Industry Stories | Cyber Insurance, Home Healthcare

Business Standard

Cyber insurance a small price to pay for protection

Annual premiums do not exceed what you readily shell out for an OTT subscription

BINDISHA SARANG

Cyberattacks have increased manifold, according to India's national cybersecurity coordinator, Lt Gen (Retd) Rajesh Pant, as reported by this paper last week. Every day around 400,000 malwares are found and 375 cyberattacks witnessed. As cyberattacks rise and insurers see a surge in claims, premiums on cyber insurance covers have risen nearly 20 per cent for corporates in recent times.

Experts say the situation has turned alarming and one needs to pay greater attention to cybersecurity. Naval Goel, chief executive officer, PolicyX, says, "People need to secure their data as cybercriminals have turned hyperactive." Due to the lockdown, people have adopted digital means for making most payments, and this has put them at greater risk. One way they can protect themselves is by purchasing a cyber insurance cover.

Sanjay Datta, chief-underwriting, claims and reinsurance, ICICI Lombard General Insurance, says, "Cyber insurance protects individuals from loss or damages resulting from data breaches and other cyber incidents like ransomware attack, denial of service attack, etc." He adds that these policies indemnify customers for forensic costs, data restoration costs, defence costs, etc. They protect from breaches on all internet-connected gadgets.

YOUR MONEY

What's out there: General insurers like Bajaj Allianz, ICICI Lombard, and HDFC ERGO offer these covers. Their covers are broadly similar, though the finer details vary. Some insurers offer these plans for individuals, while others offer them as family covers. All devices used for personal activities are covered. Bank accounts, debit and credit cards, and e-wallets are also covered. TA Ramalingam, chief technical officer, Bajaj Allianz General Insurance, says, "This policy also provides coverage for expenses incurred on counselling services that may be needed as a result of stress or anxiety that can develop on becoming the victim of a cyber-attack." Some insurers cover legal expenses.

Cost: The cost is usually not more than an annual Netflix or Amazon Prime subscription. Ramalingam says, "The sum insured for the cover ranges from ₹1 lakh to ₹1 crore. The premium for this policy is quite affordable and ranges from ₹662-8,933 (excluding GST) approximately, depending on the sum insured. The premium is the same for all age groups."

Things to double-check: At the time of purchase, understand the features of the policy properly. One insurer may cover malware attacks as part of its main policy while another may cover it only if you buy an add-on, for which you will have to pay more. These policies may also come with sub-limits. A claim for phishing and social media, for instance, could be restricted to only 10-20 per cent of the sum insured. It is also important for buyers to understand the exclusions in their policies (see box). Goel says, "This will save you from unwanted surprises at the time of making a claim."

Depending on your usage pattern, make the right choice between an individual and family cover. Do not skimp on a comprehensive antivirus software even if you purchased cyber insurance.

AMBIT OF CYBER INSURANCE COVER

What's covered	What's excluded
Unauthorised online transactions	Losses due to connection with extremist, pornographic sites
Phishing and email spoofing	Property damage caused due to cyber attack
Damage to e-reputation	Unsolicited communication by the policyholder
Identity theft	Unauthorised collection of data
Cyber bullying and cyber stalking	Dishonest or improper conduct of the insured leading to claim
E-extortion; privacy and data breach by third party	Mechanical failure, standard depreciation, malfunction, etc

Source: Company websites/ List is non-exhaustive

The Economic Times

NEXT LEG OF GROWTH FOR INSURANCE COS

Demand Rises for Adding Home Care, Outpatient Costs

Insurers are designing more agile covers to meet needs of more demanding customers

Ashwin.Manikandan
@timesgroup.com

Mumbai: The pandemic could mark a significant shift in how health insurance products in India are designed by insurers and purchased by consumers.

Experts say the industry is moving towards its next leg of growth, where traditional 'all illness' medical covers would soon be replaced with customisable products that cover all aspects of the treatment and not just the costs specified by the hospitals.

According to Sanjay Datta, chief underwriting at ICICI Lombard, the largest non-life private insurer in the country, the pandemic has led to an increased demand for products covering home care and outpatient costs.

"Another trend is the reimbursement demand for telemedicine consultations," he said. "These shifts are reflecting in our policies too, which are now more agile, customisable than say a year ago."

GOVT ROLE

The govt is also devising an ambitious 'missing middle' health insurance scheme being piloted by the National Health Authority & Niti Aayog

The pandemic, which brought to fore the startling disparities in the health insurance penetration among vulnerable sections of the society, has somewhat ironically also doubled as an agent driving a change in consumer mindset in favour of medical insurance, said Prasun Sikdar, CEO, Manipal Cigna Health Insurance. "As we learn to adapt to the so-called new normal amid Covid-19 outbreak, health insurance has gained a significant position in the hierarchy of needs," he said.

According to Amit Chabbra, business head-health at PolicyBazaar, in a post-pandemic world, the evolution of health insurance would be driven by three key factors — awareness, affordability and access. "Two big themes will play a role are affordability and sum assured. As medical inflation increases globally, it will be imperative to buy products that guarantee high sum assured," said Chabbra. "I believe in two years, medical insurance will become mandatory."

Insurance Regulatory and Development Authority (Irdai) data shows that health insurance has grown by 16% for the industry in FY21 till October even as most other segments such as motor and liabilities have contracted.