

Cyber Insurance in Sri Lanka

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In today's industry is interconnected via the internet, it is very impossible to remain isolated from online communication and e-commerce and make all systems immune to data outage and data-breach, hence cyber risk exists everywhere. Cyber Insurance is a novel part of risk management strategy, which is to cover any cost that might occur as the result of any kind of data breach, business losses, forensic investigation cost, notification cost and addressing lawsuit and extortion attempts. This article is a background investigation of Cyber Insurance challenges and benefits in Sri Lanka, based on insurance companies and customer's perspectives. As a result of the novel concept of Sri Lanka Cyber Insurance-related, literature reported very rarely. And finally, a review paper proposes directions for further advances in future research papers. Cyber insurer needs to find a way to cover large cyber-attacks. Despite policymaking, insurers need to be aware of current threats, attacks, and technologies for an upgrade or rewrites policies. And cyber security must be addressed by both state and private sectors. The state can maintain a police and justice system to reduce threats. But protection against cyber-attack can't provide state alone. Private sector also needs to actively participate to make rules, regulations, and policies. The cyber insurance market in Sri Lanka is still small, with the support of positive internal and external factors it has good growth potential. Considering the global data breach losses due to cyber-attacks, shows that Sri Lanka cyber insurance does not cover losses, levels that need in global standards. Due to small coverage, compared with the cost of the premium fee is not acceptable by the majority of organizations. And also, Sri Lanka digital policy laws, data protection regulations, cyber acts do not mature enough to provide efficient legal protection and support. However, Sri Lankan cyber insurers face significant challenges, such as lack of historical data, lack of imagination and predictability, lack of market participants, and the possibility of interrelated large cyber-attacks. During the month of May frequently more cyberattacks are experienced. Because of that more organizations in Sri Lanka are searching for cyber insurance coverage to overcome this risk.

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