

Surge in Cyber Insurance demand with increasing cyber incidents and awareness around cyber risks: DSCI Report

Mumbai 26, 2019: Today Data Security Council of India (DSCI) launched a report on 'Cyber Insurance in India- Mitigating Risks amid Changing Regulations & Uncertainties' covering Global and Indian market insights with the aim to increase awareness, initiate deep-dive discussions, and provide recommendations to various stakeholders - User Enterprises, Insurance Providers, Technology Firms, Brokers, Government and Regulatory Bodies. Lt Gen (Dr.) Rajesh Pant, National Cyber Security Coordinator, Government of India launched the report on the side-lines of FINSEC Conclave 2019- Security conference for Banking and Financial Sector, hosted by DSCI. Dr. Pant graced his presence as chief guest at the conference.

"With increasing cyber security threats and challenges country currently is facing, it is important that every organisation takes a 360 Degree approach to their preparedness including cyber risk management. Financial Services sector continues to be a prime target for Cyber and Data Breaches and businesses could face enhanced cyber liabilities. While the sector has to step up its Security preparedness, Cyber Insurance can help offset financial liabilities when a breach occurs. Insurance Industry must come up with comprehensive Risk Coverage policies and tailor made for the risk assessment of a sector and the business" said **Lt Gen (Dr.) Rajesh Pant, National Cyber Security Coordinator, Government of India.**

Rama Vedashree, CEO, DSCI said *"Cyber Risk, Data Breaches and its consequent financial liabilities, looms large on the rapidly evolving Digitisation momentum of every sector and business. Cyber Insurance is proving to be a key tool in the Risk management and Cost-Offsetting arsenal of an enterprise and at the same time scaling up the prevention and protection measures. The report offers market and technical insights on the trends in cyber insurance and aims to increase awareness and gives a checklist to help evaluate a Cyber Insurance Policy.*

Indian Cyber Insurance Overview

- As per Allianz Risk Barometer 2019 businesses in India have highlighted 'Cyber Incidents' as top risk.
- **Sectoral Insights:** It/ITES And Banking & Financial Services Are Early Adopters
- **Market Insights:** ~350 Cyber Insurance Policies Sold till 2018, A 40% Increase from Overall Base In 2017
- **Premium:** Premium Amounts Coming Down Owing to Market Competition and Market Share
- **Cover:** Insured Amounts Ranging from **USD 1 Mn To USD 200 Mn**
- **Drivers:** Burgeoning Digitization, Increasing Security Breaches and rising cyber security

As per World Economic Forum global risks perception survey 2018-2019, 82% of the respondents expect Theft of data/money through cyber-attacks and 80% expect disruption of operations and infrastructure through cyberattacks in 2019. In the Indian context, according to

Allianz Risk Barometer 2019, businesses have highlighted 'Cyber Incidents' as their top risk.

The report findings feature expected growth of cyber insurance market at a CAGR of 27% from 4.2bn in 2017 to 22.8bn in 2024 while India is in its nascent stage of adoption with a 40% Y-o-Y growth from 2017 to 2018 with ~350 cyber insurance policies sold so far. The report also examines key drivers and challenges both globally and national level, cyber insurance process and outlines strategic next steps efforts required by various stakeholders.

About DSCI

Data Security Council of India (DSCI) is a premier industry body on data protection in India, setup by NASSCOM®, committed to making the cyberspace safe, secure and trusted by establishing best practices, standards and initiatives in cyber security and privacy. DSCI brings together governments and their agencies, industry sectors including IT-BPM, BFSI, Telecom, industry associations, data protection authorities and think tanks for policy advocacy, thought leadership, capacity building and outreach initiatives.

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Contact

Priti Vandana

Priti.vandana@dsci.in or media@dsci.in