

## **BUSINESS CYBER LIABILITY GROWING FAST**

In the past, most lawsuits against small business revolved around bodily injury or tangible property damage. Product liability, slip and fall claims, injured employees and damaged property accounted for most losses. Prudent business practices and traditional insurance are good defenses against these risks. But with today's rapidly growing computer centric world, that's changed.

Today, small business owners face a new world of potential lawsuits and government fines. Privacy laws and customer expectations mean that lost or stolen private data in a business' control are a liability. The number of federal and state laws regulating the protection of private information continues to grow. Each new law sets a minimum legal operating standard. Fines and penalties may apply for lost credit and debit card information. They also apply for inadequately protecting this information, whether or not it was lost. And once theft of data occurs, the cost to send required legal notices, monitor credit records, and repair credit histories can be monumental. Simply finding out what was lost or stolen can be an expensive endeavor.

In addition, many small business owners delegate the task of updating their websites to young, inexperienced employees who are good with computers. It's easy to accidentally include a copyrighted image or writing on an online post. Business email, Facebook and Twitter declarations are often casual if not flippant, and thus even more at risk of causing a libel or slander claim. Comments made by employees on personal websites, Facebook, and Twitter can generate problems as well.

Here are two things business owners can do to manage these growing cyber risks. First, regularly review your data and computer security. Firewalls, enhanced passwords, and security software are a good start. Addressing data storage as well as transmission is a must. Portable computers with any tenant or client data must be password protected. Public speech standards should be clearly and regularly communicated to all staff, and you'd better believe that all emails are public. Second, all but the smallest businesses should carry cyber liability insurance as it covers the expenses, fees, and losses mentioned above. Cyber risks are generally excluded by traditional insurance policies. Next time you talk to your insurance agent, ask about these issues and request a coverage quote.

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