

IDENTITY PROTECTION

# A Benefit Employees Will Value

EASY-TO-ADMINISTER  
PROGRAMS CAN REDUCE RISK  
AND SIMPLIFY REMEDIATION



**Modern CFOs are continuously**

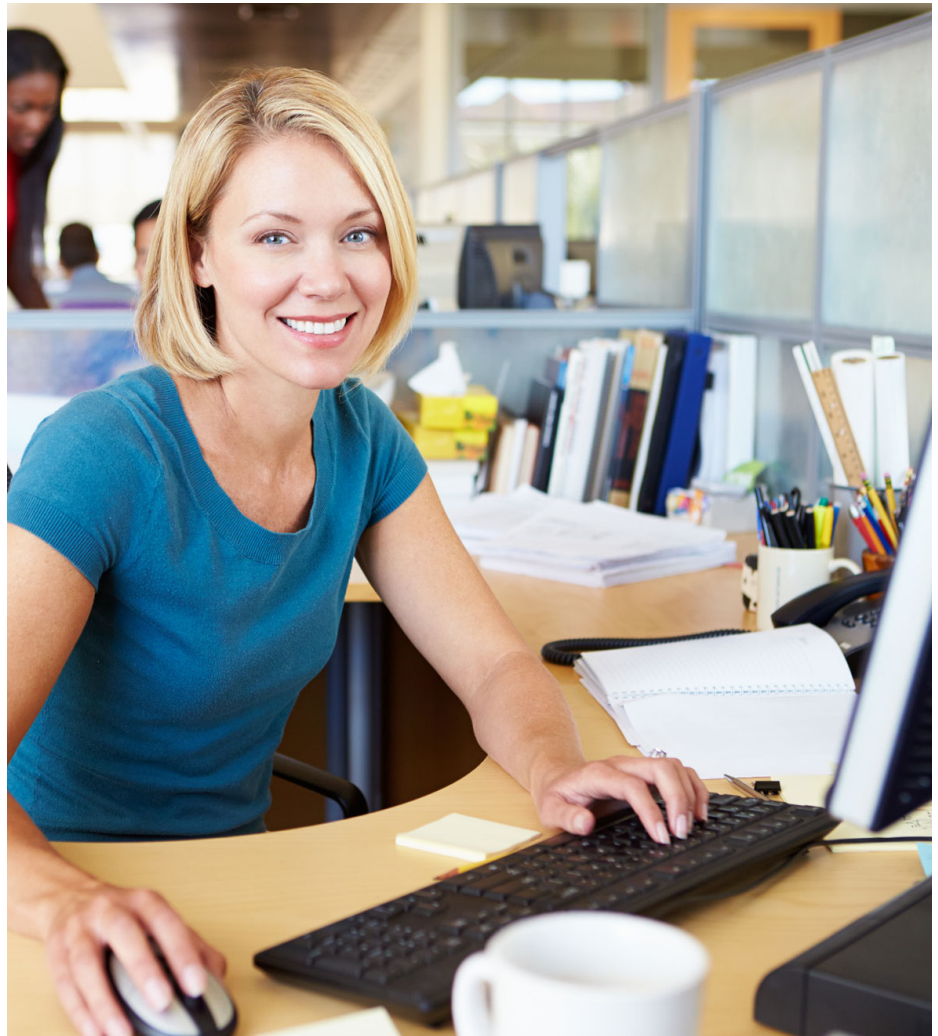
looking for innovative ways to enhance their employee benefits to help recruit and retain top talent while keeping a watchful eye on costs. Benefits such as health, life, and 401(k) plans are standard offerings, but employees are also looking for unexpected benefits that will make their lives run a bit smoother.

In a survey of CFOs conducted by benefits provider Prudential Financial, 74 percent agreed that offering voluntary benefits is a cost-effective way to increase employees' satisfaction with overall benefits. In fact, according to a recent study by IDG Research Services, 65% of organizations are actively evaluating their benefits package, looking for new ways to engage and satisfy their target audiences.

Benefits that safeguard employees' health and help plan for their financial futures are important, but employees also appreciate high-touch voluntary offerings such as identity protection services.

Unfortunately, many people have first-hand experience with identity theft. More than 1 in 5 data breach victims became victims of identity theft in 2015, according to "2016 Identity Fraud," a report from Javelin Strategy & Research. Dealing with the aftermath of an identity theft can be stressful and take a great deal of time and energy away from job-related responsibilities.

As financial leaders, CFOs are charged with protecting their employees' data, and offering identity theft can significantly mitigate the risk. These safeguards are particularly important because sensitive employee information is shared with a number of third-party providers, such as administrators of health insurance, payroll processing firms, and retirement plans.





This eBook will focus on the benefits of offering identity theft protection through the workplace, including:

- ▶ **Reducing risk for employees and employers.** Both employers and employees would spend substantial work time remediating a data breach. As hackers become increasingly sophisticated, preventing employee information from getting into the wrong hands is a key concern.
- ▶ **Making remediation easier should a breach occur.** Employees can end up spending numerous hours trying to resolve identify theft issues on their own. Often, they turn to HR because their payroll or bank account information has been compromised. Offering identity theft protection that includes remediation services improves productivity, allowing everyone to remain focused on their jobs.
- ▶ **Choosing the right partner.** Offering identity protection as a voluntary benefit does not have to put an undue burden on the HR department. Simple sign-up processes and clear marketing materials can boost participation.

Offering identity theft protection as an employee benefit can prevent data from getting into the wrong hands, and make remediation easier if a breach does occur.



## Alleviating Risk for Employees and Employers

As the role of the finance chief expands and human resources falls under the domain of the CFO, finance chiefs are looking for voluntary benefits that most employees will appreciate and that will help them mitigate risk.

“Modern CFOs look to offer a broad range of benefits that will be applicable to everyone and can serve as a differentiator in terms of recruitment and retaining key employees,” said Darrell Davis, National Account Manager, Employee Benefits at LifeLock. “Everyone

has the potential to have their identity compromised.”

Data breaches are becoming more common, with hackers and even insiders using increasingly sophisticated methods to gain access to valuable information such as employee social security numbers and health records. In fact, employed individuals are 33 percent more likely to be victims of identity theft, according to the “2015 ITRC Data Breach Report.”

To complicate matters, the wider adoption of cloud-based, mobile, and social technologies to increase data



availability also opens the potential for cybersecurity threats.

### Streamlining the Remediation Process

Once a breach occurs, it can take a total of 15 hours or more to resolve an issue such as new account fraud. Many of the phone calls and emails that are necessary to recover from an identity theft have to be completed during work hours, so even when employees are in the office they're not entirely focused on work-related tasks.

In addition, an identity theft can spark an array of negative emotions—including helplessness, betrayal, rage, and anger—which aren't conducive to high job performance.

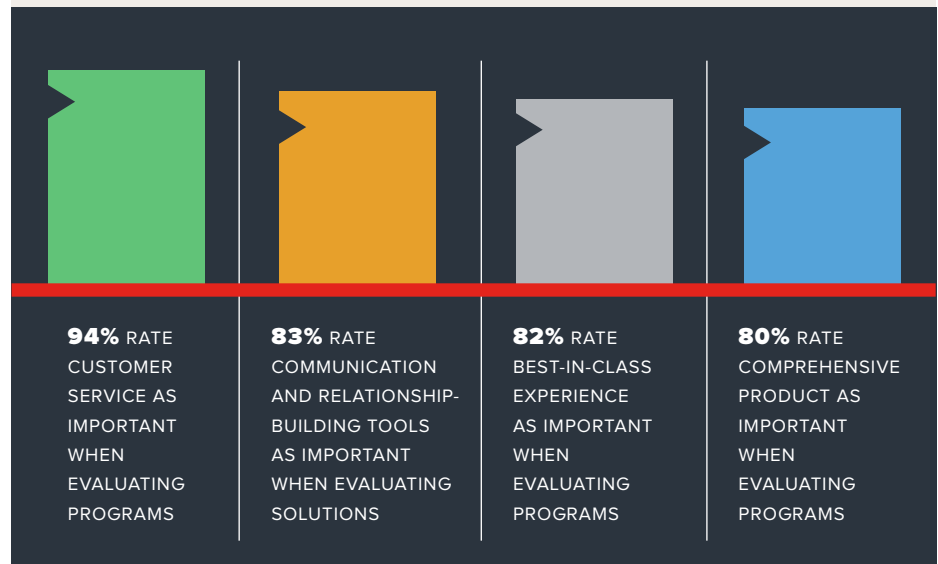
Understandably, many employees turn to the HR department to help resolve breaches involving their vital personal data, including social security and bank information. Major life events, such as buying a home, starting a new job, marriage, and divorce, make people more vulnerable to incidents of identity theft. In addition, employees who hear about a data breach at a company that manages their payroll processing, health care, or retirement plans naturally seek advice and assurances from the HR and finance teams that their information is secure.

Davis noted that many companies offer employees credit monitoring services

## KEY CONSIDERATIONS WHEN CHOOSING AN IDENTITY THEFT PROTECTION PROVIDER

While identity theft protection can be a stand-out benefit, CFOs and HR leaders need to find the right provider that aligns with its business strategies and organizational needs.

Some of the key considerations when evaluating a partner include customer service and communication. A 2015 IDG Research Services study found:



after a breach has occurred, which is not nearly as effective as having a preventative measure in place to avoid identity theft. “It is like providing something to sooth a sunburn rather than offering sunscreen to prevent the burn.”

When employee data is compromised, it can damage the employee-employer relationship, Davis said. “When the employer sends out a note saying ‘We’re sorry to tell you that on this date, some of your information was stolen,’ it doesn’t inspire a great deal of confidence, even if you provide credit monitoring services in the aftermath. Employees appreciate a proactive approach to safeguarding their information.”

Cybersecurity risks have prompted many CFOs and HR professionals to seek a third-party partner that monitors their employees’ identities, as well as scans for threats and sends real-time alerts.

### Clearly Communicate the Value of Identity Protection

The competition for talent is fierce in today’s job market, and identity theft protection is seen as a way to attract new employees, but also boost employee satisfaction, create value, and increase employee engagement.

Progressive HR departments also

want to offer voluntary benefits that are priced appropriately to maximize participation. In turn, employees today want to be sure that they are getting true value when they are evaluating supplementary benefits such as identity theft protection. “If it is just another benefit that they don’t feel that they will use or can get at a similar price on their own, they will likely not participate,” said Davis.

Ongoing communication is also essential to success so that employees don’t sign up and then let their participation lapse because the benefits haven’t been clearly reinforced. Going beyond the credit monitoring services typically offered in the wake of a breach, identity theft protection provides employees with the peace of mind with actionable alerts any time that their identity is potentially compromised.

Ultimately, it has to be easy for the employee to participate if identity theft protection is going to gain widespread adoption among employees. A simple sign-up process is an important consideration for both the HR department and the employees.

### CONCLUSION: Providing Peace of Mind for Employees and Employers

Health care and retirement plans are among the benefits that employees

Facing an increase in cybersecurity risks, CFOs and HR professionals are seeking a third-party partner that will monitor their employees’ identities, scan for threats and send real-time alerts.



have come to expect. But voluntary benefits such as identity theft protection are moving from nice-to-have perks to must-have offerings for companies that want to remain competitive among coveted job seekers.

One of the primary objectives in offering identity theft protection is to mitigate risk. With near-daily news of data breaches, CFOs need to assure employees that their personal information is safe, even when shared with a third-party provider such as a health insurer or retirement plan administrator.

It is no longer acceptable to tell employees, after a breach has occurred, that the company will provide credit monitoring services. They still have to do the legwork involved in resolving the issue.

This added protection can serve as a relationship-building tool that demonstrates to employees that the company is concerned about their well-being. Once employees' data has been compromised, the damage has been done, so getting out in front of a potential breach instills confidence.

In addition to putting employees at ease, identity theft protection can result in less down time and greater productivity in the workplace. If a breach does occur, issues can be resolved more quickly with fewer hassles for the HR department and the affected employees.

“The goal is to prevent the next breach and take a proactive approach to securing your employees' data no matter where it resides, but providing a clear and simple path to remediation should a breach occur,” Davis concluded. ☰



## ABOUT THE SPONSOR

**LifeLock, Inc.** (NYSE:LOCK) is a leading provider of proactive identity theft protection services for consumers and fraud and risk management solutions for enterprises. LifeLock's threat detection, proactive identity alerts, and comprehensive remediation services help provide peace of mind for consumers amid the growing threat of identity theft. Leveraging unique data, science and patented technology from ID Analytics, Inc., a wholly-owned subsidiary, LifeLock offers identity theft protection that goes beyond credit monitoring. As part of its commitment to help fight identity theft, LifeLock works to train law enforcement and partners with a variety of nonprofit organizations to help consumers establish positive habits to combat this threat.