

Consumer Privacy Insurance: A Privacy Enhancing Financial Product?

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Motivation

Insurance smooths finances in the aftermath of disaster and often provides access to crisis response services. In recent years, insurers have started to sell privacy insurance products marketed to consumers. There is little academic looking at these products.

Research Questions

- Our exploratory study will answer:
1. Which privacy harms are covered/excluded?
 2. Which support services are offered by the insurer?
 3. How affordable is consumer privacy insurance?
 4. Do products miss any harms consumers face?

United Kingdom

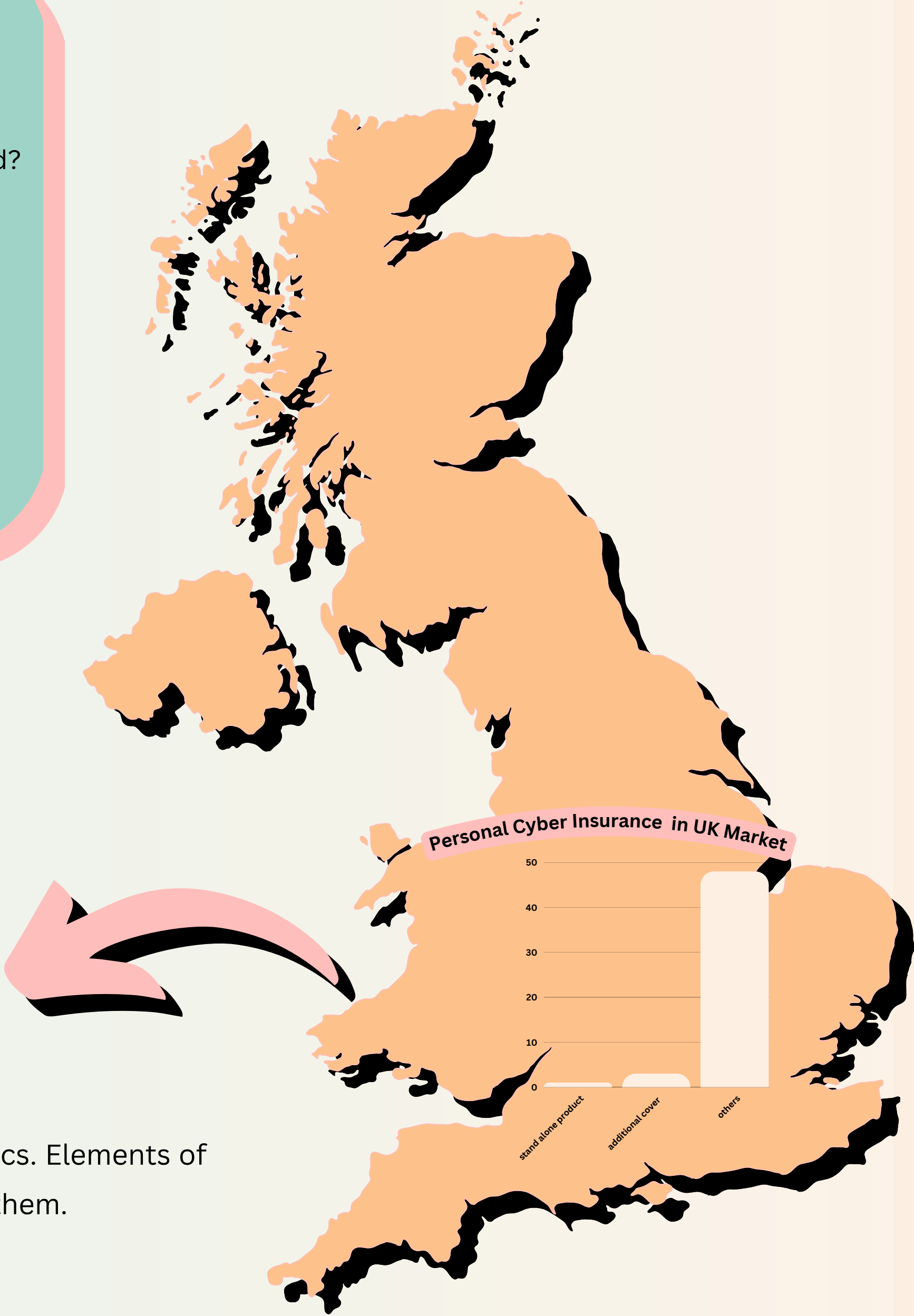
Policy	Hacking / Unauthorised Access	Malware Attack	Cyber extortion	Online fraud	Identity theft	Cyberbullying	Data breach
PoI_UK_1_CC	X	X	X	X	X		X
PoI_UK_2_CC	X	X	X	X	X		X
PoI_UK_3_CC	X	X	X	X	X		
PoI_UK_4_HI							
PoI_UK_5_HI	X						X
PoI_UK_6_HI					X		X

Phase 1 : Data collection

Products offered by 52 leading insurance companies in UK were identified based on different statistics. Elements of personal cyber insurance were found integrated in home insurance policies or as additional cover to them.

Preliminary findings

1. Scarcity of personal cyber insurance cover as a stand alone product or as an additonal cover to existing policies.
2. No fixed standard to define cyber perils. Broad and vague terms like fraud, cyber theft, cyber crime are used which make interpretation of coverage offered difficult.
3. Rigid conditions imposed (eg. periodic backing up of data every 30 days) which may make protection offered under insurance ineffective.



United States of America

Data collection

Margherita Marinetti, supervised by DW, extracted 21 regulatory filings from the SERFF database, submitted to gain approval to sell personal cyber insurance. Each filing contained the policy document. Some contained information about price schemes.

Coverage Analysis

An inductive content analysis of policy wordings identified six core coverage types: cyber attack, cyber extortion, online fraud, ID theft, and data breach.

Pricing Analysis

Products range in price from \$25 to \$800. They are predominantly marketed to high-net worth individuals. Regulatory filings reveal actuaries are uncertain about pricing models due to data availability.

Policy Identifier	Submission date	State	Cyber attack	Cyber extortion	Online fraud	Identity theft	Cyberbullying	Data breach
POL#3	May-17	CA	X	X	X		X	
POL#1	Sep-17	CA	X	X	X			X
POL#7	May-18	CA	X	X	X			
POL#13	Jun-18	NY	X	X	X	X	X	X
POL#5	Jul-18	CA	X	X	X			
POL#4	Aug-18	CA	X	X	X		X	X
POL#17	Nov-18	PA	X	X	X	X	X	X
POL#19	Nov-18	PA	X	X	X	X	X	X
POL#11	Feb-19	CA	X	X	X			
POL#2	May-19	CA	X	X	X	X		
POL#21	Jul-19	TX	X	X	X			
POL#10	Aug-19	CA	X	X	X			
POL#9	Feb-20	CA	X	X	X		X	X
POL#15	Jul-20	NY	X	X	X	X	X	X
POL#12	Oct-20	CA	X	X	X	X		
POL#16	Nov-20	NY	X	X	X	X		
POL#18	Nov-20	PA	X	X	X	X	X	X
POL#20	Apr-21	TX	X	X	X	X	X	X
POL#8	May-21	CA	X	X	X	X	X	X
POL#14	May-21	NY	X	X	X	X	X	X
POL#6	Nov-21	CA	X	X	X	X	X	X

Future Work

- Inter-coder reliability tests for content analysis
- Compare US and UK market
- Understand user perceptions of the products
- Insurability analysis



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