

# EMERGING ISSUES

## Misinformation, Disinformation & Malinformation (MDM)

False content has the potential to impact the insurance industry's reputation and finances



**R**umors and false information may be as old as time, but thanks to social media, fake narratives can now spread faster than ever. Advancing technology has made it harder to tell fact from fiction.

### WHAT IS MDM?

The Cybersecurity & Infrastructure Security Agency (CISA) sorts “information activities” into three categories: **misinformation**, **disinformation**, and **malinformation** (together known as MDM). What distinguishes one category from another is the veracity of the information, along with the intent of the creator or distributor.

- **Misinformation** is false information that is created or spread with no ill intent. An example would be when a company shares a news story that they believe to be authentic but in fact is not true.
- **Disinformation** is false content, deliberately created with the intent to mislead, harm, or manipulate. An example would be the use of synthetic videos (“deepfakes”).
- **Malinformation** is genuine information, based on fact, but used out of context in order to mislead, harm, or manipulate. An example would be a video that has been edited to remove important contextual information before or after the scene.

The actors behind disinformation and malinformation can be foreign or domestic – anyone from state-sponsored organizations to criminal enterprises, extremist groups, disgruntled employees, or even corporate spies.

### POTENTIAL IMPACTS TO INSURANCE

Whether aimed at society in general or at a specific target, MDM can sow distrust, shape alternate beliefs, and inspire harmful actions – all of which can have a strong impact on insurers.

For example, MDM could fuel riot and civil commotion, or lead to economic shocks that send the stock market tumbling. Jurors who have consumed false information may have an enhanced distrust of corporations, which could predispose them to grant large awards to plaintiffs, furthering social inflation.

Liability and crime coverages could be particularly vulnerable to the effects of MDM. False information about a product's safety could give rise to numerous lawsuits that are costly for the insurer to defend. Criminals could use voice cloning or deepfake videos to target businesses, and these realistic impersonations could lead to disclosure of trade secrets or funds transfer fraud.

MDM could also be directed at a specific company, in the form of false and misleading rumors about their business practices or financial health – eroding customer trust or even resulting in surrender contagion for life insurers.

## CONTACT US

to learn more about this and other emerging issues

**Lorie Graham**

Senior Vice President &  
Chief Risk Officer

[lgraham@aaic.com](mailto:lgraham@aaic.com)

**AmericanAg**  
Reinsuring your world

# REFERENCES

Demberger, Autumn. "5 Reasons Why Juries Are Awarding Billion-Dollar Verdicts." Risk & Insurance, June 11, 2018. <https://riskandinsurance.com/5-reasons-why-juries-are-awarding-billion-dollar-verdicts/>

"Foreign Influence Operations and Disinformation." Cybersecurity & Infrastructure Security Agency, accessed November 1, 2023. <https://www.cisa.gov/topics/election-security/foreign-influence-operations-and-disinformation#:~:text=Misinformation%20is%20false%2C%20but%20not,mislead%2C%20harm%2C%20or%20manipulate>

"Industrialized Disinformation: 2020 Global Inventory of Organized Social Media Manipulation." University of Oxford, Programme on Democracy & Technology, January 13, 2021. <https://demtech.oii.ox.ac.uk/research/posts/industrialized-disinformation/>

"Mis-, Dis-, and Malinformation: Planning and Incident Response Guide for Election Officials." Cybersecurity & Infrastructure Security Agency, accessed November 1, 2023. [https://www.cisa.gov/sites/default/files/publications/mdm-incident-response-guide\\_508.pdf](https://www.cisa.gov/sites/default/files/publications/mdm-incident-response-guide_508.pdf)

"Tactics of Disinformation." Cybersecurity & Infrastructure Security Agency, accessed November 1, 2023. [https://www.cisa.gov/sites/default/files/publications/tactics-of-disinformation\\_508.pdf](https://www.cisa.gov/sites/default/files/publications/tactics-of-disinformation_508.pdf)

Vekiarides, Nicos. "How deepfakes threaten insurance claims automation." PropertyCasualty360. <https://www.propertycasualty360.com/2022/05/03/how-deepfakes-threaten-insurance-claims-automation/>

Wardle, Claire. "First Draft's Essential Guide to Understanding Information Disorder," First Draft, October 2019. [https://firstdraftnews.org/wp-content/uploads/2019/10/Information\\_Disorder\\_Digital\\_AW.pdf?x76701](https://firstdraftnews.org/wp-content/uploads/2019/10/Information_Disorder_Digital_AW.pdf?x76701)