From: IANS Exec Communications
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Subject: IANS EXECUTIVE COMMUNICATIONS: WEDNESDAY, MARCH 27

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Insurers Creating a Consumer Ratings Service for Cybersecurity Industry
https://www.wsj.com/articles/insurers-creating-a-consumer-ratings-service-for-cybersecurity-industry-11553592600

What it Says:

- A consortium of cyber insurers led by Marsh & McLennan will create "Cyber Catalyst" -- a public-facing program that assesses the effectiveness of cybersecurity software and services:
  - Participating insurers: Allianz, AXA, Axis, Beazley, CFC, Munich Re, Sompo and Zurich:
    - Insurers will benefit from fewer claims if policyholders use the most effective cyber software and services.
    - Microsoft will be the insurers' technical adviser.
  - Policyholders who use these gold-standard products and services will receive reduced pricing and improved policy terms.
- Cybersecurity vendors will apply to have their products evaluated by the program:
  - 3,500 security vendors exist and global infosec spending is projected at $120 billion in 2019.

What to Communicate to Executives:

- Cyber insurance premiums are forecast to grow expeditiously -- from $4 billion in 2019 to $14 billion in 2022:
  - Insurers are increasingly nervous about the systemic risks they are shouldering with this flurry of cyber underwriting.
- "Cyber Catalyst" is an exciting announcement that could produce objective data on the highest performing vendors:
  - However, implementing this program will be devilishly complicated -- example: how do you objectively assess software for disparate environments?
- IANS, our research provider, has strong underwriter relationships and will provide updates.

Relevant Documents [Subscription might be required]:
https://portal.iansresearch.com/content/unlocked/3841/cat/cyber-insurance-premiums-expected-to-rise-through-2020/ref/VV6qg6ci

https://www.linkedin.com/pulse/cyber-insurance-grow-up-you-ready-phil-gardner-1e/

https://www.alliedmarketresearch.com/press-release/cyber-insurance-market.html

https://portal.iansresearch.com/content/unlocked/2701/frp/cyber-insurance-is-it-right-for-your-organization/ref/giBs6FYy

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Norsk Hydro's Initial Loss From Cyber Attack May Exceed $40 Million
https://www.nytimes.com/reuters/2019/03/26/technology/26reuters-norway-cyber.html

What it Says:

- Norwegian aluminum maker Norsk Hydro is projected to lose in excess of $40 million in the wake of a recent ransomware attack that paralyzed its operations:
  - Hydro did not pay the ransom and is restoring its files using backup servers.
  - The company stated that a full recovery of all of its systems will take "weeks or longer."
  - Hydro has a cyber-insurance policy with AIG (that will see a payout) -- but the policy is capped.

What to Communicate to Executives:

- Cyberattacks are now capable of inflicting significant damage to physical infrastructure:
  - For example, the victims of the NotPetya cyberattack (June 2017) suffered the following monetary damages:
    - Merck lost $870 million when its manufacturing lines shut down.
    - Maersk, the shipping giant, faced $300 million in clean-up costs.
    - Mondelēz, the owner of chocolate-maker Cadbury, took a $188 million hit.
- When dealing with ransomware, the IANS Faculty recommends:
  - Develop a position on when you'll pay and when you won't.
  - Do not engage the attackers directly. Use an objective third party to broker a solution.
  - Do not assume paying the ransom will solve the problem -- hackers sometimes renege on the deal or repeat their attack.
  - Relying on data backups can be insufficient -- they can fail or take longer to retrieve than paying the ransom.
  - Do not stockpile cryptocurrency -- valuations fluctuate and storing Bitcoin won't help if the attacker demands another cryptocurrency.
  - Practice and update your business continuity plan.

Relevant Documents [Subscription might be required]:
https://portal.iansresearch.com/content/unlocked/4009/cat/20-of-ransomware-victims-lost-data-even-after-paying/ref/giBs6FYy

https://portal.iansresearch.com/content/unlocked/4039/cat/overview-of-the-financial-consequences-of-a-cyber-attack

https://www.wired.com/story/notpetya-cyberattack-ukraine-russia-code-crashed-the-world/

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SEC Addresses Cybersecurity Concerns About Stock-Investor Data
https://www.wsj.com/articles/sec-addresses-cybersecurity-concerns-about-stock-investor-data-11553625211

What it Says:

- The SEC will consider not storing some personal investor information in its planned Consolidated Audit Trail (CAT) data repository:
  - The CAT, under development since 2012, would enable regulators to monitor stock and options orders in real time and identify market manipulation.
  - Investors and brokers are concerned that their personal and trading data would be a target for hackers.
- "We'll get to a responsible place on customer data as long as everybody remains constructive," asserted SEC Chairman Jay Clayton.

What to Communicate to Executives:

- One of the impediments to CAT's troubled deployment has been an insistence on robust security:
  - Traders fear a breach of this comprehensive repository would allow sophisticated third parties to piece together their trading strategy and/or portfolio mix.
  - Also, brokers worry about sharing data on the individuals behind their trades.

Relevant Document [Subscription might be required]:
https://portal.iansresearch.com/content/unlocked/3261/com/secs-edgar-regulatory-reporting-system-breached/ref/giBs6FYy

https://portal.iansresearch.com/content/unlocked/3506/com/sec-releases-new-guidance-on-cybersecurity-risk-disclosures/ref/giBs6FYy

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FTC Orders Broadband Providers to Explain Data Collection Policies
https://www.wsj.com/articles/ftc-orders-broadband-providers-to-explain-data-collection-policies-11553636798

What it Says:

- The FTC ordered broadband providers Comcast, Verizon and AT&T to explain why and how they collect consumer data. It also asked whether they give customers the opportunity to block use of their personal information:
  - Overturning an Obama-era regulation in 2017, Congress gave broadband providers greater opportunity to exploit this data commercially.
- The orders are part of a broader investigation that could help the agency shape federal rules and enforcement and assist Congress in developing privacy legislation.

What to Communicate to Executives:

- While much of the privacy-regulation debate has focused on the tech giants (Facebook and Google), broadband carriers monetize vast information about consumers and their web usage patterns:
  - "Every participant in advertising, let alone digital advertising, has to consider whether or not their actions would pass the Page Six test," said Brian Wieser of WPP, referring to the gossip section of The New York Post. "What's legal and what a consumer might expect can be two different things."

Relevant Documents [Subscription might be required]:
https://portal.iansresearch.com/content/unlocked/3997/frp/infosec-in-2019-what-to-expect-in-privacy-regulationslegislation/ref/giBs6FYy

https://portal.iansresearch.com/content/unlocked/3975/tpg/surviving-gdpr-and-the-california-privacy-law/ref/giBs6FYy

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Compilation: EU Ignores U.S. Huawei Warnings

EU Ignores US Calls to Ban Huawei in 5G Security Blueprint
https://www.nytimes.com/aponline/2019/03/26/world/europe/ap-eu-europe-5g.html

Brussels Unveils EU-wide Plan to Address 5G Security Risks
https://www.ft.com/content/069873f4-4fcd-11e9-b401-8d9ef1626294

What it Says:

- The European Commission announced a series of cybersecurity recommendations for 5G networks:
  - This announcement ignores U.S. calls to ban Huawei gear outright.
  - EU countries have three months to complete national risk assessments and another 15 months to tighten new pan-EU standards.
- Huawei welcomed the commission's "objective and proportionate" approach.

What to Communicate to Executives:

- The Trump administration's campaign to prevent countries from deploying Huawei 5G gear is losing steam:
  - European allies believe the U.S. position is more about blocking Chinese technological supremacy -- less about security.

Relevant Document [Subscription might be required]:
https://portal.iansresearch.com/content/unlocked/4054/cat/overview-of-huaweis-global-market-share/ref/giBs6FYy

https://portal.iansresearch.com/content/unlocked/4129/cat/huawei-leads-in-global-mobile-infrastructure-market-share/ref/giBs6FYy

https://www.cnbc.com/2019/02/23/fred-kempe-battle-over-5g-huawei-is-the-biggest-test-yet-for-trumps-approach-for-china.html

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