

## CIPA

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# CiPA News

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NEWSLETTER DATE

## SPECIAL POINTS OF INTEREST:

- **The Importance of Cyber Liability**
- **Key Man Insurance**
- **Do you have proper liability coverage?**

## Cyber Liability - Victim or Foe?

As business databases continue to develop, depending on the preliminary security measures that were once appropriate to protect businesses from costly and overall damaging exposure, companies must re evaluate their preparation for such ill-advised risks. In considering the ease of web-access to critical internal data systems, and the increasing dependence upon hosted data applications, in copulation with tech-savvy and committed cyber criminals, a new framework for assessing your organization's cyber risk no longer serves as an option, but rather a bare necessity.



**Don't be a victim of Cyber Fraud!**

**Every business faces risk.**

No business would ever consider not being covered for natural disasters; therefore the same care must be taken in the event of a digital/database disaster. We have

entered a time where concerns about internal threats increase and credit to alleviate related financial commitments is not available. By securing cyber liability insurance, companies work to reinforce their internal security practices by insuring their organization against business loss and privacy breaches.

All companies have some level of cyber exposure, therefore it is necessary for organizations to expand and go beyond insuring just physical assets. The decisions you make relative to the supervision of that risk impacts all areas of your

## Key Person Insurance

Is your business dependant upon a key employee such as a CEO or Senior Pastor? Would you suffer great financial turmoil with the loss, injury, or sudden death of that employee? If you answered yes, then this policy is for you!

### **What Is Key Person Insurance?**

Key person insurance is a sub-type of a general life insurance policy, with the length term being the time until the person insured retires or discontinues their employment. It is aimed at the business world to secure one person's skills and ability to perform that are unique to your company's operation.

In most cases, this tends to apply to businesses that are dependant upon specific individuals for the company's impending success. To protect themselves against great financial loss due to the loss or disability of an crucial employee, many companies take out "Key Person" insurance. This can be done by way of life insurance, disability insurance or both.



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## Are you Covered ?

Owning and operating a business comes with plenty of responsibility and accountability. Even if you operate with the utmost care and provide the best quality and services, a client can perceive you did them wrong.

### Who Needs Business Liability Insurance?

For the majority of small business owners, your business and personal liabilities are at risk. Owning business liability insurance protects both your business and personal life from financial ruin.

A common misconception of a limited liability company (LLC) or an incorporated company is a business owner is protected from personal liability and liability insurance is not necessary.

You can be personally liable if:

- you have signed a personal guarantee for a loan
- personally you have injured someone
- you have acted in an irresponsible or illegal manner
- you do not operate your business as a separate entity

### What is Business Liability Insurance?

Business liability insurance protects your business in the event of a lawsuit for personal injury or property damages. It will usually cover the damages from a lawsuit along with the legal costs. Depending on your business needs, liability insurance can be purchased in many forms.

### Types of Business Liability Insurance

**General Liability Insurance:** This form of business liability insurance is the main coverage to protect your business from: injury claims, property damages, and advertising claims.

**Professional Liability Insurance:** Also known as errors and omissions, this coverage protects your business against malpractice, errors, negligence and omissions.

**Product Liability Insurance:** Businesses selling, manufacturing or providing products should be protected in the event of a person becoming injured as a result of using or operating the product. The amount of coverage and the level of risk depends on your business type.