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Reserve Bank of New Zealand Risk Management Guidance on Cyber Resilience and Views on Information Gathering and Sharing

I am writing to you regarding the RBNZ Risk management guidance on cyber resilience and views on information gathering and sharing consultation document.

Cigna Life Insurance New Zealand Limited (“Cigna”) protects more than 450,000 New Zealanders with insurance policies. Our products and services include life, trauma, income protection, funeral and travel insurance. As a licensed insurer, we recognise the importance of ensuring strong cyber resilience across New Zealand’s regulated entities. We would welcome the opportunity to coordinate with the RBNZ on a workshop following the publication of this consultation.

As a member of both the Financial Services Council (“FSC”) and the Insurance Council of New Zealand (“ICNZ”), we have contributed to, and support the submissions made by both these organisations in relation to cyber resilience. In particular, we are fully in support of the risk-based approach and the principle of proportionality, outlined in Question 4 and agree with the Board & Senior Management responsibilities set out in the guidance document.

We wish to concentrate our comments on a number of fundamental issues raised in the Consultation Document, outlined below:

Question 1 – In light of the nature of cyber risk and the range of observed international practices discussed in the previous section, do you support the Reserve Bank’s policy stance of being ‘moderately active’ in promoting cyber resilience within the financial sector?

We agree with the submissions of both the FSC and ICNZ on this point. We support the Reserve Bank’s policy stance of being moderately active in promoting cyber resilience within the financial sector to raise awareness of the importance of strong cyber resilience.

Question 2 – Do you agree with the Reserve Bank’s general approach of sticking closely to international practice?

We agree with the Reserve Bank’s general approach of aligning themselves with international practice to encourage best practice and ensure alignment across international jurisdictions – this is particularly important for us, given that we have a parent company in the United States. We do not have any specific feedback on the draft guidance on cyber resilience.

Question 3 – Do you agree that the guidance should be a set of high-level principle-based recommendations?

We agree that the guidance should be a set of high-level principle based recommendations, rather than overly specific or prescriptive. We support the notion of regulated entities improving their cyber

resilience by utilising various processes that are tailored to their individual requirements and situations and ensuring they have completed appropriate audits– this is preferable to a “one size fits all” model.

Question 4 – What’s your view on the principle of proportionality and a risk-based approach adopted by the Guidance?

Given that there will be varying levels of cyber risk tolerance and cyber risk appetite across regulated entities, we support the principle of proportionality and a risk-based approach, however we believe there should be a base level standard for any financial entity to protect the industry. It would be the responsibility of Boards and Governance processes to ensure this is implemented and the RBNZ should be seeking assurance. This will give each entity the flexibility to decide what is most relevant to their business, based on their individual product and service offerings.

Question 5 – Do you agree that the guidance should apply to all regulated entities of the Reserve Bank?

We agree that the guidance should apply to all regulated entities of the Reserve Bank. This will help to ensure a consistent approach across New Zealand’s financial sector.

Question 6 – What’s your view on the Reserve Bank’s collaborative and coordinated approach to information gathering and sharing?

We support the Reserve Bank’s collaborative and coordinated approach to information gathering and sharing however agree with FSC and ICNZ’s submissions that it would be helpful to have further clarity around the extent to which the RBNZ is proposing to share information within the industry and to the public, to allow for any compliance issues to be addressed as soon as practicably possible.

Question 7 – Do you support the Reserve Bank’s intention to broadly follow the international practices and establish a cyber data collection for all prudentially regulated entities? Do you have any particular concerns or issues that you would like the Reserve Bank to take into account when further developing its plan?

We support the Reserve Bank’s intention to broadly follow international practices and establish a cyber data collection for all prudentially regulated entities. We do not have any further concerns or issues at this stage but look forward to continued engagement with the RBNZ throughout the consultation process.

Conclusion

As a licensed insurer, Cigna strongly supports strong cyber resilience to reinforce New Zealand’s financial markets and consumer confidence overall.

Thank you for the opportunity to submit on the Review Paper. We look forward to our continued involvement in the RBNZ’s review of cyber resilience.

Yours faithfully,

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Gail Costa
Chief Executive Officer
Cigna Life Insurance New Zealand