

**PHILIPS**

Dictation



# Empowering the insurance industry: New ways to protect policyholders

The modern insurance adjuster can utilize an array of digital tools to make the claims process easier, faster and more efficient. However, as beneficial as these tools are, they come with potential risks as cybercrime grows increasingly sophisticated. In a field where data privacy is paramount, insurance professionals must do everything possible to protect sensitive information while keeping up with the industry's accelerated pace.

Confidential data from claimants, attorneys, medical facilities, law enforcement and a myriad of other parties constantly flows through an insurance organization's systems. It's critical to examine your organization's security posture in the following areas to protect this data – and avoid the financial impacts, long-term reputation damage and loss of trust resulting from a breach or compromise:

1

## Encryption

This is foundational to masking identifiable information from cybercriminals. Combining devices and applications that feature multiple layers of encryption creates a secure end-to-end path between hardware and software for safe transfer and sharing of data.

2

## Mobile considerations

One major reason encryption is so important is adjusters are constantly on the go, using company-issued or BYOD smartphones and tablets. Prevent mobile devices from becoming data breach access points by employing mobile-specific security features such as real-time encryption and using virtual private networks (VPN) for WiFi connection.

## Insurance's Breach Costs Among the Highest

Highly regulated industries such as insurance, banking and healthcare are among those most targeted by cybercriminals for their valuable data and therefore face the highest cost per breach. [The Ponemon Institute](#) notes that while the average total cost of a breach in the US was \$8.2 million in 2019 – the financial services industry, including insurance, had a significantly higher average cost of \$13 million.

## Data-Rich Insurers Face a Complex Regulatory Landscape Responsibility to Safeguard Digital Client Data

The insurance industry's regulatory landscape is increasingly complex as consumers become acutely aware of the value of personal data and the risk of businesses holding this information. The European Union's GDPR and California Consumer Privacy Act are examples of the latest policies addressing consumer concerns – with more to come as government bodies across North America dig into the issue. These are, of course, on top of existing regulations such as HIPAA that mandate how health information is handled. risks associated with relevant technology. As of September 2019, 37 states adopted this or a variant of the comment.

# 3

### Access management

PIN or biometric-protected devices, role-based permissions for various applications, and password complexity requirements should be used to maintain data security. When introducing new technologies into your organization, it's important to look for solutions integrated or compatible with these types of functionalities.

# 4

### Cloud enablement

Superior security is one of the major reasons for the growth in cloud-stored data. Because cloud services typically employ more complex security methods than local servers, they provide an added level of protection.

# 5

### Security standardization

Consistency in security procedures and requirements complements the technological aspects of any organization's security posture. Without formalized protocols and consistent adherence enforcement, your organization may be left vulnerable by ad hoc processes or practices that are not robust enough to shield against cyber attacks.

# 6

### Employee empowerment

Finally, no matter how secure technologies are, employees are still the key to maintain data privacy and confidentiality. Equipping teams with regularly updated training and education tools, along with adherence requirements, gives them ownership in safeguarding sensitive information.

## Need more information on ways to protect your clients and your firm's data?

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