

White Paper



Cyber Liability



People helping people...it's what we do best.

Assumptions have been made that a traditional Commercial General Liability (CGL) policy will afford your coverage for business interruption, intellectual property damage, and similar losses. Courts even ruled “physical damage” includes computer information related losses. Insurers are avoiding liability by including specific exclusions and requiring endorsements for this coverage.

However, insurance carriers are now becoming savvy in the technology industry. Product offerings are greater. We are seeing a plethora of cyber insurance products. Knowing the ins and outs of each product will be key in proper policy selection. That’s where Kapnick Insurance Group can assist you, providing its expertise so you have the appropriate coverage to match your risk management needs.

Criminals don’t always break in through doors and windows. Internet-related liabilities are present whether your company simply has email or is actively involved in e-commerce. Do you have the appropriate coverage?



Cyber liability coverage includes an e-comprehensive policy. This policy will cover losses caused by fraudulent modification, accidental alteration or destruction to all electronically stored information. In addition, losses caused by malicious copying of trade secrets, extortion, and introduction of a virus would be covered.

Media liability addresses the losses associated with libel, slander, invasion of privacy and infringement of copyrights.

This may be needed, especially if your employees are given access to email capabilities and Internet access. Email is an essential tool of today’s fast-paced business culture. However, messages taken out of context may cause difficulty. Establish an email usage policy and educate employees on the proper use of emails and surfing the net.

Defend against loss or damage caused by viruses with specialty computer virus transmission coverage. Along these lines, there is unauthorized access and use coverage, which insures against losses when third party information is stolen.

Each carrier's internet-related insurance products need to be closely scrutinized to determine what it will and will not cover, and who will pay the defense expenses.

Your company may also be entitled to rehabilitation expenses to re-establish your reputation and market share after a loss.

One other detail that we look at is if the policy itself is a claims made or an occurrence policy. Claims made policies will only cover losses that are made and reported during that policy period. If this is the case, an extended reporting period (ERP) may need to be negotiated.

E-commerce presents today's risk managers with new challenges—this white paper only scratches the surface. To ensure the success of your e-commerce initiatives, Kapnick Insurance Group recommends a comprehensive risk assessment be conducted to identify potential gaps and inappropriate levels of coverage. Contact us to further discuss your e-liability and the products available to minimize your risk.



Kapnick Insurance Group offers Optional Additional Coverage - Cyber Technology - that offers protection from a number of cyber risks, including the following:

- Loss of Information
- Failure of Technology
- Breach of Privacy
- Failure of Network Service
- Liability from Content
- Misuse/Theft of Intellectual Property
- Errors and Omissions

This brochure is for informational purposes only, and is not intended as legal advice. For further information, please consult an insurance professional.



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About Kapnick

At Kapnick Insurance Group we realize that insurance is ever changing and complex. That's why our core purpose is to simplify the insurance process in order to continuously meet our clients' needs and interests - all while lowering their overall total cost of risk.

How do we do this? We continuously invest in **cutting edge products and technology** which provide our insurance professionals with an impressive range of resources. Each client's unique needs and goals are examined closely by a dedicated service team who put their combined knowledge and industry experience to work. Piece by piece, they break down the many complex facets of insurance into easy-to-understand components and present a simplified insurance program.

The result? A comprehensive insurance program you can understand - backed by a firm you can rely on.

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