

Cyber Liability Insurance

As data breaches occur more frequently, there are additional pressures for businesses to step up efforts to protect the personal information in their possession.

Small businesses are targeted by scammers not solely to steal the business' electronic data, but also to access larger sets of data held by those with whom you do business. According to the U.S. Small Business Administration, nearly 20 percent of small businesses become victims of cyber crime and many of those businesses never fully recover from the attack.

Most standard commercial lines policies don't cover many cyber risks, making it necessary to purchase a cyber liability policy.

Cyber liability policies might include the following types of coverage:

- Liability for security or privacy breaches that cause the loss of confidential information by failing to prevent unauthorized access to computer systems.
- The costs associated with a privacy breach, such as consumer notification and providing credit monitoring services to those affected.
- The costs associated with restoring, updating or replacing business assets stored electronically.
- Business interruption and extra expense related to a security or privacy breach.

Your specific business operation will dictate the type and cost of cyber liability coverage, so talk to an agent about your potential cyber risks.

WORKING WITH AN AGENT

When working with a licensed insurance agent, it is important that the agent fully understands your business. Consider inviting your agent to visit the business operation so that he or she can better assess your operation's potential risk exposure and properly advise you on your coverage needs. You and your agent should read through the policy together to make sure you understand your potential risk exposure.

CONTACT THE
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SOLVING the puzzle of MANAGING RISK for a SMALL BUSINESS



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There are many risks involved in owning and operating a small business. Insurance can help cover potential losses and protect you and your business as well as your customers, clients, employees, vendors and contractors from a variety of financial risks.

There are many types of insurance products that can help manage the risks of a small business. Consult a licensed agent to make sure you have the right insurance products to fit the needs of your business.

TYPES OF INSURANCE PRODUCTS AND COVERAGES

Commercial Property Insurance

Provides coverage for damage to the structure and contents of the business property. Most of these policies do not cover flood so the purchase of a separate flood insurance policy may be necessary.

General Liability Insurance

Covers liability exposure relative to owned or leased business property and provides coverage for incidents related to business operations.

Product Liability Insurance

Provides protection for damages resulting from faulty products and protects the seller and manufacturer from liability losses.

Workers' Compensation Insurance

A state mandated policy that covers injured workers and protects the owner's liability.

Commercial Auto Insurance

Covers damages to vehicles used for the business, as well as liability protection and coverage for employees operating the vehicles.

Professional Liability Insurance

Provides coverage for the actions of licensed professionals such as lawyers, doctors, engineers and architects including coverage from errors and omissions.

Common Carrier Insurance

Provides liability coverage for entities such as trucking and airline companies that transport goods for others.

Key Person Insurance

Provides coverage for losses related to the death or disability of key personnel within the business.

Bond Insurance

Comes in several forms and covers such things as the payment, performance and completion of a contract.

Business Owners Policy (BOP)

A package of products that typically include general liability, property, commercial auto, business interruption, workers' compensation and electronic data insurance. A BOP policy may be a more cost efficient option to buying several individual policies. A small business owner can start off with a basic business owners policy and later expand coverages as needed.

Home-based Business Insurance

Individuals running a business from home may need a separate business policy, as the homeowners policy may not cover business equipment, inventory, supplies or liabilities resulting from the home business. Homeowners policies may also not cover the portion of the house used for the business. Ask your agent about what business coverage exclusions are in effect.

Business Interruption Insurance

Insures against financial losses incurred while a business is not able to operate for an extended period of time due to a covered loss event. Covered loss events can include fire, theft, most acts of nature, road construction that closes a business, and collision such as a car crashing through the front door.

Policies usually cover the profits a business would have earned had the insured peril not occurred. Policies can cover expenses such as operating out of a temporary location, the cost to resume operations and business expenses such as payroll and utility bills.

Evacuation orders do not automatically trigger coverage, but acts of civil authority which preclude a business from reopening can trigger coverage if the declaration was due to a covered peril.

It is also important to know that a National Flood Insurance Program (NFIP) commercial flood policy does not include business interruption coverage.

Some policies will include a deductible either in a flat dollar amount or a waiting period for the business to be disrupted before payments begin, such as 24 to 72 hours.