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[Cyber-crime rising. Here is how an insurance cover can protect you](#)

Cyber insurance offers coverage against various cyber-attacks and threats, helping the individuals in protecting their reputation, potential data breaches and losses in case any vital, financial or sensitive information is stolen or misused

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Cyber-crime is on the rise in India. As on December 2016 (the last available data), a total of 12,187 cybercrime cases were registered by National Crime Records Bureau (NCRB) across India against 11,331 cases registered in 2015, an increase of 6.3 percent.

To protect individuals against cyber-crime, at present two insurance companies have introduced the policies named E@Secure by HDFC ERGO and Cyber Safe by Bajaj Allianz General Insurance.

Anurag Rastogi, Member of Executive Management, HDFC ERGO General Insurance said, "With increased internet penetration, every individual is exposed to the risks in cyberspace. Nowadays individuals, including children and senior citizens, access the internet for various activities like - shopping, socialising, research, work and much more. In the process, individuals freely share a lot of their personal and financial data online." The vast exposure and dependence on the internet has led to the increased susceptibility of cyber-attacks.

Sasikumar Adidamu, Chief Technical Officer, Bajaj Allianz General Insurance explained, "The cyber insurance cover offers coverage against various cyber-attacks and threats, helping the individuals in protecting their reputation, potential data breaches and losses in case any vital, financial or sensitive information is stolen or misused."

Key point's buyer needs to be aware before buying the cyber policy

Adidamu said, "An individual should match the policy coverage with his needs and should select the sum insured based on his exposure." Another aspect of the policy that individuals may want to look at keenly is the coverage and exclusion section to ensure their needs are being met by the policy. Rastogi added, "The insurer will look at the individuals past experience and loss history online, if any. This is because any loss arising out of past acts will not be covered under insurance."

Some of the insurers/online portals offer a checklist of coverage items to compare against their competitors. Rakesh Goyal, Director, Probus Insurance Broker suggested, "These checklists can be used by the buyers to add to your list before starting your research in earnest."

Major risks covered and exclusions in the policy

HDFC ERGO's E@secure policy covers an individual from major cyber risks such as unauthorised online transactions made on an individual's bank account/debit or credit card by a third party for purchases over the internet. In addition, it covers the damage caused to an individual's reputation in case a third party publishes any harmful information over the internet. Besides, the policy provides necessary legal protection against the costs of pursuing and defending legal actions.

Some of the exclusions under the cyber insurance policies are dishonest and improper conduct, bodily injury/property damage, unsolicited communication, unauthorised collection of data, immoral/obscene services. Rastogi added, "The policy does not cover claims that have arisen due to facts or circumstances that existed prior to the commencement of the policy. Further, any claim in connection with loss or damage caused by the order of any government authority will not be covered under the policy."

Claim process upon cyber-attack

It is advisable that the policyholder approaches the insurer at the earliest upon discovery of a cyber-attack as it enables the experts to assess the claim smoothly. Adidamu said, "Insured needs to inform the insurance company by giving an intimation on email, call at the customer care call centre or a written notice in an event of cyber-attack. They need to submit the claim form, copy of FIR with police/cyber cell and other relevant documents based on the nature of loss that would help the company to expedite the claim process."

Know sub-limits on various risks covered by these cyber policies

Rastogi explained, "Sub-limits are part of the overall limit of liability and will be deducted from the sum insured for which the individual is covered."

For instance, if an individual has bought a policy with an insured sum of Rs 5 lakhs, the cover for damage to E-Reputation under the policy is limited to 25 percent i.e. Rs 1.25 lakhs. Now in case, during the policy period an event occurs whereby some derogatory information is posted or published about the individual insured on the internet, the cover would pay Rs 1.25 lakhs for the services of an IT Specialist for the removal of the content. This amount will be deducted from the individual's insured sum, hence the limit will reduce to Rs 3.75 lakhs for the rest of the year.

Sub-limits in cyber insurance policies			
Covers	E@Secure - HDFC ERGO	Covers	Cyber Safe - Bajaj Allianz
Legal protection	100%	Social media cover	10%
Damage to E-reputation	25%	IT theft loss	25%
Identity theft	25%	Identity theft	10%
Unauthorised online transaction	100%	Malware	10%
E-extortion	10%	Cyber extortion	10%
Cyber bullying	10%	Cyber stalking	10%
E-mail spoofing	25%	Email spoofing	15%
Phishing	15%	Phishing	25%
		Media liability claims	10%
		Privacy breach and data breach by third party	10%

Source: Policy documents

Features of the cyber insurance policies and premium

Bajaj Allianz Individual Cyber Safe policy doesn't have a deductible and no waiting period irrespective of the sum insured opted by the customer. It has a dedicated limit for IT consultant whom the insured can approach to understand and establish cause and extent of the loss. Policyholders can access counselling services for all the 10 covers under the policy. From these 10 covers, privacy breach, data breach by a third party, social media cover are unique to Bajaj Allianz Individual Cyber Safe policy.

Insurance Policy	Cost of Premium (Rs) with limits for Individual cover				
	1 Lakh	5 Lakhs	20 Lakhs	50 Lakhs	1 Crore
Cyber Safe - Bajaj Allianz	662	1,823	4,187	6,156	8,933
E@Secure - HDFC ERGO	1,938	3,524	6,167	10,044	14,273
	Cost of Premium (Rs) with limits for Individual + family cover				
E@Secure - HDFC ERGO	NA	6,167	9,868	15,859	22,907

Source: Policy documents

Note: 1. The above premiums are excluding GST
2. In E@secure policy family covers individual, spouse and two dependent children with no age limit

Today, even children are present on social media and are vulnerable to online stalking or harassment. Keeping this in mind, HDFC ERGO's E@secure policy provides a special feature of extending the cyber cover to your family, covering your spouse & two dependent children with no age limit. Additionally, the policy also covers unauthorised online transactions made

on an individual's bank account/debit or credit card/e-wallet and any related legal expenses up to the entire amount for which the individual is insured.