

Individuals can now buy insurance policies to protect themselves against identity theft, phishing, email spoofing, e-extortion, and other kinds of financial losses arising from unauthorised online transactions

INSURE YOURSELF AGAINST CYBER FRAUDS

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The rise in internet penetration and use of digital technology is, unfortunately, matched by an increase in cyber crime and frauds. Recognising this, insurance companies, today, offer insurance policies that protect you from cyber crime and make good your loss.

"We live in a digital world, in which individuals freely share a lot of their personal as well as financial information online. Technology has advanced and so has the increase in cyber-crime rate, which is the driver behind HDFC Ergo General Insurance launching a cyber insurance policy for individuals recently," said Ritesh Kumar, MD & CEO.

"Cyber cover is a pressing need," said Sasikumar Adidamu, chief technical officer, Bajaj Allianz General Insurance, which too has an individual insurance product against cyber crime.

HDFC Ergo's product is



ON THE
PROWL

₹50,000-1cr
Sum insured

₹700-15,700
Premiums

6% Increase in cyber
crimes from 2015 to 2016

called E@Secure, while Bajaj Allianz's is called Bajaj Allianz Individual Cyber Safe Policy.

According to the National Crime Records Bureau (NCRB) report 2016, there has been an increase in the incidence of cyber crimes, by 6.3% to 12,317 cases in 2016 from 11,592 cases in 2015. This perhaps why insurers are waking up to the threat of cyber crime against individuals and the need to provide insurance.

However, Rakesh Goyal, director, Probus Insurance, an insurance broking firm said, "Individuals do not feel the need for such insurance and, hence, it is not a widely offered product so far."

Need for cyber insurance

In a recent report, the Inter-

net and Mobile Association of India noted that there are over 500 million internet users in India. "Each one of these users is susceptible to cyber attacks," pointed out Adidamu, and the number (of net users) will only increase, he stressed. The government's emphasis on digitisation and increasing popularity of digital payments is also an impetus for cyber insurance products being introduced.

As people become more aware, demand for such products will increase. Experts noted that cyber insurance would be one of the key thrust areas for insurance companies in the next three to five years.

What is covered

The Bajaj product provides

cover to individuals who fall victim to threats such as cyber attacks, cyber extortion and cyber bullying. It also covers IT theft loss, being a victim of email spoofing and phishing, losses and expenses related to defence and prosecution cost related to identity theft, cyber extortion loss and transportation for attending court summons.

The HDFC Ergo product insures individuals against loss or damage arising directly out of the use of the internet. It covers unauthorised online transactions, phishing and email spoofing, e-extortion, identity theft, cyber bullying. The policy covers the entire family including children, nowadays ever present on social media and susceptible to online

stalking and harassment.

Who should buy the cover

"Just about anyone who uses the internet is vulnerable to cyber crime, and need to plan their (cyber) insurance accordingly," said Adidamu.

"Everyone who uses social media, netbanking, or surfs the net would need to consider an insurance product to cover their cyber exposure," said Kumar.

Premium rates and sum insured

Bajaj Allianz and HDFC Ergo charge small premiums for the amounts covered. For the Bajaj product the sum insured is from Rs 1 lakh to Rs 1 crore. The premium for this cover ranges from Rs 700 to Rs 9,000, depending upon

the sum insured and is the same across all ages. The HDFC Ergo product's sum assured ranges from Rs 50,000 to Rs 1 crore. Premium range for the HDFC Ergo product - Rs 1,551 for a Rs 50,000 cover to Rs 15,700 for a Rs 1 crore policy cover. This is for individuals with different rates if additional cover is taken for family. "Get a clear understanding of exactly what the insurance policy covers," said Goyal.

How to make a claim

"It is advisable to know the claim process as insurance and cyber risks are both subjects that a layman will not be very well versed with," said Adidamu. Along with lodging a complaint over phone, the insured also needs to give a written notice to the insurer company, in case of a cyber attack. Along with the claims form, a copy of the FIR (First Information Report) lodged with the police or cyber cell also needs to be submitted. In addition, also provide other relevant documents concerning your loss that will help the company in the claims process.

Completing the claims process depends on various factors. Clarity on the investigation as well as submission of documents are a vital requirement. "Once clarity is achieved on eligibility of claim, settlement is done within 14 days," said Adidamu.

Don't try to submit a false claim as insurance companies have cyber experts who will access claims and weed out and reject fake claims. Also, the product will cover losses that the insured faces from a cyber attack that originates from anywhere in the world. But the policyholder has to be geographically located in India to be able to get the claim. The product can be purchased online. The customer has to provide basic details and answer a few question related to risk. The premium amount is pre-decided as per the plan opted by the customer.

"It's best to review the cyber insurance policy every six months and make sure you still have the coverage you need," said Goyal. Also, check whether your policy covers the new types of frauds, during the semi-annual review.

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