



USE OF ENCRYPTION

Encryption is seen by some as the magic bullet to protect against both sophisticated cyber threats affecting your data, and the more mundane, for example, losing a laptop or phone with sensitive data.

As with all risk management, you can tailor encryption in a way that protects you and your business most efficiently.

Risk Management

An approach relevant to your business should include the following options:

- Full disk encryption (which means all data on the computer hard drive is encrypted)
- Data at-rest on your network - 'End to End' encryption
- Data in transmission
- Held on portable IT devices (eg hard drives / memory sticks / laptops)
- Using Default encryption on 3rd party software and applications
- Finally, the physical security of hard drives and servers shouldn't be overlooked as part of your risk management

Password protection vs encryption

Some software offers password protection to stop people making changes to data but this may not stop a person reading the data, or cracking a password.

The ICO can fine small businesses, such as Jala Transport (2014) for a stolen laptop with financial data which was password protected but not encrypted – it is important to remember that ignorance is no defence.

Not all data needs to be encrypted and a hard security policy may become inefficient. Take into account a mixture of legal and commercial considerations.

Password databases and user credentials are increasingly attractive to hackers – consider these as risky assets, applying an encryption process referred to as 'salted and hashed' means they are harder for professional crackers / criminals to decipher.

Insurance perspective

- It may be harder to secure cover if you cannot confirm policy around encryption on mobile/USB devices.
- For data within your network, use of encryption of the more risky data (sensitive/confidential) will encourage a lower premium rate.
- Mistakes happen, insurers look for policies and best practice, not exclusions for inadvertent errors by your employees.

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