

Open Letter To Mr Modi on Cyber Insurance

18th September 2015

To

Sri Narendra Modi , Honourable Prime Minister, Government of India

Sub: "Cyber Insurance For All Netizens of India"

Dear Sir,

One of the distinguishing features of the Governance model adopted by your Government is its reliance on technology. **"Smart Governance through E-Governance"** is the recognizable face of this Government.

In pursuance of this policy, you have adopted the "Aadhar" as the core citizen identity and linking every welfare programs of the Government to this e-identity of the Citizens. In a way you are converting every Citizen to a Netizen. With the ambitious projects such as "Smart Cities" and "Digital India" in the anvil, the dependence of the society on technology is only going to increase.

I am fully in support of this push for using of technology for development and have been advocating such a policy for a long time as documented at www.naavi.org. I had also advocated a ["Charter of Demand for Netizens"](#) which included several initiatives including "Digital ID for all Citizens of India" and "E Consumer Protection". I request you to kindly take some time to look into these suggestions.

I firmly believe that success or failure of your Government will be hugely influenced by the success or failure of the E-

Governance model which you are adopting and hence no stones should be left unturned to make it a success.

However, I always keep recalling how Mr Chandrababu Naidu lost an election despite his many good E-Governance measures in Andhra Pradesh and this should be remembered as a lesson for people like you who want to do good things but the society may not be fully ready for absorbing the long term thoughts.

Cyber space has its fair share of risks and any society dependent on Cyber technology is open to the adverse effects of cyber attacks from cyber criminals, cyber terrorists and Cyber war capable nations.

It is therefore a certainty that such cyber attacks will have to be faced by the society from time to time. Measures to prevent an adverse fall out therefore should be considered as inevitable.

We know that Cyber risks are an essential evil that has to be endured with, but politicians in the opposition will easily use any adverse attack as a consequence of "Anti People Policies" of the Government.

For example, in case there is a Cyber attack on the Indian Banking system and 10000 customers lose their money in their JanDhan accounts, opposition will say that it is a scam and all the money has been misused by BJP politicians. In a charged atmosphere that may follow, the perception battle is more likely to be won by the opposition than the Government.

If therefore your Government needs to insulate itself from the risks of being blamed for Cyber risks, you need to go an extra mile to ensure that citizens don't lose out of cyber attacks.

In this context, I suggest that there is a need for a policy of **"Cyber Insurance for All"** as a means of protecting the Netizens from the vagaries of Cyber risks.

“Cyber Insurance” is a protection against financial losses arising out of cyber crimes such as “Phishing”, “Identity Theft”, “Denial of Services”, “Hacking” etc. It includes frauds involving cloning of credit cards, debit cards, ATM cards, Aadhar data, etc. It includes mobile related frauds which will be one of the biggest threats of the future where a large number of victims will each lose a small amount making it impossible for them to invoke any traditional legal remedy such as approaching the Courts.

Just as “Drip Irrigation” is essential to fight the vagaries of failure of rains in the agricultural sector, “Cyber Insurance” is essential to fight the risks of cyber attacks in the Digital environment.

In the Motor Insurance area there is already a concept of Mandatory Third Party insurance. A similar policy is required in the E Commerce and E Banking area.

Of late, RBI has issued many licenses for Payment Banks and Small Banks as well as new generation Banks. These will all be heavily technology dependent and the customers will hold all the risks. Hence RBI should be persuaded to mandate that all new Banking licensees introduce mandatory Cyber Insurance for its customers.

Kindly don't be swayed by any argument that Cyber risks are not “insurable” since it is too huge a risk to be covered or that no insurance company may be interested etc. Presently, insurance companies are doing a profitable cyber insurance business but are restricting it to companies and not extending it to individuals. They are milching the higher end of the market and are avoiding the lower end because they feel it is expensive to manage. They need to be persuaded and incentivized to provide the retail cyber insurance policies.

If the Rs 12 per year accident insurance policy for a cover of Rs 2 lakhs against accidents is commercially feasible, the

individual cyber crime insurance policy that protects the individuals against any loss say to the extent of say Rs 10000/- to Rs 25000/- per incident must be also feasible.

I therefore suggest and also urge you to adopt the **“Cyber Insurance for ALL”** as a new policy of the Government to support its Digital India initiative.

Regards

Yours faithfully

Na.Vijayashankar (Naavi)

Founder: www.naavi.org