

What does cyber liability insurance cover?

Though hackers remain the number one cause for cyber insurance claims, there are a number of big threats out there that can happen at any time.

Fortunately, a cyber liability insurance policy can help protect your company against a big number of breach events.

Cyber liability insurance provides coverage for:

- **Privacy liability:** Fills the gaps between state- and federal-specific definitions after a data breach
- **Privacy regulatory claims:** Legal defense expenses, fines and penalties assessed by federal, state, and local authorities
- **Security breach response:** IT forensics, customer notifications, PR, and credit monitoring services
- **Security liability:** Addresses the human element and allegations of a “Security Wrongful Act”
- **Multimedia liability:** Defamation, libel, slander, copyright, and more
- **Cyber extortion:** Expenses and payments (within limits) to a harmful third party to avert potential damage
- **PCI-DSS assessment:** Compliance assessments and expenses involving cardholder information
- **Cyber deception extension:** Extensions respond to an intentional or misleading material facts contained or conveyed within an electronic or telephonic communication(s) that are believed to be genuine
- **Business income and digital asset restoration:** Provides for lost business and earnings, expenses, and digital-

asset restoration costs

Why do I need cyber liability insurance?

If your company gets hacked, cyber liability insurance can help save you from a door-closing disaster in a number of ways which means it's pretty important coverage to have. The only time we'd agree you don't need cyber liability insurance is if you don't keep any of your company or client's information accessible via technology.

Some bad things that could happen:

- Deletion/alteration of data, transmission of malicious code, denial of service
 - Loss of private data and/or communications in paper and digital formats
 - Invasion of privacy and/or copyright/trademark violations
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What Is cyber liability insurance?

Cyber liability insurance is a contract between a business and an insurance company where the insurer agrees to pay for expenses like

fees, fines, lost income, and public relations (depending on coverage) to help the company recover from a number of threats and incidents.

What is not covered by general liability insurance?

While commercial general liability (CGL) coverage is quite comprehensive, not every type of business liability exposure is covered. After examining the exclusions, you might find gaps for which you have to purchase additional coverage.

Here are some of the most common CGL exclusions (not an exhaustive list).

- Certain types of liability claims covered under other types of insurance policies, including workers' compensation, professional liability, commercial auto liability, and directors' and officers' liability coverage
- Pollution liability claims
- Claims resulting from damage to the property of others that is in the care, custody, and control of the business (e.g., vehicles at an auto repair shop)
- Product recall liability claims
- Any legal actions that do not involve a claim for bodily injury, property damage, personal injury, or advertising injury
- Most contract disputes
- Actions by a governmental agency related to failing to

- follow regulations
- Claims for back taxes
- Failure to provide a safe workplace
- Professional negligence, or errors and omissions claims

Business owners can purchase other types of liability policies to fill any gaps that they have, or you can often add endorsements to your CGL policy for certain types of liability coverage.

What is business liability insurance?

Business liability insurance protects your business in a variety of scenarios in which your company is negligent or causes harm to individuals or other businesses. **Commercial general liability insurance (CGL)** is the most important component of your business liability coverage. It is the first line of defense from lawsuits and liability claims against your business.

Any business owner, no matter how many precautions he or she takes, is at risk for liability claims. Liability claims can arise from injuries or property damage that occur on your business property, or those that are caused by you or your employees in the course of doing business.

CGL policies pay for attorney fees and any judgments that you might have to pay if you are sued, and also provide coverage for claims of libel, slander, copyright infringement, and false advertising.

That's a lot of coverage! But CGL insurance still does not cover every type of liability exposure that you might have. Let's just say that it covers the basics, but since every business is unique, you may need deeper liability protection depending upon the type of business you do and the risks you face. You may need additional commercial liability policies, or you may need to add endorsements to other insurance policies in order to cover all the bases.

Who should not purchase a BOP?

For companies in high-risk industries like agriculture, mining, construction, health care, gun shops and even computer stores, a BOP policy might not be the best fit. Companies that run high risks or are in unique industries require a specific insurance package and a certain amount of coverage. For these businesses, a BOP might not offer the coverage type or amount that your business needs.

A BOP is also not a good fit for a business that needs something that's not offered within the policy, such as professional liability insurance. Businesses that usually need professional liability insurance include fitness trainers, photographers, beauty technicians and anyone who runs the risk of being sued by a client for not producing an adequate enough product. Since professional liability is not offered with a BOP and cannot be added to a BOP it wouldn't be the best choice.

Your independent insurance agent can help you determine whether a BOP is a good choice for your business.

What types of businesses are good for a BOP?

While a BOP is good for nearly any business, there are some businesses that have general lower risks and are well suited for a BOP. Insurance companies determine a business's level of risk based on any claim history and conditions such as safety and health concerns, the likelihood of theft, burglary, or damage from a natural disaster, and business that are in high-risk industries. The lower the risk of your company the less complicated insurance coverage you need. This makes it convenient to go with a BOP.

The following businesses are good candidates for a BOP:

- Restaurants
 - Retail stores
 - Salons
 - Professional services
 - Pet groomers
 - Veterinarians
 - Caterers
 - Coffeeshops
 - Deli
 - Auto repair shops
 - Florists
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What is not covered In a business owners policy?

While the above coverage might be enough for your business, you may need additional coverages that are not covered by a BOP.

The following is NOT covered under a BOP:

- Professional liability
- Auto insurance
- Workers' compensation
- Health and disability insurance
- Flood and sewer back-up
- Cyber risk insurance
- Terrorism insurance

For each of the above, you'll need separate insurance policies.

What does a business owners policy cover?

Your standard business needs a variety of liability and property insurance. Depending on your risks, you may have to purchase these policies individually or you may qualify for a BOP. BOPs provide most of this insurance coverage but under one package which makes it more affordable for businesses.

Your coverage under a BOP can include:

- Property: The building and its contents.

- Property of others: In case your business provides a service on property like a repair shop.
- Business interruption: Lost income and employee salaries while you rebuild after a disaster.
- General liability: For any time that you might be sued.
- Employee dishonesty coverage: In case an employee steals from you.

Other needs:

- Mechanical/machinery difficulties.
 - Front store window replacement.
 - Hired and non-owned autos (i.e., you don't own a company car but employees are still driving for the job).
 - Loss of valuable papers.
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Why do I need a business owners policy?

Every business needs insurance but policies can get pricey. Sometimes a BOP is less costly than individual policies which is why it's appealing. Furthermore, if there is damage to your property or the property of others, employee theft, mechanical difficulties, or an everyday accident at your business that causes a loss of income, a BOP can keep you from having to close your doors as a result of the expenses related to the events.

Terrible things can happen if you don't have a BOP:

- Financial ruin: Why risk paying out of pocket and possibly going bankrupt, when you could just pay for a BOP that is

fairly inexpensive?

- Lawsuits: Legal issues can not only be costly, but they can also be very time-consuming, so one accident has the potential to bring down your business.
- Losing your stuff (or other people's stuff): Recovering the costs of theft, damage to buildings or broken equipment could send your company into a downward spiral.