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# Commercial Risk Advisor

December 2021

## Holiday Party Liability

Though most companies canceled annual holiday parties in the wake of the COVID-19 pandemic in 2020, many have decided to move forward with festivities in 2021. While these events are meant to foster organizational camaraderie and celebrate company achievements of the past year, employers may be held liable for any property damage, accidents or injuries caused by employees.

Before hosting a party, companies should understand their employment liability insurance coverage and any limitations it may have, such as if the policy covers third-party liquor liability. Intoxication and harassment are common problems employers may be held liable for at a company-sponsored party. To mitigate alcohol- and harassment-related risks:

- **Don't overserve.** Employers should exercise caution when serving employees alcohol. To avoid alcohol-related liability issues, employers should:
  - Host the party at a hotel, restaurant or bar with a liquor license. The staff should have the experience and training licensing to ensure employees aren't overserved.
  - Use professional bartenders and instruct them not to serve anyone who appears intoxicated or is under the age of 21.
  - Manage the amount of alcohol served by distributing drink tickets to limit the number of free drinks, offering nonalcoholic options and providing food throughout the party to help reduce alcohol intake.
  - Supply employees with alternative transportation options, such as designated drivers, shuttles or other forms of public transportation.
- **Enforce company policies.** Safety should be the main priority during holiday parties. Workplace policies on behavior related to violence, harassment, discrimination and the general code of conduct should be in place during the event. Let employees know these standards still apply.

While it can be easy to get swept up in the excitement of the holidays and forget to take the necessary precautions to protect employees and the business, taking preventive action can result in a fun, safe environment for everyone in attendance. For more risk management guidance, contact us today.

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## Cyber Threats to Small Businesses

Small businesses are becoming increasingly targeted by cyberattacks since they have information cybercriminals want and typically lack the security infrastructure of larger businesses. In fact, small businesses are the target of nearly half of all cyberattacks, according to a Verizon data breach report.

While cyberattacks are ever-evolving, business owners should be aware of the most common types and take steps to protect themselves against them. Common cybersecurity threats to small businesses include:

- **Viruses**—Viruses can give system access to cybercriminals and spread across connected devices.
- **Ransomware**—This type of malware infects and restricts computer access until a ransom is paid. Ransomware is typically delivered through phishing emails to exploit unpatched vulnerabilities in software.
- **Phishing**—Phishing attacks use email or malicious websites to infect a system with malware and collect sensitive data.

It's becoming more and more common for insurance companies not to provide coverage until a small business has demonstrated that steps are in place to protect the company, educate staff and monitor for attacks. Questions an insurance company may ask before offering cyber coverage include:

- Is there a written plan?
- What happens if a breach occurs?
- What preventive steps have already been taken?

Since cybersecurity is now a core vulnerability for small businesses, it should be taken seriously. Cyber underwriters may pass on companies that aren't doing basic things to protect themselves. Hiring a trusted, third-party advisor to do an independent analysis, profile risks and make realistic recommendations is a great place to start when assessing cybersecurity needs. For more information on cybersecurity, contact us today.



**88%** of small business owners feel their business is vulnerable to a cyberattack.