

“Intangible Liabilities”

Protect your company against Information & Technology risks.

Technology, Cyber and Media exposures have emerged as some of the most prevalent yet understated threats to companies of all types. Do you know how to protect yourself against the risks of an imminent information/technology crisis? Do you know what exposures you could potentially face? Does your office have clients that simply have not been asked?

Assessing and protecting a company's liability exposures requires diligence, understanding the ins and outs of one's business, and providing underwriters with the pertinent information. At S.H. Smith & Company, we evaluate these risks on a daily basis so we know what questions to ask and what companies to approach.

Less traditional exposures require less traditional protection

To better illustrate what some of these less traditional exposures might be, here is a snapshot of actual scenarios.

Tax Preparer mass mails more than savings

In 2005, a well-established firm mistakenly coded envelopes with personally identifiable private information. Due to simple human error, the firm was forced to notify all affected clients, became vulnerable to 3rd party ID theft complaints, and potentially lost current and future clients.

Financial Institution crashes into new millennium

In an attempt to transcend into the online banking culture, a Community Bank became the victim of a well-planned international attack. Their servers were flooded with activity causing Loss of Service one day, and false transactions were conducted over their website the next. The bank lost income, had to offer continuous credit checks for its clients for a year, and nearly toppled with the costs of re-building its IT infrastructure.

Healthcare Facility suffers from painful virus

A state of the art facility invested thousands in new office management software, firewalls, data encryption tools and IT Staff. Still, malicious code was unleashed in the network, sending authentic looking emails from work accounts to patients in the database. Unknowingly, many patients replied with personal responses to unintended recipients. The facility was held liable for invasion of privacy, and other personal injuries.

Small Store faces stolen property charges

A small store innocently displayed their products on their new website. Months later, they were sued for improperly displaying company names, logos, and links to product websites. The cost of securing an Intellectual Property lawyer threatened to put them out of business.

Marketing Firm pushes the limit

A smaller firm entered bigger waters when it landed a deal with a Fortune 500 client. When a clearance oversight led to a trademark infringement battle with the client and its international competitor, the firm later found itself with exhausted insurance limits and an angry client.

We can help you identify and protect your company's liability exposures. From law offices to educational institutions, from retail establishments to high-tech firms, it is often the intangible liabilities that are the hardest to see. But with S. H. Smith, your risks will become clear. And covered.

Tech Jargon Made Simple

In an effort to protect against litigation and damage to reputation, it is common practice for companies to conceal their losses. Even when made public, most of this information contains “tech” specific jargon that is difficult to decipher. Here's a quick guide to the most common verbiage.

Intellectual Property (IP) – A product of creativity that has commercial value

- Copyright (literary/artistic)
- Trademark (label/characteristic)
- Trade Dress (image, packaging, etc)
- Domain Name (internet address)

Personal Injury – Injury to body, mind, or emotions (not to one's property)

- Libel (false publication)
- Slander (false oral statement)
- Invasion of Privacy (online/offline)

Network Security – Covers a variety of exposures like virus transmission, client loss of use, and failure to prevent ID theft

Cyber Liability – Protects insured from media and/or E&O exposures from advertising and offering services online

Gramm-Leach-Bliley Act – Requires Financial Institutions to be responsible for privacy/security of customer financial data

Health Insurance Portability and Accountability Act (HIPAA) – Mandates certain procedures for any firm that handles private health care information

Sarbanes-Oxley Act – Establishes costly internal controls and network security requirements that can increase a company's use of and exposure to technology

Loss scenarios are hypothetical in nature and for illustrative purposes only. Whether or not or to what extent a particular loss is covered depends on the facts and circumstances of the loss and the terms, conditions, and endorsements of the policy as issued. It is impossible to state in the abstract whether the policy would necessarily provide coverage in any given situation. Definitions and coverage descriptions shown are for convenience only. Actual usage would be determined based on the specific policy form purchased, and applicable legal precedent.

For more information, please contact:

Connecticut Office

Todd McDonald

800.356.0168

860.561.3600

Todd_McDonald@shsmith.com

Massachusetts Office

David Perkins

800.735.1023

781.449.2227

David_Perkins@shsmith.com

Minnesota Office

Stephen Hunziker

877.279.8500

651.647.6254

Stephen_Hunziker@shsmith.com



S.H. SMITH & COMPANY, INC.

Offices in: Connecticut, Massachusetts, Minnesota, New York, Ohio, Florida

www.shsmith.com