

# LOSS CONTROL BULLETIN

## *Protecting Your Customers' Information*

*How would you feel if you had to contact each of your customers and tell them that you think their information was stolen from your business? Even if the information was never used, or damage was never suffered by your customer, your business reputation could still be at risk.*

### **What are Your Privacy and Information Security Risks?**

Regardless of your industry, you likely have sensitive personal and/or financial information about your customers. Your customers expect that you will keep that information private and use it only for authorized transactions. A self-assessment of your risk may identify areas where you could improve your information security.

For example:

- List all of the different ways that you collect, store, use and dispose of personally identifiable customer and business information.
- What protections do you have in place to protect that information?
- Who handles or has access (or limited access) to that information — employees, relatives, customers, service providers or visitors?
- How are your employees trained to handle personally identifiable customer information?

Once you have reviewed your practices, perhaps you have identified a risk that you had not before contemplated.

### **How Can You Manage Your Risks?**

**Organizational Policies and Procedures:** Consider developing, implementing and maintaining a written program that outlines responsible information handling practices. Review government resources, such as those available through the FTC ([www.ftc.gov](http://www.ftc.gov)), when developing your policies and procedures.

**Training and Education:** Regularly communicate your information handling practices internally so everyone is on the same page. Be familiar with your business and the laws and regulations that identify any basic standards you must follow.

**Employee Relations:** Have procedures in place to restrict current and former employee access to computer or paper files.

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**Privacy Principles:** Ask only for the information that you need. Adopt principles that your employees understand and with which customers can be familiar.

**Data and Network Security:** Be familiar with and take precautions based on the type of electronic information you may have. Consider also any special precautions necessary for mobile devices, portable drives and laptops.

**Physical Security:** Don't forget to take precautions for physical security, including locks, restricted access and/or surveillance.

**Record Retention and Disposal Plan:** Keep information only as needed. Dispose of what you no longer need, making sure that personal information cannot be identified. Consider shredding, burning or pulverizing unneeded paper files. Electronic data should be properly "wiped" to ensure that it is unreadable or inaccessible.

**Third-Party Provider Relations:** Ensure that third-party service providers who have access to confidential information about your customers are capable of maintaining appropriate security measures.

## Be Prepared

Regardless of your industry or the size of your business, you can benefit from a periodic review of your risks and controls. Even with good planning, thieves can still infiltrate your security and access information. Have a plan in place for contacting affected customers in the event a security breach does occur. Your customers will appreciate your concern for the security of their information and your prompt response in the event of a security breach.



No one wants to think about suffering a loss. In the unfortunate event you do have a loss, our **ANPAC Five Star Claim Service<sup>SM</sup>** is designed to provide assurance and confidence to our policyholders throughout the claims process.

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