**Cyber Liability is a Growing Problem**

In the past, most lawsuits against small business revolved around bodily injury or tangible property damage. Product liability, slip and fall claims, injured employees and damaged property accounted for most losses. Prudent business practices and traditional insurance are good defenses against these risks. But with today’s rapidly growing computer centric world, that’s changed.



Today, small business owners face a new world of potential lawsuits and government fines. Privacy laws and customer expectations mean that lost or stolen private data in a business’ control are a liability. The number of federal and state laws regulating the protection of private information continues to grow. Each new law sets a minimum legal operating standard. Fines and penalties may apply for lost credit and debit card information. They also apply for inadequately protecting this information, whether or not it was lost. And once theft of data occurs, the cost to send required legal notices, monitor credit records, and repair credit histories can be monumental. Simply finding out what was lost or stolen can be an expensive endeavor.

In addition, many small business owners delegate the task of updating their websites to young, inexperienced employees who are good with computers. It’s easy to accidentally include a copyrighted image or writing on an online post. Business email, Facebook and Twitter declarations are often casual if not flippant, and thus even more at risk of causing a libel or slander claim. Comments made by employees on personal websites, Facebook, and Twitter can generate problems as well.

Here are two things business owners can do to manage these growing cyber risks. First, regularly review your data and computer security. Firewalls, enhanced passwords, and security software are a good start. Addressing data storage as well as transmission is a must. Portable computers with any tenant or client data must be password protected. Public speech standards should be clearly and regularly communicated to all staff, and you’d better believe that all emails are public. Second, all but the smallest businesses should carry cyber liability insurance as it covers the expenses, fees, and losses mentioned above. Cyber risks are generally excluded by traditional insurance policies. Call Mobile Insurance to ask about these issues and request a coverage quote.

According to the Identity Theft Resource Center, businesses experienced [571 breaches](https://www.idtheftcenter.org/wp-content/uploads/2019/02/ITRC_2018-End-of-Year-Aftermath_FINAL_V2_combinedWEB.pdf) in 2018, exposing over 415 million employee and customer records. Business breaches accounted for almost half—46%—of all breaches. Although we most often hear about big corporations falling victim to cyberattacks, small businesses are the most vulnerable. Without big technology departments and IT staff, small businesses are most likely to need cyber liability insurance. This type of [small business insurance](https://www.fundera.com/blog/small-business-insurance) will help you respond effectively to a cyber breach, cover your costs, and quickly move on. In this article, you’ll learn more about what cyber liability insurance covers, what it costs, and where to purchase it.

Kurt D. Kelley, J.D.

President, Mobile Insurance

[Kurt@MobileAgency.com](mailto:Kurt@MobileAgency.com)

President of Mobile Insurance, an agency specializing in insurance for manufactured home communities and retailers. Named top commercial insurance agency by American Modern Insurance Group. Member of numerous insurance companies’ policy development and advisory teams. One of largest manufactured home specialty agencies in the country. 2017- Present Founder and Publisher of the Manufactured Housing Review, an industry publication dedicated to Manufactured Home Industry professionals. [www.manufacturedhousingreview.com](http://www.manufacturedhousingreview.com)

[](http://www.mobileagency.com)