

Risk Monitor



Facebook Follies: Will Your Insurance Help If You Say the Wrong Thing?

Social networking Web sites, such as MySpace, Facebook and LinkedIn, are growing increasingly popular with young people and adults alike. These sites allow people to reconnect with old friends and colleagues and to make new connections. However, as with most other Web sites, these sites allow the posting of communications that the posters may come to regret. These posts can cause hard feelings and may result in significant financial loss.

In the winter of 2009, a teenager from Oceanside, New York sued Facebook, four of her high school classmates, and their parents for \$3 million. The suit accused the four classmates of bullying and humiliating her in a forum on Facebook. They allegedly posted derogatory and false statements about her that were intended to hold her up to "public hatred, ridicule and disgrace." Whether or not the allegations prove to be true, the teenagers and their parents need legal defense and possibly resources to pay judgments against them. They may look to their homeowner's insurance policies to cover these costs, but will the policies respond?

A standard policy will probably not cover this. The policy pays amounts for which the policyholder (the insured) is legally liable, plus the costs of legal defense, for bodily injury or property damage done to someone else. The policy defines bodily injury as meaning bodily harm, sickness or disease; it defines property damage as injury to, destruction of, or loss of use of physical property. Neither of these definitions includes saying or publishing something that injures another's reputation or feelings. Consequently, the policy is unlikely to cover a post on Facebook. The girl from Oceanside did not allege that her classmates hurt her body, made her sick or passed her a disease; she accused them of making her life miserable. The policy does not cover that offense.

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Insurance companies may offer special personal injury coverage that can be added to homeowner's policies. This coverage pays for the insured's liability for several offenses, including oral or written publication of material that violates someone's privacy. If any of the Oceanside classmates' parents have this coverage, their insurance may cover the claims.

Another potential source of coverage is a personal umbrella policy. An umbrella provides additional insurance in situations where a loss has used up the amounts of liability insurance under homeowner's or auto policies. It also covers some liability losses that those policies do not cover, such as personal injury losses. Umbrellas typically carry a deductible of \$250 or \$500. Suppose one of the parents in the Oceanside case does not have personal injury coverage on his homeowner's policy, but he does have an umbrella. The umbrella will pay for his and his child's defense and their shares of any judgment, minus the \$250 deductible. If he does have the coverage on his homeowner's policy, this policy will pay until its limits are exhausted, and the umbrella will pay the rest, up to its limit.

The costs of enhanced homeowner's policies and personal umbrella policies will vary from one insurer to another. Also, the terms of umbrella policies vary among companies. An insurance agent can provide information on coverage options and prices.

Communicating online has become an ordinary part of life today. Web sites like Facebook offer new and exciting ways to meet new people and to stay in touch with people all over the globe. However, they bring with them their own unique risks. Anyone using sites like these should be careful with what they and their children are saying, and they should make sure they have proper insurance backing them up.

Welcome to the Elliot Whittier Insurance Newsletter!

It is with great satisfaction that we bring this newsletter to you. In this issue and in coming months, we will discuss pertinent risk management topics which may affect your organization. We sincerely hope that you will find this newsletter informative and please do not hesitate to contact us should you have any questions or needs.



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Flood waters don't stop at a line on a map

New flood hazard maps are being issued for this area. When the maps take effect, they will show changes in local flood risks due to development, land use, and other factors.



Whether you live or conduct business in a low-to-moderate risk area or a high-risk area, you'll want to be aware of the changes and how they affect you.

If your property is mapped into a high-risk flood zone, most lenders will require you to have flood insurance, and most home or business property insurance

don't cover floods. It takes a separate flood insurance policy. However, there are options available to help reduce the cost.

If your property is mapped out of a high-risk flood zone, your risk is reduced but not removed. Flood insurance is not

federally required but is still available and recommended. Many existing policies can easily be converted to a low-cost Preferred Risk Policy, which offer the same quality coverage, starting at roughly \$350.

Whatever zone you're in, remember that it does not take a major storm to cause devastating floods. An afternoon storm or a backed-up local storm drain can bring inches of water into your building, causing thousands of dollars in damage to equipment, walls, floors and furniture.

If you are currently in a low-to-moderate flood zone and have concerns about being mapped into a high-risk flood zone, you can buy a flood policy before the map change and you will not need to pay the higher priced premium. Our agency can help you determine what zone you are located in now.

If you would like more information, feel free to call us at 800-696-3947. We can help you assess your level of flood risk and suggest ways to save on your flood insurance premium. Together, we can select the right level of protection for your home of business in the event of a flood.

Seven Ways Your Business Can Prevent Cybercrime

Legendary bank robber Willie Sutton supposedly said that he robbed banks because that was where the money was. Many small business owners follow this logic when it comes to computer system security. They believe that people who rob with a mouse and a keyboard rather than a gun target large corporations, because those businesses have the most money. This leads them to the misguided belief that cybercriminals will not bother them. In fact, the NACHA - The Electronic Payments Association - reports that Eastern European criminal syndicates have targeted small businesses precisely because they have allowed themselves to become easy marks.

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Experts in the field estimate that one in five small businesses do not use antivirus software, 60 percent do not encrypt data on their wireless networks, and two-thirds lack a data security plan. This failure to take precautions makes a small business easy pickings for computer hackers. However, there are several things business owners can do to protect themselves.

1. Use two-factor authentication. This is a mechanism that requires the user to do more than one thing for authentication. It ordinarily has two components -- one thing the user

knows (such as a password), the other a randomly generated number that the user must input. The number comes from an electronic token card, which generates a new number every few seconds. If the user enters a number that the system is expecting, the system will authenticate the user.



2. Inoculate systems against the Clampi Trojan virus. This virus resides on a computer, waiting for the user to long onto financial websites. It captures log-in and password information, relays it to servers run by the criminals, instructs the computer to send money to accounts that they control, or steals credit card information and uses it to make

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Tempted To Cut Back On Insurance? Think Twice.

During these trying financial times, you may be looking for ways to trim the monthly expenses of your small business – perhaps you’ve toyed with the idea of cutting back your insurance coverage.

your coverage. But, it’s never wise to decide against the coverage you need to help your business survive. For example, business interruption insurance may be available through your business owner’s policy, or BOP. This insurance typically provides coverage for a business’ expenses and lost profits if the business can’t operate for a variety of reasons. While this coverage may increase your premium payment, it can make the difference between survival and failure if your business can’t operate because of a disaster.

Your insurance agent can help you to understand your insurance and to evaluate your level of coverage. You may also find that your business needs a policy that is tailored to your particular line of work. The Hartford’s BOP can be custom-tailored for the unique needs of many industries and is available at competitive prices.

For more information, call us at 800-696-3947, or you can visit the Insurance Information Institute Web site:<http://www.iii.org/smallbusiness/intro>. You’ll find explanations of a variety of business coverages and also descriptions of specific coverages that might be needed in various industries.

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But you really need to think twice about that. An underinsured business may not have the coverage needed to survive a fire, a theft or an accident on your premises. The best course of action is to go over your insurance coverage with your insurance agent. You may have made improvements to your building or purchased new equipment. That may mean you need to update

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- unauthorized purchases. The trojan monitors more than 4,500 finance-related websites.
- 3. Be on guard against “phishing” e-mails and pop-up messages.** These messages purport to be from legitimate businesses with which the recipient does business. They ask the user to update or verify information, often threatening negative consequences if she fails to do so. Clicking on the links in the messages brings the user to an authentic looking Web site. However, it is actually bogus; the site collects personal information that the collector can use to steal the user’s identity. System users should ignore these messages.
 - 4. Arrange for financial institutions to alert the business owner** should they spot unusual activity involving the firm’s accounts.
 - 5. Install firewalls and encryption technology** to block uninvited visitors from uploading to or retrieving data from the firm’s servers and to protect data sent on public networks. Intrusion detection systems can inform the business owner of attempts to hack into the network.
 - 6. Be cautious about opening attachments to e-mails,** especially if the sender is someone unfamiliar to the user. Attachments may contain viruses or Trojan horses that can steal login information and passwords or corrupt a system.
 - 7. Protect against intrusion** by disgruntled former or current employees. Deactivate passwords for former employees, erect barriers to keep employees from accessing systems unrelated to their jobs, and implement sound accounting procedures for financial transactions.
- In addition to these safeguards, small businesses may want to consider purchasing cyber liability insurance and employee theft insurance. These policies will protect the business against those losses that still occur; insurance companies are likely to offer favorable pricing to businesses that take precautions against cybercrime. A professional insurance agent can give advice on the appropriate types and amounts of coverage.
- Modern technology gives businesses unprecedented abilities, but it also presents significant risks. Every business owner must take steps to keep the cybercriminals out.

Free Car Seat Inspections sponsored again by Elliot Whittier

Motor vehicle crashes are the leading cause of death for children age 3 to 6 and 8 to 14. In 2007, 6,532 passenger vehicle occupants 14 and younger were involved in fatal crashes. That's why Elliot Whittier Insurance is urging all parents and caregivers to have their child car seats professionally checked. As part of Child Passenger Safety week, free inspections were performed at the Elliot Whittier Winthrop location on Saturday, September 19th .

"It's the responsibility of every parent and caregiver out there to make sure their children are safely restrained – every trip, every time," said Paul Roy, principal at Elliot Whittier. "We are urging everyone to get their child safety seats inspected. When it comes to the safety of a child, there is no room for mistakes."

The inspections were performed by Police Officer Steven Acone, who had undergone a 40 hour intensive instruction in order to receive the proper certification. Officer Acone was assisted by Officer Ferruccio Romeo.

"We held this event in May of this year and due to the overwhelming positive response, we are pleased to adopt this service once again to the community in partnership with the Winthrop Police Department," said Roy.



Police Officer Steven Acone making adjustments to a car seat



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