Basics of
Cyber Security
for Investors

From The Editor's Desk (Diwali Edition)

Dear Reader,

As the festive season of Diwali approaches, everyone would be meeting & greeting their loved ones and celebrating this festival by making sweets at their homes, lighting lanterns, diyas, etc. Children would celebrate by lighting firecrackers etc. While it is important that we take necessary precautions for our lives, it is also important that we also safeguard our investments by taking the right measures.

To help bring to your light some of these measures, this Diwali special edition would focus on information regarding Cyber Security measures and National Insurance Repository (NIR) through which you can keep your life and non-life Insurance policies in electronic form through an e-Insurance Account (eIA). So if you still haven't converted your Insurance policies in electronic form, please visit https://nir.ndml.in/

Please do like, share & subscribe to our NSDL Social Media channels Twitter, LinkedIn, Instagram, Facebook & YouTube.

Best wishes for a Happy and Prosperous Deepawali.!!!

Regards,
NSDL – Your Depository

Be Cyber Safe

OCTOBER CYBER SECURITY
Awareness

Verizon's Data Breach Investigation Report (DBIR 2022)

82%
of breaches involved the Human Element, including Social Attacks, Errors and Misuse.

13%
increase in Ransomware breaches—more than in the last 5 years combined.

62%
of incidents in the System Intrusion pattern involved threat actors compromising partners.

Every year, 'October' is observed as a Cybersecurity Awareness Month. Worldwide, cyber security awareness campaigns are carried out to implement stronger security practices, raise community awareness and train employees for a more safer and resilient interconnected world.

Cybersecurity is an ever-increasing need now-a days. Hackers today, along with latest hacking tools, use sophisticated attack methods like social engineering to launch phishing attacks, ransomware attacks, credential stuffing attacks, identity theft attacks and so on.

Recently, Verizon's Data Breach Investigation Report (DBIR 2022) was released. The survey revealed that humans remain the number one driver of breaches today. It's because a lot of people around the globe cannot identify a phishing email and most of them would download a potentially malicious file because they lack the cybersecurity awareness to spot and prevent it.

Over 6.74 Lakh cybersecurity incidents were reported in India alone in 2022 till the 2nd quarter.

Hence, this Cybersecurity Awareness Month is an ideal time to revive ourselves on how to handle the nearly constant threats faced in the cyber world. **This year's Cyber security awareness month's theme is "Do Your Part. #BeCyberSmart"** and it aims at empowering individuals and organizations to own their role in protecting their part of cyberspace. Also this year, the global cyber security campaign's are focusing on four key behaviors:

i. **Enabling multi-factor authentication**
ii. **Using strong passwords**
iii. **Updating software on a regular basis**
iv. **Recognizing and reporting phishing**

Basics of Cyber Security for Investors

Globally, October is observed as the Cyber security Awareness Month. Cyber security assumes much importance as India figures at third position in number of Data Breaches in the world after United States and Iran. As per the reports, about 9 crore Indian user data was breached in 2021. Hence, we must exercise caution while handling our data.

From downloading a malware-infected attachment to failing to use a strong password and posting excessively on social media to not updating system patches, there are innumerable reasons that lead to data breaches. It may not be possible to avoid the cyber-attacks completely but given a try, we can keep the number of data breaches, considerably low.

The most common cyber-attacks use psychological manipulation to trick users into making security blunders or giving away sensitive information. The other common cyber-attack is to deliver malware/ virus to the user mobiles or computers. One dangerous variant of malware called 'ransomware'

that encrypts the data on mobile/computer making it unreadable. The effect is reversed after a payment of ransom is done. Another common attack is the SIM SWAP fraud, which is used to assume the identity of another mobile phone user by illegally acquiring a victim's SIM. Most of such attacks manipulation of individuals and are preventable. To reduce the opportunity of an attacker to exploit such possibilities, it is vital that we adopt sound cyber security practices

Let's examine into some of the security tips and best practices:

- Beware of links in emails and messages. Do not open the attachment or click on links if the email seems to originate from unknown sources. As a practice, type a link instead of clicking on the link sent through the mail.

- Do not share confidential information such as OTP, PIN, password/ any banking details over the phone or email with anyone, including people claiming to be from the bank or such entities.

- Use strong and difficult-to-guess passwords and change them regularly. Use a passphrase if possible.

- Always install licensed anti-virus software and keep it up to date.

- Keep your mobile/computer updated with the latest patches.

- Back up your computer/mobile data regularly.

- Do not be negligent about handling documents/ photocopies of your identity proof (such as Aadhar card, PAN card, driving license), residential proof, and similar such documents. Sign the photocopies along with the date and write the purpose before sharing such documents. Dispose-off such documents securely, when not needed.

- Do not post excessive personal information on social media.

- Do not use public computers or free WIFI while carrying out financial transactions.

- Do not click on pop-ups. Be aware of the applications that you install and websites that you browse and links that you click on.

- Wherever feasible, enable 2-factor authentication to keep your accounts more secure.
- If your mobile phone shows no-signal without any apparent reason, get in touch with your service provider. Avoid being a victim of SIM swap fraud.

- Anyone giving you free lottery, rewards or any such freebies is a red flag. Avoid it

- Despite all precautions, if you become a victim of any cybercrime, please report it to the cybercrime cell immediately. It will help fight cybercrime.

Cyber security must be embedded into our workplaces and our daily lives so as to prevent cyberattacks from proliferating and making cyberspace more reliable.


**The article is written by
Mr. Manoj Sarangi, CISO, NSDL**

BE CYBER SAFE IN 4 SIMPLE STEPS

NSDL
Technology, Trust & Reach

1. Protect your Personal Information

- Don't enter your login credentials unless you are certain that a website or app is secure.
- Always verify the sender before divulging any information
- Limit the information that you post online on social media websites
- Check your privacy settings to minimize the information that can be viewed by the public
- Exercise caution while sharing copies of identity proofs, residential proofs etc. with anyone
- Watch out for information collecting gimmicks, such as quizzes that ask for personal details like your mother's maiden name or your date of birth
- Dispose critical documents, copies of id proof, residential proof securely
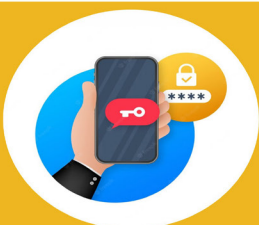
2. Practice Password Safety

- Use unique passwords for each of your accounts.
- Create passwords that are difficult to guess.
- Passwords should be a combination of minimum 8-12 characters with alphabets (upper and lower case), numbers and special characters.
- Password should not be shared with anyone.

3. Watch out for insecure Online Transactions

- Use URL that begin with 'Https' for secure connection. Verify the authenticity of the website before initiating transaction
- Do not share your OTP, PIN, passwords etc. with anyone.
- Avoid clicking on links for financial websites. Type the URL
  e.g.: Sites like https://nsdlbank.com and https://nsdlbank.com may look similar, but they may take you to two different websites
- Set purchase limit on your debit card / credit card for online transaction.
- Regularly check your transaction statements and SMS / email alerts that are sent by banks, DPs, depositories etc. In case of anomalies, kindly contact the respective entity
- Keep your device software, antivirus and applications up-to-date.
- Avoid using public Wi-Fi for net-banking or similar transactions
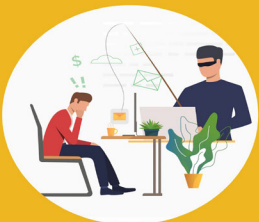
4. Beware of Email frauds

- Do not reply to unknown emails or open suspicious attachment / link in email and SMS that seem to have come from unknown senders.
- If you receive an email with a link to a special deal or promotion, navigate to the organization's website in your browser instead of clicking the link. By visiting the organization's website directly, you can ensure that the deal or promotion is legitimate.
- Before you click a unknown URL, make sure it's legitimate.
- Avoid clicking on free adware or browser pop-ups.

Introduction to National Insurance Repository (NIR)

Insurance Repository; the first initiative of its kind in the world, was launched on 16th September 2013; it is a database of insurance policies. The Insurance Regulatory and Development Authority of India (IRDAI) initially granted certificate of registration to act as an insurance repository to NSDL Database Management Limited (NDML), along with four other players.

Insurance Regulatory and Development Authority of India (IRDAI) guidelines paved way for electronic issuance of insurance policies on April 29, 2011 with revised guidelines on May 29, 2015 and Regulation on June 13, 2016.

NSDL Database Management Limited (NDML) received approval from "IRDAI" for setting up Insurance Repository to facilitate the holding of all type of insurance policies in electronic form in a single e-Insurance Account (eIA) and name it **NSDL NATIONAL INSURANCE REPOSITORY (NIR).**

"Insurance Repository" means a company formed and registered under the Companies Act, 1956 (1 of 1956) and which has been granted a certificate of registration by the Insurance Regulatory and Development Authority (IRDA) for maintaining data of insurance policies in Electronic form on behalf of Insurers. The Insurance Repositories provide the ease of holding insurance policies issued in an electronic form digitally in an e-Insurance Account (eIA).

What is an eIA?

An eIA, is a digital facility (account) provided by the IRs, facilitating policyholders to store their insurance policies digitally under one e-Insurance Account (eIA) without any charge.

Each e-Insurance Account will have a unique Account number and each account holder will be granted a unique Login ID and Password to access the electronic policies online.

Objective of IR

The objective of creating an insurance repository is to provide policyholders a facility to keep insurance policies in electronic form and to undertake changes, modifications and revisions in the insurance policy with speed and accuracy. In addition, the repository acts as a single stop for several policy service requirements. The Insurance Repository system also brings about efficiency and transparency in the issuance and maintenance of insurance policies

As on date, IRDA has active Certificate of Registration for the following four entities to act as 'Insurance Repositories' that are authorized to open e-Insurance Accounts.

- NSDL Database Management Limited
- Central Insurance Repository Limited
- Karvy Insurance Repository Limited
- CAMS Repository Services Limited

Adoption of IR Services

NSDL NIR has emerged as the largest and most preferred IR with insurers as well as policy holders, although insurance repositories have been present since 2013, only when the pandemic hit have people come to realize its advantages over traditional brick-and-mortar mode insurances.

During the last 2 years of pandemic, IRs have witnessed a strong adoption from policy holders as well as the insurers, looking at the numbers of FY 20-21 VS FY 21-22, the private life insurance industry has grown by 3% whereas among the same insurers the IR adoption has jumped 11%.

Amid the covid-19 pandemic, norms of social distancing and the paradigm shift towards business operations taking place online, insurance repository services have helped people hold insurance plans in the demat form. One can keep one's insurance policies in an electronic insurance account (eIA) with an insurance repository. Even if one has policies from multiple insurance companies, they can be stored in the same account. Each eIA will have a unique account number and each account holder will be granted a unique login ID and password to access the same.

Why eIA?

The way capital market popularised the dematerialisation of stocks in the two decades and immensely benefitted the entire ecosystem including users to seamlessly transact, the IR concept is also catching up as users as well as insurers have started realising the benefits of eIA.

First, on being stored in an electronic form, one does not have to worry about the risk of losing the physical document. Also, it is easier to track all policies as everything is stored in one single platform. Further, one gets a dashboard view of all the policies held and also see on a calendar the premium payments related to various policies held. This helps the policyholder plan better in terms of ensuring equitable cash flow. Further, all types of polices namely motor, health, etc. can be held under the same eIA.

In the event of the untimely demise of the policyholder, the eIA allows the person's heir or beneficiary to access all the policies from one account and then initiate the process to get the benefits of the deceased released. Keeping in mind the uptake of digital initiatives, accessing everything from the comfort and safety of one's e-gadget is the best practice. The paperwork, too, gets reduced and updating and changing your

personal details becomes faster and hassle-free. NIR has made sure that all these facilities are being offered to their customers in a hassle-free manner.

Moreover, the fact that it costs nothing to open an eIA or hold the services in the demat form makes it more attractive. The only thing that one needs to do is to fill up a request form for conversion and submit the same to the insurer, which will be later safeguarded by the respective repository. NIR ensure the interests and secure fair treatment of policyholders by acting as a one-stop shop for policy servicing.

Once an e-insurance account is opened if the applicant wishes to buy a new policy in electronic form he is to quote his unique e-insurance account number in his new insurance proposal form and make a request to issue policy in an electronic form. All Life Insurance, health insurance, general insurance and annuity polices that are issued by registered insurance companies with IRDA and who have signed up with insurance repositories are eligible to be held in the electronic form. If the insurance policy is successfully credit into the e-insurance account the applicant will receive a mail and SMS on his registered e-mail id and mobile from NIR. It is also possible to convert the existing paper policies into electronic form, by simply logging into your NIR eIA.

Benefits:
The following are the benefits of holding insurance policies in electronic form with NIR:

- **Safety** – There is no risk of loss or damage of a policy as it's common with paper polices; the electronic form ensures that the policies are in safe custody and can be easily accessed whenever and wherever needed. A copy of the policy can be downloaded at any time by accessing the e-insurance account;

- **Easy Tracking** - Policyholder can view their insurance policies as a part of the Consolidated Account Statement (CAS) where the customer has Demat account with NSDL.

- **Convenience** – All insurance policies, be it life, pension, health or general, can be electronically held under a single e-insurance account. This means all details of all policies are available in a single account. The details of the policies can be accessed at any time by logging on to the online portal of insurance repository;

- **Single point of service** – Service requests in respect of e-insurance account or any of the electronic policy can be submitted at any of insurance repository's service points. A single request can sometimes cater to the requirements of several insurers. As an illustration, a single change of address request made to the insurance repository can update the policies issued by multiple insurers. There would be no need to go to several offices of individual insurers for service;

- **Less paper work and savings in time** – An e-insurance account holder is freed from the trouble of submitting KYC details each time a new policy is taken. Further, any changes in personal details like address or contact number can be effected through a single request, thus, saving on paper and time;

- **Statement of Insurance Policies (SOIP)** – Once every year, NIR would send a SOIP to the e-insurance account holder with the details of t;he policies of the account holder;

- **Increased number of service points** – Since the Insurance Repositories function in addition to the insurers, the policy holders will have an increased number of touch points for having their servicing needs attended;

- **Single view** – Single view of all policies will be made available to an authorized person in case of death of the e-insurance account holder.

Authorized representative

An Authorized representative is a person who is appointed by e-insurance account holder to operate his/her e-insurance account in case of unfortunate demise or incapability of e-insurance account holder to operate the account. The authorized representative will intimate the insurance repository about the demise/incapability of policyholder with valid proof. He has only access to the e-insurance account in the event of demise of the policyholder. He would act only as a facilitator and is not entitled to receive any policy benefits unless designated as a 'nominee' or 'assignee' by the deceased policyholder. An authorized representative may also be a nominee. An authorized representative can be changed by making a request to the insurance repository.

Recently, IRDAI has also come up with draft guidelines mandating insurers to issue all policies only electronically through an insurance repository (IR) in order to promote efficiency in conducting insurance business, we at NSDL National Insurance Repository (NIR), see this as a major step forward by the Authority in creating a WIN-WIN situation between the policyholder and insurance company.

The article is written by Mr. Vijay Gupta, Senior Vice President, NSDL Database Management Limited (NDML)

Join our Investor Awareness Programs

NSDL conducts Investor Awareness Programs (IAPs) to help investors to be aware of different aspects of investing. These programs are conducted on different topics of interest to investors and in different languages. The schedule of the forthcoming programs/webinars is published online at https://nsdl.co.in/Investor-Awareness-Programmes.php. We invite you to participate in these programs. We shall be happy to conduct an awareness program for your employees, staff, students, or members. Please write to us at info@nsdl.co.in if you want any such program to be conducted.

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