

KEEP AGENCY DATA SAFE

Any organization operating a website or conducting e-business needs protection from exposures such as, e-theft, destruction of critical data, copyright or trademark, infringement, e-threats and more. Given the various services offered through Human Service providers, safeguarding data is an essential element to an organization's overall risk management plan.

WHAT YOU DON'T KNOW CAN HURT YOU!

How many USB flash drives or other forms of removable storage are floating around your organization? What is on those USB flash drives or other removable storage? This is perhaps one of the most rapidly growing exposures for Human Service organizations. With increasing legislation around identity theft and tighter privacy laws, removable storage devices pose a major threat and need to be accounted for in your risk management planning.

In 2010, The Ponemon Institute released a study on the cost of data breaches, revealing the average cost per compromised record to be approximately \$214. In November 2011, a physician's network in northern California reported a laptop stolen that contained more than 4 million patient records including names, addresses, phone numbers, and insurance information. The laptop and other computers on their network were not encrypted. Based on the data provided in the Ponemon report, this incident could cost as much as \$856 million! While most non profit organizations do not serve 4 million individuals, this example identifies how quickly costs can add up when a data breach occurs. In addition, it is extremely difficult to quantify the impact of indirect costs, such as damage to an organization's reputation and goodwill within the community.

In many organizations, flash drives and other means of removable storage (netbooks, smart phones, tablets, etc.) can bypass established security measures such as firewalls and antivirus applications. Whether intentionally malicious or not, users can unleash viruses onto the network which may cripple it for days or cause security holes. These devices are small, portable, and convenient. They are also easy to misplace, and if not protected correctly the information on the drive may be exposed. As demands of accurate and timely documentation increase exponentially, community providers are at an increased risk. In an effort to comply with regulatory bodies, many case managers and human service employees document services at home or a satellite location and store their notes on a flash drive. If a typical community case manager serves 15 individuals, and you have 10 case managers all using flash drives, 150 individuals' confidential information could be at risk.

ESTABLISH AN ACCEPTABLE USE POLICY

Prior to use of any removal storage device, the organization should have it scanned for viruses. Organizations should establish an acceptable use policy covering the use of flash drives within their networks. The policy should mandate that all users who require the use of a flash drive obtain authorization. In an effort to minimize the loss of sensitive information, the organization should establish a minimum level of encryption to protect the data. In addition, the policy should require a file on the drive with contact information to be used to return the device to the organization. Also include a legal disclaimer stating the information on the drive is private, confidential and protected by law.

It is important to review this policy with employees during the orientation process. Be sure to discuss the potential risks and liability of the individual who may inadvertently disclose the information.

Like other exposures in Human Service organizations, even the best controls may not completely eliminate the potential for a loss. Organizations should consider a comprehensive cyber liability policy that extends to electronic information on flash drives and other removable storage devices.

ADDITIONAL INFORMATION

For more information on CyberLiability insurance coverage, visit: <http://www.siegelagency.com/insurance-programs/cyberliability/> or contact our underwriting department.

contact our risk management division at riskmanagement@siegelagency.com or 800.622.8272 for additional risk management services and resources

www.siegelagency.com | 1.800.622.8272

irwin siegel
agency, inc.

INSURANCE PROGRAMS & RISK MANAGEMENT

