GLOBAL FEDERATION OF INSURANCE ASSOCIATIONS

To: Financial Stability Board (FSB)

Date: 20 August 2018

Subject: GFIA response to the FSB consultation on the Cyber Lexicon

To whom it may concern,

GFIA appreciates the opportunity to provide comments on the draft Cyber Lexicon (Lexicon). The insurance industry places great importance on securing its own information systems and welcomes the international community's efforts to enhance cross-border cooperation in addressing this global risk. Cross-border collaboration allows for harmonisation and global coordination, to the extent possible, and encourages flexible risk-based approaches to cybersecurity resiliency. GFIA is of the view that the Lexicon supports this approach by allowing for a consistent reference point when executing the FSB's identified work streams, such as information sharing and cross-border guidance. GFIA therefore agrees with these objectives of the Lexicon and supports its development.

GFIA also appreciates the statement in the Lexicon that it is not intended for use in the legal interpretation of any international arrangement or agreement or private contract. The property and casualty insurance community has a unique voice in the cyber dialogue due to the cyber risk insurance products they offer. At times, there are suggestions that a common lexicon or glossary could be leveraged for standardizing insurance contract terms. GFIA strongly takes the view that a taxonomy should not pre-empt insurance contract language. While alignment in terminology of risks may be beneficial to help companies and consumers better understand cyber insurance, such alignment is occurring organically, where appropriate, in the market today. Additionally, forced terminology for this nascent industry could prevent innovative product development that will naturally converge with changing cyber risks. As this organic evolution continues, GFIA is reminded that this is another reason that education and the broker relationship are critical to help consumers compare and contract policies and find the best coverage for their needs.

While GFIA's individual associations may offer additional technical amendments for your consideration, overall GFIA views the Lexicon as logical and robust, and is encouraged by the use of existing frameworks and resources as a baseline starting point for this project.

GFIA makes the following comments on the draft Lexicon in the Annex:

- Key acronyms such as CERT (Cyber Emergency Response Team) and key forms of cyber intrusions should be considered for inclusion.

- The Lexicon is currently in English. If English will be the international language for the Lexicon, GFIA suggests that the FSB will need to give consideration to the potential for translation issues that may give rise to inconsistent interpretations. As such, the FSB may consider whether official translations are appropriate.

Global Federation of Insurance Associations (GFIA)
Secretariat: rue Montoyer 51, 1000 Brussels, Belgium
Tel: +32 2 894 30 81 E-mail: secretariat@GFIAinsurance.org
www.GFIAinsurance.org

- The Inclusion of the word “potential” in the definition of “cyber incident” may be problematic. There are many thousands of “potential” incidents per day. Only the smallest fraction of those become the rare cyber incident that results in material impact on the company. GFIA suggests that care should be taken with respect to scope when defining a “cyber incident”. Reporting requirements and other related measures are more effective if tied to actual incidents as opposed to potential incidents.

- “Cyber Warfare” is a critical term that should also be considered for inclusion. GFIA acknowledges that the FSB may be reluctant to introduce the term, as it would take the FSB more into international/national security territory; however, the FSB’s key concern is financial stability of the financial system and its institutions and adopting a limiting view implicitly suggest the onus is solely on the financial services industry. Further, others may look to the Lexicon to form a core set of evolving or new cyber taxonomies and the absence of the term will result in a fragmented understanding of a global risk.

GFIA would like to thank the FSB for the opportunity to comment, and stands ready to answer any questions that you may have. GFIA’s global reach promotes a broad awareness of the cyber landscape and its implications for standard setters. As such, the GFIA Cyber Risks working group welcomes the opportunity to have a thorough, ongoing dialogue with the FSB on cybersecurity issues.

Kind regards,
Steve Simchak
Chair of the GFIA Cyber Risks working group (ssimchak@aiadc.org)

About GFIA

Through its 42 member associations, the Global Federation of Insurance Associations (GFIA) represents the interests of insurers and reinsurers in 61 countries. These companies account for around 87% of total insurance premiums worldwide. GFIA is incorporated in Switzerland and its secretariat is based in Brussels.