



November 10, 2022

The Honorable Steven Seitz
Director, Federal Insurance Office
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW,
Washington, D.C. 20220

RE: Potential Federal Insurance Response to Catastrophic Cyber Incidents Request for Comment

Dear Director Seitz:

The Confidentiality Coalition appreciates the opportunity to submit comments on the Federal Insurance Office's (FIO) request for comments on, "Potential Federal Insurance Response to Catastrophic Cyber Incidents Request for Comment."

The [Confidentiality Coalition](#) is composed of a broad group of hospitals, medical teaching colleges, health plans, pharmaceutical companies, medical device manufacturers, vendors of electronic health records, biotech firms, employers, health product distributors, pharmacies, pharmacy benefit managers, health information and research organizations, and others, committed to advancing effective health information privacy and security protections. Our mission is to advocate policies and practices that safeguard the privacy and security of patients and healthcare consumers while, at the same time, enabling the essential flow of patient information that is critical to the timely and effective delivery of healthcare, improvements in quality and safety, and the development of new lifesaving and life-enhancing medical interventions.

Cybersecurity incidents are a significant challenge for healthcare stakeholders. In 2021, over 45 million individuals were impacted by cyber attacks on healthcare entities, a record amount.¹ Of the 16 sectors categorized as "critical infrastructure," healthcare companies reported the greatest number of ransomware attacks in 2021.² These attacks are not only harmful to

¹ Heather Landi, *Healthcare data breaches hit all-time high in 2021, impacting 45M people*, Fierce Healthcare (February 1, 2022), <https://www.fiercehealthcare.com/health-tech/healthcare-data-breaches-hit-all-time-high-2021-impacting-45m-people>.

² *Internet Crime Report 2021*, Federal Bureau of Investigation Internet Crime Complaint Center (March 23, 2022), https://www.ic3.gov/Media/PDF/AnnualReport/2021_IC3Report.pdf.

organizations in terms of financial cost³ and the unauthorized release of sensitive information but can disrupt operations and put the health and safety of patients in jeopardy.

The Confidentiality Coalition thanks the FIO for its work to examine how to improve resilience for insurers when confronting cybersecurity incidents. Claims related to cybersecurity incidents hit a record high in 2021.⁴ The FIO already provides federal assistance for coverage of catastrophic incidents such as natural disasters or acts of terrorism. Extending these protections to cyber incidents would recognize the significant impact cyber attacks have on organizational operations as well as provide the certainty that impacted entities could reconstitute operations if necessary. As the FIO examines how to strengthen disaster insurance, we also emphasize the need for continued outreach on private-public collaborations to improve cyber readiness. As cyber threats events become more widespread, impacted entities will benefit from continued education and outreach from federal partners to emphasize a collaborative process when confronting cybersecurity incidents.

The Confidentiality Coalition thanks the FIO for its work to improve cyber resilience. Please contact me at tgrande@hlc.org or 202-449-3433 with any questions.

Sincerely,

A handwritten signature in black ink that reads "Tina O. Grande". The signature is written in a cursive, flowing style.

Tina O. Grande
Chair, Confidentiality Coalition and
Executive VP, Policy, Healthcare Leadership Council

³ Heather Landi, *Average cost of healthcare data breach rises to \$7.1M, according to IBM report*, Fierce Healthcare (July 29, 2020), <https://www.fiercehealthcare.com/tech/average-cost-healthcare-data-breach-rises-to-7-1m-according-to-ibm-report>.

⁴ John Hewitt Jones, *Treasury seeks industry input on cyber insurance market support measures*, FedScoop (October 11, 2022), <https://www.fedscoop.com/treasury-seeks-input-on-cyber-insurance-market-support-measures/>.