



When consumers open an account, register to receive information or purchase a product from your business, it's very likely that they entrust their personal information to you as part of the process. If their information is compromised, the consequences can be

far – reaching: consumers can be at risk of identity theft, or they can become less willing – or even unwilling – to continue to do business with you.

These days, it's just common sense that any business that collects personal information from consumers also would have a security plan to protect the confidentiality and integrity of the information. For financial institutions, it's an imperative: The Gramm-Leach-Bliley Act and the Safeguards Rule, enforced by the Federal Trade Commission, require financial institutions to have a security plan for just that purpose.

The threats to the security of your information are varied – from computer hackers to disgruntled employees to simple carelessness. While protecting computer systems is an important aspect of information security, it is only part of the process. Here are some points to consider – and resources to help – as you design and implement your information security plan.

Sound security for businesses means regular risk assessment, effective coordination and oversight, and prompt response to new developments. Basic steps in information security planning include:

- identifying internal and external risks to the security, confidentiality and integrity of your customers' personal information;
- designing and implementing safeguards to control the risks;
- periodically monitoring and testing the safeguards to be sure they are working effectively;
- adjusting your security plan according to the results of testing, changes in operations or other circumstances that might impact information security; and
- overseeing the information handling practices of service providers and business partners who have access to the personal information. If you give another organization access to your records or computer network, you should make sure they have good security programs too.

