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Chip Card Readers and Cyber Liability

Retail merchants who accept credit cards are experiencing a new wave of technology with the advance of chip card readers versus traditional magnetic strip swiping.

But with this new security for consumers comes new liability for merchants.

The payment card industry set (with few exceptions) Oct. 1, 2015, as the date merchants should start accepting chip cards. Perhaps more important for merchants, this is also the date on which liability for fraudulent

activity stemming from the use of credit cards at the point of sale transferred from banks to the merchant.

Merchants who fail to upgrade point-of-sale systems to accept the more secure chip cards face potential liability for financial damages if a consumer becomes a victim

of credit card fraud. And while the chip cards greatly reduce the probability of fraud, there is always the chance something could happen during the transaction that results in the compromise of a consumer's information. Liability insurance coverages vary, so talk to your agent to ensure



you have appropriate protection in your commercial insurance policy.

Is Your Signage Coverage Too Low?

Many businesses invest substantial sums of money in custom signage. Whether it's advertising a product or service or simply letting passersby know where you are, signage remains an important part of many businesses' branding.

Unfortunately, most standard property insurance policies include very limited coverage should the sign be damaged by fire, windstorm, hail, vehicle collision or another covered loss. For example, many policies will pay only

up to \$2,500 for such damage. This limitation can prove insufficient for new signs or high-cost signage.

How important is your signage to your business? If damaged, would you need it repaired or replaced quickly to avoid losing customers? Do you have the cash to pay the full expense out of pocket? Contact your insurance agent for information about insuring signage beyond the limitations in your current business property insurance policy.

Telecommuting: A Growing Trend and Concern



If you are allowing employees to work in a location other than your building or office space, such as their home, you have special insurance issues to consider.

If an employer owns any equipment the employee uses at his home office, both the business and home insurance policy of the employee should be reviewed for coverage solutions should the equipment be damaged by a loss such as fire, windstorm or theft.

Establish who is responsible for paying for an injury suffered by the employee at home while working. Workers compensation insurance coverage is contingent upon state law, so make sure you have coverage for the place where the employee actually is doing the work. Regardless of where the business is located, employers should provide workers comp and work-safety guidelines for telecommuters.

An employer could become the target of discrimination claims from employees who are not allowed to telecommute. Employers should review employment practices liability insurance carefully in case the telecommuting policy is challenged.

Your Firm's Age of Connectivity

Machines are talking to each other. And though they may be expertly crafted to discuss only pre-programmed functions, mistakes can be made.

Cyber risks are rising as more firms invest in technology that relies on constant Internet connectivity and data from other connected machines. If hackers access your data or your connectivity is compromised causing income loss to a third party, liability for damages could result. For example, consider a bio-mechanical firm that sells wellness devices that function by automatically collecting health-

related data from the user. The data must be sent through servers that analyze and send back processed data to the device. If the data were to be compromised at any point or could not be processed due to a malfunction, the user could incur illness or injury.

How capable of responding to this new age of connectivity is your firm's liability insurance? Have you reviewed your business recently with your insurance professional to ensure that your current methods of operation are adequately insured? For more information on modernizing your firm's insurance, call your agent today.

Make Sure Your IT Firm Has Good Insurance

Whether it's repairing or upgrading your current system or building something new, the services of an IT consultant are likely in your firm's near future.



With the high prices many professional IT consultants charge, it's tempting to cut corners and use someone less expensive to do the work. But don't trade price savings for risk exposure.

If you're considering hiring an IT consultant to work on your firm's computerized systems, it's important to verify the following:

Contract for services. Review service contracts carefully for wording that holds the consultant harmless and/or puts your firm on the hook for the costs of any error caused by the consultant's work.

Liability insurance. A poor performance by the consultant could result in damages to your business and your customers. Verify that the consultant is adequately insured for errors caused by his work as a professional.

Workers compensation insurance. Should the consultant suffer an injury while working at your location, you could be liable for medical bills, lost wages and other resulting expenses. Verify that the consultant or his company carries workers compensation insurance that covers these costs.

Power Failures Can Be a Real Spoiler

Do you have inventory or products that would spoil or die in the event of a power outage?

If so, what is your backup plan to keep power flowing until the utility provider can diagnose and resolve the outage?

Many business owners rely on small battery backups that offer a power supply for only an hour or so. Worse, many business owners have never tested their battery backups to know for sure how long power will flow or at what capacity. In some cases, business owners have no battery backup whatsoever and rely solely on the hope that the utility provider will repair the outage quickly. The hope is that any interruption will be so minimal that products relying on a power supply, such as food, plants, animals and medicine, will survive or be salvageable. Even if the battery backup is functional, it might not last as long as



an extended outage, which could result in a financial loss to your business.

There are a variety of insurance products available to help with the cost of replacing the damaged items and supplementing the lost income

resulting from their loss due to a power outage. But the insurance policy must be in place before an incident occurs to be of value to you. Call your agent to determine the best coverage for your needs.

Business Auto Policies Aren't a Catch-all

Your firm's business auto insurance policy will go a long way in protecting your business from claims arising from auto accidents. However, there are some limitations in most commercial auto policies that could prove harmful if you're unaware of them.

Your business auto policy might not include liability coverage for accidents involving hired and non-owned autos. It can be amended to do so, but without taking steps to adjust the policy, your firm could be held financially liable for accidents involving vehicles it doesn't own,

such as those rented for business or owned by employees.

Even if your firm doesn't own a vehicle or have a business auto policy, it could still be

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liable for the auto accidents of others occurring in the course of fulfilling their duties of employment to you. This exposure, however, may be

insurable through a separate insurance policy.

Your business auto policy will not cover liability claims filed against your firm's partners (members of an LLC) or employees while driving vehicles owned personally by them or by a member of their household. It may be amended to do so for additional cost.

Your policy might not extend coverage to a newly acquired auto that you have not specifically added to your business auto policy. If it does provide that coverage, it is most likely for a short period of time.

Thank you for
your referral.

If you're pleased with
us, spread the word! We'll
be happy to give the same
great service to all of
your friends and business
associates

Request a Visit from OSHA

Many small and midsize businesses are unaware of OSHA's free on-site consultation program that is available in all states and gives priority to high-hazard worksites. Such a visit could prove key in preventing serious accidents and could boost productivity and establish a culture of wellness at your workplace.

A few important details about this program:

- Consultations are completely separate from the OSHA inspection effort.
- This consultation program is confidential and will not be reported routinely to the OSHA inspection staff.
- No citations or penalties are issued during the consultation.
- Your only obligation is to correct what the consultant deems serious job safety and health hazards.
- The consultation may result in a one-year exemption from routine OSHA inspection.

To find the local office in your state to arrange this helpful consultation, visit:
www.osha.gov/dcsp/smallbusiness/consult.html.