

# REVIEW FOUR NEW COALITION CYBER PROGRAM ENHANCEMENTS, DOUBLE-DUTY PROTECTION AVAILABLE THROUGH CRUMP & EMPLOYER SOCIAL MEDIA SAND TRAPS

## Review Four New Coalition Cyber Program Enhancements

Coalition's mission to "Solve Cyber Risk" means protecting companies from the ever-evolving risks that emerge as they adopt more and more technology. The introduction of the General Data Protection Regulation (GDPR) and pending legislation in California has increased these risks considerably. This is why Coalition is proud to be the first to provide, standard in the policy, coverage for GDPR actions resulting not only from a data breach, but also from an insured's failure to comply with these new regulations.

The following four coverages are now being included on all new quotes:

1. **Enhanced GDPR Coverage:** Coalition now affirmatively covers claims arising not just from data breaches, but also from an insured's failure to comply with GDPR and with their own privacy policy.
2. **Reputational Harm Loss:** Reputational Harm Loss coverage is now standard on all quotes that include Crisis Management coverage, with a \$250,000 limit to cover any loss of business experienced as a result of negative PR following a privacy event or security failure.
3. **Court Attendance Cost Reimbursement:** Coalition now covers the costs and expenses incurred by an insured if they are required to appear in court, up to a maximum of \$25,000.
4. **Criminal Reward:** Coalition is not particularly fond of cyber criminals as you might have imagined, and now offers a limit of \$25,000 to cover the costs of any reward for information that leads to the arrest and conviction of a criminal actor. And Coalition would love to be the first to actually pay it out! (Challenge accepted)

Please reference the specimen policy included with each quote for exact policy wording and further detail. Joshua Motta, CEO and Co-founder of Coalition, recently participated in a Quora Session, where he answered the Quora community's questions and shared his perspective on topics ranging from unusual hacking strategies seen during his time inside government (and while at Coalition!), to the unconventional career path he took to start a cyber insurance company. He answered:

How can cyber insurance work as a solution to today's cybersecurity problems?

*The insurance industry has the power to change the way companies manage cyber risk. Instead of wasting untold sums on security theater, insurers can use their capital, technology, and most importantly, their data and visibility across a large volume of claims, to help companies more proactively prevent and mitigate loss, provide expert emergency response in the event of an incident, and broad insurance coverage when all else fails. And when things do fail, insurers can use that data to build better insurance and security products. They can also enforce standards and requirements that organizations must adhere to in order to qualify for insurance in the first place.*

*In this way, insurance is a solution for today's cybersecurity problems. After all, solving cyber risk doesn't mean solving cybersecurity failures, but rather helping organizations recover, survive, and remain resilient to loss. It is for this reason that I believe insurance to be the primary, although not exclusive, solution to cyber risk.*

Read his full answer and view more on Quora.

Our cyber program manager Carla McGee is here to answer all your cyber questions. Contact her at [carla.mcgee@iiaba.net](mailto:carla.mcgee@iiaba.net) to learn more or find out about bulk quoting for your commercial book.

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## SPECIAL FEATURE

### Double-Duty Protection Available Through Crump

As much as 62% of personal bankruptcy is attributable to medical expenses, even though 78% of those who file for bankruptcy hold some form of health insurance, according to a recent Investopedia article that highlights the top five reasons people file for bankruptcy.

It's frightening to think that health insurance isn't enough to prevent the possibility of incurring colossal medical expenses—especially considering that medical expenses are often the result of unplanned injuries, serious illness or disease.

Insurance professionals are armed with a plethora of products they can recommend to help mitigate the unexpected—after all,

that's what insurance is all about! Coverages include disability insurance, long-term care insurance, whole life and critical care coverage, to name a few.

But what about those looking for a simpler route? For those who aren't ready to commit to options like LTCi or whole-life insurance, you can offer a double-duty term life product with living benefits, available through Big "I" partner Crump.

This product provides a death benefit combined with the ability to accelerate a portion of the death benefit if the client is diagnosed with a qualifying critical illness.

Learn more about double-duty life, or visit Crump online to find out how to gain access.

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## Employer Social Media Sand Traps

A previous *Two for Tuesday* article briefly explained the various EPLI exposures facing businesses. Now we'll delve deeper into the new and muddy waters of social media. Some laws being applied to social media cases were written years or decades before the advent of it.

Employers may often have legitimate business reasons to monitor employee use of social media for productivity, to protect employer's confidentiality, ensure their reputation/brand is not defamed, or protect other employees from harassment or cyber-bullying. Employees, however, have a right to a degree of privacy in their social media activity.

### In the Hiring Process

Social media can be used in screening potential employees outside of the normal interview process. A majority of employers "cyber-vet" job applicants using social media but there are hazards doing this. A job applicant's social media profile may reveal characteristics such as race, health, marital status, etc. which cannot be considered by an employer's in their hiring decision.

Using a third-party vendor or a human resources department to conduct the social media search can be a helpful step. Accessing a candidate's personal information may suggest an improper motive in a failure-to-hire situation. Any hiring decision based on legally considerable social media content should be documented and the content archived.

### Authorized Use Policies

A best practice to guide employees' expectations of privacy is adopting a comprehensive Authorized Use Policy (AUP). As the use of social media continues to evolve, however the "dos and don'ts" of AUPs have to adapt to keep up.

### Using Company Equipment

Employees should clearly know that company issued electronic equipment (computers, cellphone, etc.) will likely be monitored even if password protected or off-hours. Employers should inform that company-issued electronic devices be used solely for work-related purposes.

Employers should prohibit the transmittal and downloading of material that is harassing, offensive, discriminatory or unlawful. The employer should let the employee know that any unauthorized use may result in discipline, including suspension and termination of the employee. Any illegal behavior should be reported to the appropriate authorities. All harassment, discrimination and retaliation policies should clearly state that inappropriate behavior through social media may be the subject of discipline.

### Addressing Employee Misuse of Social Media

Employee behavior that affects an employer's ability to operate efficiently, and an employee engaging in unprofessional/hurtful conduct to other employees, clients, or customers is actionable.

Examples of impermissible social media activity can be distilled through NLRB cases. For example, advocating insubordination is not protected and can justify termination. Similarly, crude and insensitive jokes can be actionable.

### Can the Employer be Liable?

Employers need to protect themselves against incurring liability for an employee's misuse of social media. Courts tend to focus on two areas to determine employer liability: whether the social media forum is related closely to the employer such that it can create employer liability; and whether the employer was aware of, or should have been aware of, the misuse.

While employers do not have to monitor private communications of employees, actively monitoring employees' social media activity can create a duty on the part of the employer to take action. An employer should take action if it becomes aware of discriminatory or harassing posts on social media and has a duty to report illegal conduct or can be liable just as if the conduct was occurring in the workplace.

Coverage for these claims, and their high cost of defense, is usually available through the **Employment Practices Liability - Wrap+** from Travelers. Travelers offers modular coverage offered as a stand-alone product on Big "I" Markets and also as part of **Wrap+ Executive Liability**. EPLI-Wrap+ is currently available to insureds in all states with the exception of: CA, LA, NE, NV, VT and WV.

Log into [www.bigimarkets.com](http://www.bigimarkets.com) to learn more.

## WEBINARS

### **NEW** Lightning Learning for April Big "I" Virtual University

**Dates: April 3, 10 & 24**  
**Time: 11:30 - 11:50am EDT**  
**Cost: \$9.99 (includes all sessions)**

#### Summary:

The VU's April Lightning Learning series features three 20-minute sessions dedicated to The Nuts & Bolts of Agency E&O Risk Management. Even if you can't participate in the live sessions, you will receive a link to the on-demand recordings and can listen to them at your leisure. Register once and attend:

- **April 3 - Practices and Procedures**  
From new business to renewals, policy issuance to endorsements, cancellations to reinstatements, and everything in between, this session will highlight the role of agency practices and procedures in an agency.
- **April 10 – Documentation**  
More than the who, what, where, when, why and how of documentation, this session will highlight the power of documentation in an agency's files.
- **April 24 - Risk Analysis**  
This session will highlight the need for risk analysis in an agency to identify loss exposures AND increase sales.

**PRESENTER:** Jim Hanley, Director, Agency Professional Liability Risk Management, Big "I" Advantage

Consider presenting conference style for the entire agency to benefit. Please send any questions to VU staff. Review all VU education offerings here.

#### Registration:

[CLICK HERE TO REGISTER](#)

### **4 Key Personal & Commercial Lines Exposures Every Agent Must Understand** Big "I" Virtual University

**Next Date: April 9 and May 15 (occurs monthly)**  
**Time: 11:30 - 1:30pm EDT**  
**Cost: \$179 nonmembers / \$79 members (includes live presentation, recording, and written transcript)**

### **NEW** 3 Keys to Getting the Named Insured Correct Big "I" Virtual University

**Next Date: Thursday, April 25 (occurs monthly)**  
**Time: 1:00 - 2:00pm EST**  
**Cost: \$179 nonmembers / \$79 members (includes live presentation, recording and written transcript)**

#### Summary:

Before any claim is paid, status as an "insured" must exist. Is the person or entity suffering or causing loss, injury or damage an insured? If the answer is "no," there is no need to go any further. If "insured" status does not exist, all your hard work is wasted; no one will ever find out how good you are at designing coverage – because you messed up at the beginning.

If you mess this up, you will have a ticked off insured and maybe an E&O claim you never expected. You have to get this one detail – the named insured – correct.

Participants in this class will be able to:

- Identify improperly named insureds;
- Understand the amount of protection extended to an insured;
- Describe the technical difference between a "DBA" and a "TA";
- Explain why one "person" can't do business/trade as another "person"; and
- Properly manage multiple named insureds.

**CE credits are available in select states.** Check web page for details. Please send any questions to VU staff. Review all VU education offerings here.

#### Registration:

[CLICK HERE TO REGISTER](#)

**Summary:**

We cover a lot of ground in this session - five topics to be exact. But when we are through, you will be better able to explain some of the new exposures, policy issues and available options. You will also be more at ease with the so-called "disruptors."

This session focuses on four key personal and commercial line exposures:

- Ridesharing Exposure and Coverage Options
- Home Sharing Exposure and Coverage Options
- "Property Pimping" Exposures
- Drone Exposure and Coverage Options
- Do Disrupters Really Affect You

All 2-hour Big "I" Virtual University webinars include access to the live session, a link to the post-event on-demand recording available to you 24/7, and a transcript, a valuable and value-added reference tool.

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## TWO FOR TUESDAY TRIVIA

Be one of the first five with the correct answers and win a \$5 gift card (Starbucks, Dunkin' Donuts, Baskin Robbins, or Krispy Kreme).

**Don't forget to answer the Tie Breaker!**

1. In the EPLI Social Media article above; before enacting N.J.S.A. 34:6B-6, on what pre-social act had the the New Jersey Court relied?
2. Which not-tall (5' 7") actor was born on this date in 1950?
3. What is the most recent headline on the Coalition blog?

**TIE BREAKER**

TB - The town of Fair Haven, VT just elected their first honorary mayor. Anything unusual about that?

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## LAST WEEK'S MOST CLICKED LINKS

Here are the top three items that got BIM agents clicking from our last edition... see what you missed!

1. Sample Letter Outlining Cyber-Small Business Solution Features
2. Cyber Liability Declination Form
3. Cyber-Small Business Solution

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## BIG "I" MARKETS SALE OF THE WEEK

Congratulations to our agent in Michigan on a Bond sale of **\$6,137** in premium!