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The Eleventh National *HIPAA* Summit

Privacy Lessons from Other Industries

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What is Privacy?



- **"The makers of the Constitution conferred the most comprehensive of rights and the right most valued by all civilized men—the right to be let alone." Former Supreme Court Justice – Louis D. Brandeis in 1928**
- **"The rights and obligations of individuals and organizations with respect to the collection, use, retention, and disclosure of personal information." – American Institute of Certified Public Accountants**
- **"Say what you do and do what you say" – BBBOnline**

So What Are the Lessons Learned ?



- **Privacy is an art and science**
- **Never underestimate customer expectations**
- **Business needs and realities must be addressed**
- **Monitoring and interpreting applicable laws is a significant task**
- **Personal information is in many places and there will be surprises**
- **Building privacy into the corporate culture can be hard work**
- **It's all about trust**
- **You can't have too many contacts**

Dimensions of Privacy



Customer Expectations

- Increasingly Concerned and Skeptical
- Critical to Customer Loyalty

Privacy/Security Fills the Headlines

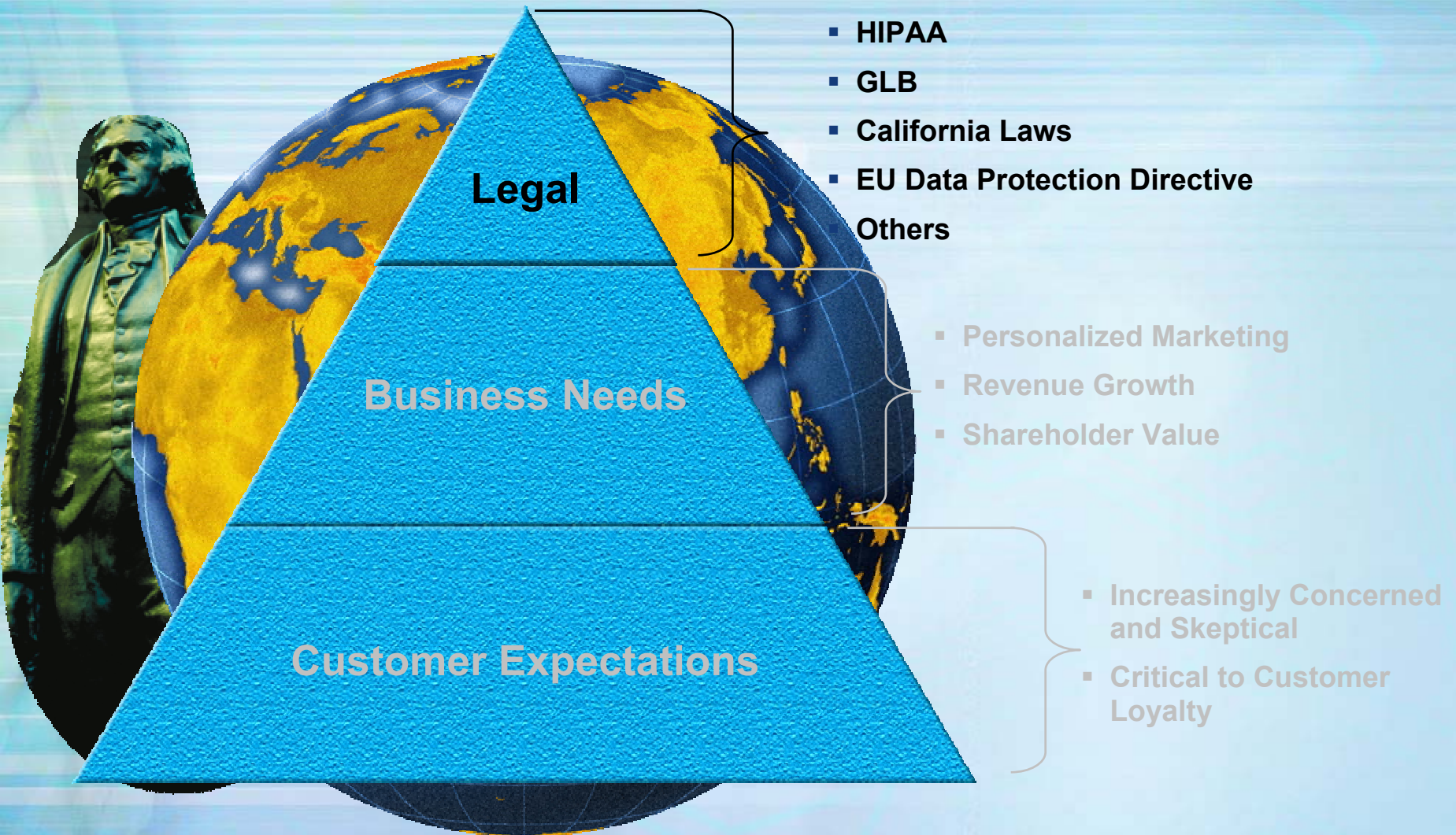
- **CardSystems Solutions**
- **FDIC**
- **ChoicePoint**
- **Lexus-Nexus**
- **DSW Shoe Warehouse**
- **Boston College**
- **Ameritrade**
- **Bank of America**
- **Citigroup**



Dimensions of Privacy (cont'd)



Dimensions of Privacy (cont'd)



Customer Expectations

87%

of respondents said they have read or heard of personal data being stolen or disclosed in error

78%

of respondents said consumers have lost all control over how personal information is collected and used by companies

67%

of respondents decided not to register at a web site or shop online because they found the privacy statement too complicated or unclear



Customer Expectations

Source: Harris Interactive Conducted for Privacy and American Business and Deloitte & Touche LLP-2005

Business Needs



- **Maximize revenues and return to shareholders**
- **Respect and take care of customers:**
 - Personalized (1 to 1) marketing requires detailed information about the customer
 - Permission to use personal information for marketing purposes
 - Customer do not want any surprises

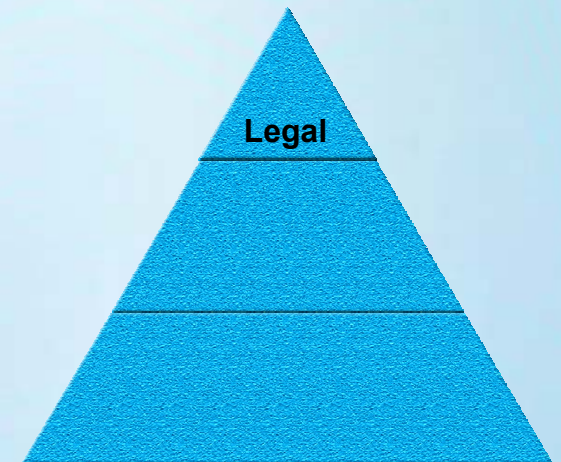


Regulatory Environment



Sample of laws Challenges in Implementation

- HIPAA
- GLB
- EU Data Protection Directive
- Australian Privacy Amendment (Private Sector) Act 2000
- Various State Laws
- Some laws have common principles but some are unique
- Unclear provisions or guidelines
- Inconsistent customer experience when transacting business in multiple countries



Privacy in Practice – Understand Your Information



- Understand information flows and inventory personal information.
- Why is the information collected?
- How will it be used ?
- Are there secondary uses of information for marketing purposes?
- Is personal information shared with third parties?

Privacy in Practice - Building Privacy Into the Corporate Culture



- Implement appropriate policies and procedures
- Awareness and education needs to occur at all levels starting in the Executive Suite
- Build privacy protections into new systems and business processes
- Demonstrate how good privacy results in increased revenue
- This is challenging work and does not happen quickly



Privacy in Practice - Connecting with Customers

■ Fair Information Principles

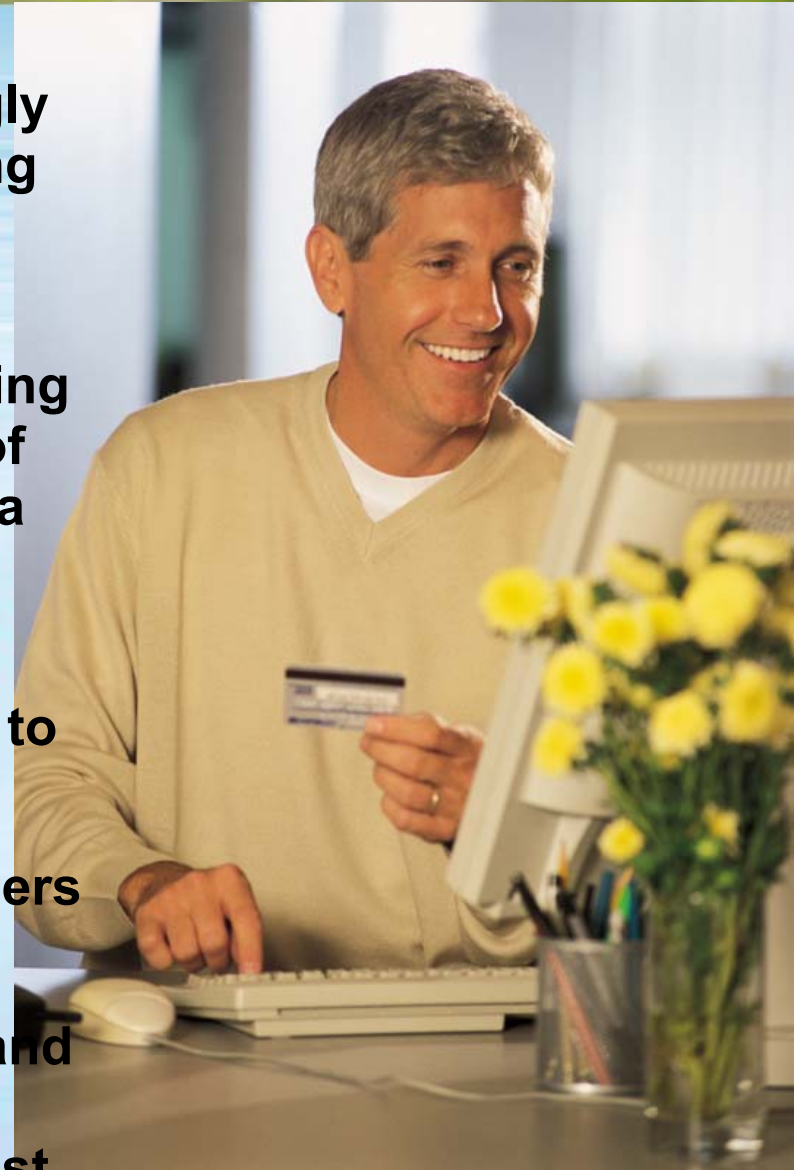
- Openness - Do what you say
- Collection Limitation - Collect only what you need and ask first
- Purpose Specification - Disclose why you need it
- Use Limitation - Use it only for what you stated you would
- Data Quality - Keep it accurate
- Individual Participation - Let the customer correct it if it is wrong
- Security Safeguards - Secure it from unauthorized use
- Accountability - Hold employees and partners accountable



It's All About Trust



- **Customer's are increasingly demanding and unforgiving when their personal information is misused**
- **Trust is earned by protecting the personal information of customers and using it in a privacy sensitive manner**
- **Trust results in loyal customers that are willing to provide more information**
- **Loyal and trusting customers generate more revenue**
- **Customers have choices and will not do business with companies they do not trust**



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About IAPP

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Resources

The IAPP is the world's leading association of privacy and security professionals. With more than 1,000 individual and corporate members, the IAPP defines and supports the profession of privacy by being a forum for interaction, education and discussion across industries.

- Forum for privacy professionals to learn and network with other privacy professionals

- Global membership of over 1,500

- Free email of daily news clips with the most relevant privacy stories – “Daily Dashboard”

- Certified Information Privacy Professional (CIPP) and Certified Information Privacy Professional for Government (CIPP/G)

- 2 major conferences every year. The next conference is October 26-28

- www.privacyassociation.org

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