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INSURANCE COMMISSION
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CYBERATTACKERS HIT REGULATED ENTITIES: IC RESPONDS

Entities engaged in financial services across the globe have recently been the subject of cyberattacks and the entities regulated by the Insurance Commission (IC) are no exception. In response to these attacks, the IC issued Circular Letter No. 2021-42 dated 29 June 2021 on the “Directive to Take All Precautionary Measures Against Recent Spate of Cyberattacks”.

“The recent spate of cyberattacks have been alarming. The IC takes the issue of data privacy very seriously; hence, the IC needs to respond to these concerns,” said Insurance Commissioner Dennis Funa.

It will be recalled that French insurer Axa was recently hit by a ransomware attack that specifically hit its Asia Assistance Division, which affected its IT operations in Thailand, Malaysia, Hong Kong, and the Philippines. Said attack by a ransomware group called Avaddon was first reported by The Financial Times.

The company said in a Reuters report that certain data processed by Inter Partners Asia (IPA) in Thailand have been accessed, which data that have been accessed by cyberattackers may include customer medical reports, identification documents, bank account statements, claim forms, payment records, and contracts. The Avaddon group even posted samples of the data.

Meanwhile, in the Philippine setting, the website of Axa’s local insurer was also reported to have been previously subjected to a Distributed Denial of Service (DDoS) attack by the same group.

The IC responded by issuing Circular Letter No. 2021-42 on 29 June 2021 with the subject “Directive to Take All Precautionary Measures Against Recent Spate of Cyberattacks”.

By said Circular Letter, the IC warned its regulated entities, particularly insurance and pre-need companies, health maintenance organizations (HMOs), mutual benefit associations (MBAs), their respective agents, brokers, adjusters, intermediaries, and all other entities under the regulatory control and supervision of this Commission, of the current alarming cyberattacks on entities engaged in financial services.

Said regulated entities were also directed to take all precautions to mitigate the risk of such cyberattacks and related risks, which includes, but are not limited to, upgrading their cybersecurity measures and further training its information and communications technology (ICT) personnel.

Moreover, said regulated entities were also directed anew to promptly and strictly comply with the provisions of the Data Privacy Act of 2012 (Republic Act No. 10173), insofar as applicable, particularly as regards the following areas of compliance, viz: (1) Registration with the NPC as a PIC and/or PIP; (2) Appointment of a DPO; (3) Conduct of a Privacy Impact Assessment; (4) Creation of a Privacy Manual; (5) Implementation of Privacy and Data Protection Measures; and (6) Exercise of Data Breach Reporting Procedures.

Circular Letter No. 2021-42 supplements Circular Letter No. 2019-13 dated 10 April 2019 on the subject of *“Compliance with the Provisions of Republic Act No. 10173, Otherwise Known as the Data Privacy Act of 2012”*, by which this Commission directed its regulated entities to promptly and strictly comply with the provisions of the Data Privacy Act of 2012, insofar as applicable, particularly as regards the following areas of compliance, viz: (1) Registration with the National Privacy Commission (“NPC”) as a PIC and/or PIP; (2) Appointment of a Data Protection Officer (“DPO”); (3) Conduct of a Privacy Impact Assessment; (4) Creation of a Privacy Manual; (5) Implementation of Privacy and Data Protection Measures; and (6) Exercise of Data Breach Reporting Procedures.



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