

Is Asia Ready?

Social Media Insurance





A Strange call from my boss woke me up on that Monday morning, His tone was much intense than I could have ever expected. “See me in office in 10 minutes- you are going to pay for this” were his exact words. The only thing I wanted to check was - what did I do, what do I have to pay for???

“I’ll fix this, believe me, just give me some time...” that’s the only thing I could hear when I reached his room surprisingly filled with entire HR and some senior members of the organization, my boss was on phone with someone with a much softer tone this time, looked like he was talking to either the customers or his superiors, he was apologizing to someone, I had never seen this side of my boss.

As expected all eyes were on me and the most disturbing part was the way my boss looked at me, I could feel the pain, disappointment and anger at the same time, I always enjoyed a very good rapport with my boss, my work quality was never challenged, I was always in good books of my entire staff, what actually went wrong, I realized when my boss looked into my eyes and told me, you have done this and you are going to fix this and yeah- **YOU ARE FIRED!!!**



Those three words kept ringing in my ears for a long time. After the whole discussion I realized that someone has Hacked my social media account and posted on my behalf, the damaged caused by this was beyond repair. The compromised data led to loss of millions of dollars to my company, it cost me a job. My family security and my kids’ education were at stake. I had nowhere to go to. Never realized one small thing can have this big an impact. To make things worse, my company sued me for my negligence and claimed for the loss it incurred. The only hope given by my lawyer was to talk to the website operator and if required sue them. It was a big decision to make, without a job and a guarantee of winning, fighting a case against this big giant could have cost me a fortune. I played safe and let it go. It took me years to take back the control of situation and convince the people of my innocence, till date I am paying the installments of the law suit against me. In a nutshell, I am 20 years behind of time. Thanks to social media.

This story belongs to one of the thousands victims of the millions of the internet users, this could have been you or me or anybody. The damage could have been much worse. This person never anticipated this kind of problem may occur by simply using one of the well accepted social media. Every year, thousands of cases happen like this and very few actually take them forward and fight for their rights, these are the ones who can afford a big lawyer but how about those who have already lost everything and may not even have money to pay legal fee as well. I am not talking against the usage of social media, it has its own remarkable advantages but the security part has to be addressed, the protection is required and there lies a great opportunity for Insurance companies.

“With the first product rolling out in the UK market to cover social media to specifically protect against reputational damage, account jacking and ID theft, we may anticipate many more insurance players jumping into the pool to grab their piece of cake. The cover will pay for legal advice and support if someone suffers an online attack and seeks some form of redress.

It includes the cost of disabling accounts, suppressing offensive material and stopping any legal action triggered by hacking, for example if a hacker posts illegal material under a victim’s name.”

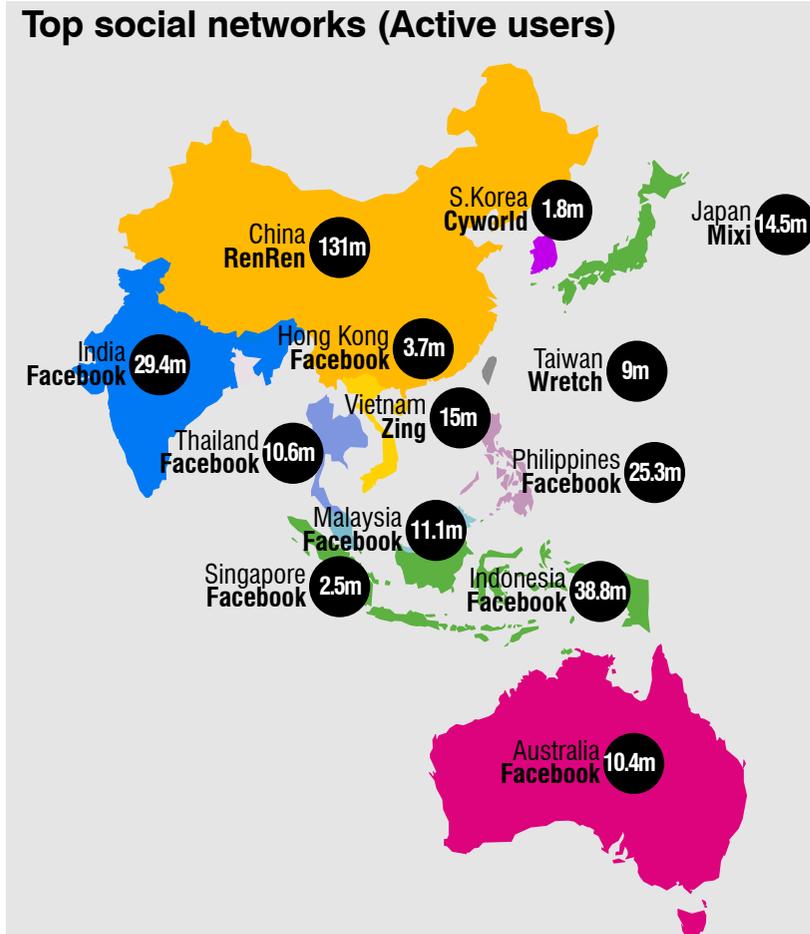
(Source: dailymail.co.uk)



The second question we need to ask is if ASIAN market ready for this? Let us have a quick look on the feasibility of this unique insurance product:

Demand: with the rising number of social media user, we are talking about a huge market. Statistics show the number of users

(refer picture below Source: SocialBizNow.com)



As per statistics more than 600000 Facebook accounts alone are hacked daily which is around .06% of daily logins. Though the probability is less but the impact is huge. And with such a huge audience, the law of large number will make premium very much affordable.

Distribution channels: Since Social media usage is directly dependent on the internet this makes the online channel the most preferred one for selling this product. With customers' availability on internet throughout, the entire transaction from quotation to payment can be performed online.

Transparency- when it comes to Asia, this looks like an Alien term to us, transparency may be one of the biggest challenges for this product to be successful in this region

Indemnity- Insurance companies need to draw a clear line about the coverage in every case, Will they be covering only the legal fee or the entire loss incurred due to hacking?

Moral Hazard (Authenticity of loss) – Well this may be the biggest challenge for insurance companies. It may be extremely difficult to analyze if the hacking was a result of a mistake or intention

Morale Hazard (Carelessness) - this problem exists in any line of business and with every product but in this case this may be more impactful, with this kind of protection, customers may get little careless while protecting their online accounts.

Clarity in definition (Terms and Conditions)- with such kind of product Insurers need to have a clear definition of coverage for eg, with the constant innovation in technology, today we can access almost everything with the mobile, and our mobile is the most private thing we have (since we are always logged in to all our social media accounts) but at the same time this is the only device which we keep with us every time and everywhere we go, this makes it vulnerable and this is the easiest to be lost or stolen. The moment it reaches somebody else's hands we not only lose the content of our mobile but we give the other person the access to all our accounts.

There are many more issues which may arise when we will go deep into the feasibility of social media insurance, Asian culture is a way different from west, we have our own hiccups and challenges, having said that it does not stop us in researching deeply into the scope of this product, these are some of my views. Perhaps you may send your suggestion and feedback to our team (find the email address below). We may consolidate them and bring them out in our next article. We also welcome the creative and innovative ideas which may lead to the discovery of one of its own kind of product. For an example: we are talking about selling insurance to the customer if his account is hacked, how about selling a group insurance to the same customer but from the social media channel itself, next time you signup in any new site (like face book) they ask you to pay \$x for insurance. Imagine the customer base if you have around 1 billion Facebook users alone. And you will pay only for the account you use. This is one of the examples, you may send yours. We will definitely publish the best idea and will reward that person accordingly.

Though insurance is always treated as the best cure of any loss but as the old saying goes, prevention is always better than cure, here are some of the good social media safety tips you may use to avoid this kind of loss
(Source: Microsoft)

1. Use caution when you click links
2. Know what you've posted about yourself.
3. Don't trust that a message is really from who it says it's from
4. To avoid giving away email addresses of your friends, do not allow social networking services to scan your email address book
5. Type the address of your social networking site directly into your browser or use your personal bookmarks
6. Be selective about who you accept as a friend on a social network.
7. Choose your social network carefully.
8. Assume that everything you put on a social networking site is permanent
9. Be careful about installing extras on your site.
10. Think twice before you use social networking sites at work.
11. Talk to your kids about social networking.

Helping Your Insurance Company Grow

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