



F R O S T & S U L L I V A N

PERSONAL CYBER INSURANCE: PEACE OF MIND IN A SCARY NEW AGE

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Prepared Exclusively For:

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To say that we're in an era wherein cybersecurity is important, in fact, more important than physical security, won't be an understatement.

What's intriguing is the surge of novel trends leading to new products and solutions in cybersecurity for individual and enterprise customers. Some of these are:



Personal cyber insurance (PCI)



Cybersecurity mesh



Data fabric



Digital identity custodians



Authenticated alibi services



Virtual guardians



Online reputation management



Data de-identification as a service



Of the above, Personal Cyber Insurance (PCI) is fast-growing:

- Increasing digitization of personal space will expose individuals to personal cyber risks. PCI will become integral to maintaining healthy personal safety on digital media. Investing in PCI can protect against cyberbullying, identity theft, and unfair personal data trade and use.
- PCI offers financial reimbursement for data theft or any cyberattack. The assured sum under the policy decides the reimbursement amount.



Top 3 Industries of Focus



Retail

- The eCommerce industry has experienced a sharp spike post-COVID-19, which has created a platform for attackers to steal personal data.
- Therefore, customer demand for PCI will grow to safeguard data from fraudsters.



Business and Financial Services

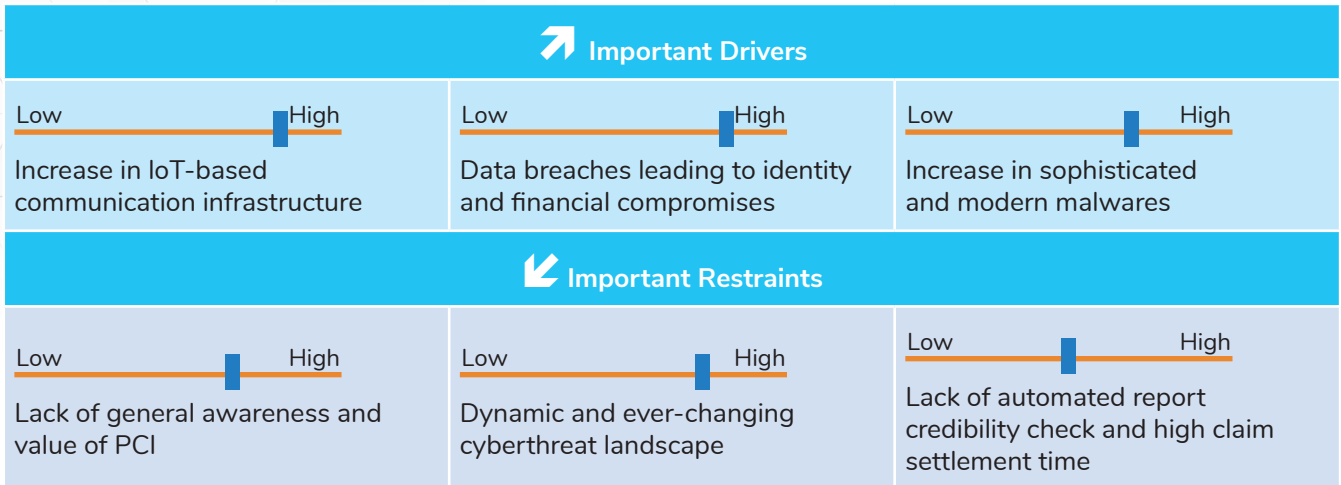
- Many cyber hacks will comprise financial data breaches and payment frauds.
- The increase in digital payment solutions globally will necessitate PCI.



ICT

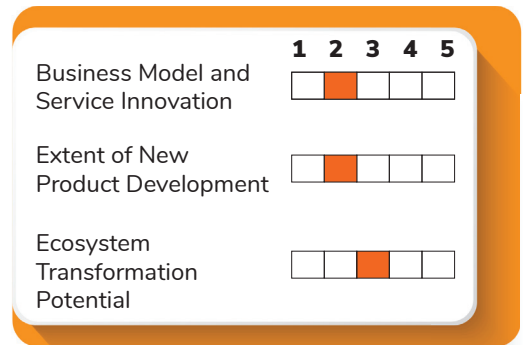
- The high penetration of wearable devices in every sphere, such as payments, shopping, and social media, creates masses of subconscious data and puts privacy at risk.
- Smart device makers could offer PCI to help users fight privacy risks.

Source: DataProt; SwissRe; Frost & Sullivan



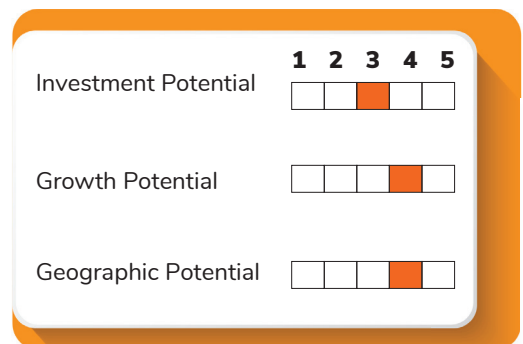
Disruption Potential

The exponential growth of social media users and digital buyers is a major catalyst for PCI's growth. The trend has the potential to create a collaborative network by engaging various parties, such as digital forensics experts, cyber advisers, and insurance agents.



Growth Potential

The global cyber insurance market will grow at approximately 26% compound annual growth rate (CAGR) between 2021 and 2028. In addition, the global increase in IoT-driven ecosystems, such as connected homes, will make devices vulnerable to new-age threats and increased risk.





Top 3 Growth Opportunities

01

Blockchain-based Insurance

- Blockchain can greatly automate the underwriting activity, minimizing the delay after sensitive data loss or cyberthefts.
- The technology can verify the claims online in real time and automate the claim-settlement process. It also ensures better process visibility, limiting the instances of insurance fraud in cyberhacks.

02

AI-driven Claim Credibility Check

- Policy holders could pose as victims of cyberfrauds.
- In such instances, an AI driven algorithm with machine learning (ML) technology can verify the initial report and its credibility.
- After identifying discrepancies, the ML algorithm, through its parsing mechanism, can highlight red flags in the initial reports and give alerts.

03

Insurance Collaboration with OEMs

- Often, malware-based data thefts or other cyberhacks prompt denial-of-service (DoS) alarms or even device fatalities.
- Insurers could work with smartphone manufacturers, smart vehicles, and highend smart wearables.
- The idea will provide cyberinsurance and protect the devices from the time of purchase.

AI- Artificial Insurance; OEMs- Original Equipment Manufacturers

Source: Frost & Sullivan





Imperative to Act Across Top 3 Industries of Impact

Retail

Analyze - eCommerce firms, such as Walmart and Amazon, will look to work with insurance firms to gain customer trust.



Business and Financial Services

Test - Certain insurance providers are already providing cover against payment fraud and financial data breaches.



ICT

Analyze - The need to focus on data loss (e.g., images and videos) resulting from social media accounts often leads to cyberextortion.



To drive the ICT infrastructure in the GCC, several countries are driving policy initiatives. The development of ICT infrastructure will aid in expanding capacities across segments such as cybersecurity, cloud computing, and wireless software solutions. Hence, when it comes to Personal cyber insurance (PCI), the call to action is:

1

End-to-end Protection

- Insurance providers should be able to carry out comprehensive cyber risk assessments and promptly suggest necessary remedies to individuals.
- The vendors should offer targeted prebreach services and provide risk mitigation strategies, tailored insurance products, and breach response and incident management.

2

Risk Mitigation

- A priority in a cyberattack is to minimize personal data loss and secure the overall system.
- Hence, insurers need to collaborate strategically with in-house or third-party technology security experts who can offer on-demand risk management services to their customers and help them recover their stolen elements.

3

Setting the Risk Bar

- Because the concept is relatively new, insurance providers need to carefully list the areas of disruptions under which an individual can avail policy reimbursement.
- If the policy does not consider the changing dynamics of cyberattacks and only provides insurance against major attacks, then the policy would not be of much value to a customer.



About Frost & Sullivan

For over six decades, Frost & Sullivan has provided actionable insights to corporations, governments and investors, resulting in a stream of innovative growth opportunities that allow them to maximize their economic potential, navigate emerging Mega Trends and shape a future based on sustainable growth.

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GITEX Global, the world's largest tech show, returns to Dubai World Trade Centre from 16-20 October 2023. Under the overarching theme "The year to imagine AI in everything," the event will bring together global tech experts, seasoned investors, world-class leaders, and prominent developers from 176 countries. GITEX Global 2023 will gather over 170,000 trade buyers, 6,000 exhibitors, and 1,400 speakers. Following the record-breaking success of the 42nd edition in 2022, the flagship event will launch three new co-located shows this year: GITEX Impact, Future Urbanism EXPO, and SuperBridge Summit Dubai. Attendees are also going to access the conference agenda and exhibition halls of industry-defining events, such as Ai Everything and Global DevSlam. In 2023, GITEX Global will also inspire the world's largest start-up and investors event, Expand North Star, to grow even further, taking place for the first time from October 15-18, at the iconic Dubai Harbour.

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