensitise them

through sustained campaigns because an insurance cover can only compensate for the financial loss but not for the loss of human life,' Sanjay Datta, Chief - Underwriting & Claims, ICICI Lombard General Insurance Company, said.

Insurance companies cover the claims arising out of human error or negligence, for example, one may even sustain an injury while cooking at home or there may be a fire incident or something like that, he added.

'If the insured has a comprehensive motor insurance policy, the damages to the vehicle will be payable as per policy terms and conditions.

In addition, the risk of occupants in the car is also covered

under the said policy. Moreover, I would strongly urge anyone travelling in a vehicle to wear a seat belt at all times,' Bajaj Allianz General Insurance MD Tapan Singhal said. Rash driving is an offence under Section 279 of the Motor Vehicles Act, while it is advisable that motorists follow safe driving practices at all times.

said a Chief Technical Officer of another private sector insurer, requesting not to be named.

'In case of an unfortunate accident arising out of rash or negligent driving, the insurance company is legally bound to honour the claim for damages to the vehicle, in line with the terms and conditions specified in the motor insurance policy,' the official cited above said.

Phishing in troubled waters? Take cover in cyber liability

Protect family's data, finances; consider floater cover as well

BINDISHA SARANG

Since the onset of the pandemic, and with more people adopting the digital payment route, the incidence of online frauds through malware, phishing, and identity theft has risen worldwide, and also in India.

A recent online survey of over 4,500 respondents by PolicyBazaar showed that nearly 20 per cent of them had suffered a financial loss due to cybercrime. However, only 24 per cent had purchased a cyber insurance policy. The survey also



revealed that financial loss due to unauthorised transactions is the threat most respondents (57 per cent) want covered through cyber insurance. With more people working from home, the need for a family cyber cover has grown.

Soayib Qureshi, associate partner, PSL Advocates & Solicitors, says, "India is second only to China in terms of number of online users, estimated at above 700 million currently. Protection of their data has become a priority."

A must-have cover

Anyone who's a part of the digital world is at risk in cyberspace.

T A Ramalingam, chief technical officer, Bajaj Allianz General Insurance, says, "We now spend a substantial amount of time on our devices for various daily requirements like mobile and internet banking, online payments, e-commerce purchases, social media consumption, and entertainment on over-the-top platforms."

Lovani Navlakhi, board member, Association of Registered Investment Advisers, says, "Everyone who is exposed to digital platforms needs to protect themselves by purchasing cyber insurance. For those who are more susceptible to frauds, like senior citizens, this cover is a must."

New users of the internet are



A COST-EFFECTIVE COVER

Premium rates are for individual covers

■ Annual premium for ₹1-lakh cover (₹)



Source: PolicyBazaar

also susceptible.

"Cyber insurance cover offers coverage against cyberattacks and threats. It helps customers reduce the impact of losses in case any vital financial, or other sensitive information is stolen or misused," says Ramalingam.

What's available

Currently, Bajaj Allianz, ICICI Lombard, HDFC Ergo, Future Generali, and SBI General Insurance (which launched its policy on Tuesday) offer this cover.

Naval Goel, chief executive officer and founder, PolicyX.com, says, "The plans are made for individuals. They can be topped up with covers to protect the spouse, children, and other family members."

Consider a family cover as nowadays almost every family member goes online. A family floater is also less expensive than buying an individual cover for each member.

The covers from various players

are broadly similar, although their finer details may vary.

Evaa Saiwal, practice leader—liability and financial risk, PolicyBazaar, says, "Some insurers provide specific plans that target different user groups, such as students, entrepreneurs, families, and salaried professionals, while the others offer a personal cyber insurance with sum insured."

Coverage and exclusions

These policies cover policyholders for losses resulting from fraudulent transactions over the internet, which hit bank accounts, credit or debit cards, and mobile wallets.

"Any data breach, ransomware attack, cyberbullying, malware intrusion, or extortion event is covered by this policy. It also covers expenses related to investigation, forensic costs, data recovery, and information technology consultancy services," says Saiwal.

If the policyholder has to consult a psychologist to deal with the trauma or stress arising from such incidents, the cost of doing so is also covered.

"This policy generally covers all devices you utilise to access the internet. Some insurers offer worldwide coverage," says Goel.

Cyber insurance policies come with a few exclusions which policyholders should be aware of.

"Dishonest and improper conduct, bodily injury, property damage, unsolicited communication, unauthorised collection of data, and immoral or obscene services are not covered," says Ramalingam.

Delay in purchase can be costly

Experts suggest buying cyber insurance cover, especially for those working from home (WFH).

Kapil Mehta, co-founder, SecureNow, says, "These plans are particularly relevant for people who spend a lot of time online and work using online resources. This segment has increased considerably over the past few years because of WFH. It is a cost-effective cover. For ₹5,000, you can get a reasonable amount of protection."

