

## Cyber Liability

Over the last couple of decades, technology has quickly evolved into the invaluable resource we know it as today. Public entities and businesses around the world use this invaluable resource to communicate and store vital business and personal information. But what happens when this vital information is compromised?

Similar to tangible property, such as your car and jewelry, data stored by your entity has the risk of being stolen or destroyed if not properly protected. In the insurance industry, this risk is referred to as cyber liability.

While cyber liability is a relatively new exposure, it is a liability exposure that is already covered under MOPERM's Liability Memorandum of Coverage (MOC). Under MOPERM's Liability MOC, coverage is provided for anything that our liability members can be found liable for in Missouri unless specifically excluded. MOPERM covers your entity's cyber liability like it does all other liabilities.

Coverage limits for cyber liability are the same as all the other liability exposures provided under MOPERM's Liability MOC at \$2,000,000 per occurrence with no aggregate. Unlike many of our competitors, MOPERM's Liability MOC extends coverage for cyber liability without having to provide an endorsement or require a separate policy be purchased to extend coverage.

With the amount of vital data stored by many of our public entity members, cyber liability can be intimidating to think about. However, MOPERM is here to provide coverage to the extent in which your public entity is held liable in any liability scenario, including cyber liability.



### Protect Against a Cyber Breach

Tips to help reduce your entity's cyber liability exposure:

1. **Install and Regularly Update Antivirus and Antispyware Software on ALL Entity Computers**
2. **Train Employees in Cyber Security Principles**
3. **Secure Wi-Fi Networks**
4. **Backup All Important Files to a Separate Location**
5. **Use a Firewall to Restrict Access to Unsafe Websites**
6. **Control Physical Access to Computers and Network Components**
7. **Limit Remote Access**
8. **Assign User Accounts for Each Employee**
9. **Regularly Change User Passwords**
10. **Do NOT Open Any Emails or Attachments from Unrecognizable Senders**



### MOPERM U Update



4th Quarter Courses Now Available to All Members

#### Snow and Ice Management

- Addresses the unique challenges and risks of preparing roads for winter conditions

#### Emergency Preparation & Egress

- How to prepare, respond, and develop an action plan for an emergency in the workplace

#### School Emergencies and Law Enforcement

- Recognize and prepare for when Law Enforcement is needed in a school system

#### Sexual Harassment - Harassment Awareness for Law Enforcement

- Understanding the role and impact law enforcement officers have in regards to sexual harassment

Additional free courses available. Log on to MOPERM U to see the full list of free courses.

For questions, please contact Justin Stringer.

## Claims Connection

### Claim Situation #1:

On a rainy day, a maintenance worker was dispatched to mop up the wet spots on the floor that was created by people entering the building with wet shoes. The worker mopped up the wet spots, but the building did not have a “wet floor” sign so nothing was put up to alert the public of the slick floor.

A few minutes passed after the floor was mopped, a man entered the building to pay his water bill. Failing to realize the floor was wet, the man slipped and fell sustaining injuries to his right shoulder and arm. Watching the fall from a distance, another entity employee rushed to the aid of the fallen gentleman, offered her apologies, and that “our insurance will take care of you.”

Since the wet floor was a known dangerous condition, Sovereign Immunity was not applicable as a defense and the man was awarded payment for the bodily injuries sustained.

**Total Cost:** \$42,500

### Lesson to Learn:

Make sure all entity operated locations are equipped with “wet floor” caution signs, and the signs are used when needed. A small detail such as erecting a caution sign could have prevented the fall and saved the man from his injuries and the entity from paying their deductible.

Also, never admit fault after an incident. Offer assistance, but reserve the determination of fault to the claims adjusters. Public entities have various immunities and defenses that may be applicable, but become moot if fault is admitted.

### Claim Situation #2:

A city council member (Jan) is married to a man (Bill) that works in one of the city’s departments. During a recent city election, Jan publicly supported two candidates that lost the election for the city’s council. The two winning candidates in the election were well aware of her support of their opponents, and did not appreciate her boisterous public support.

A couple months after the election, a rumor started to swirl around the city of an affair between a married city employee and his subordinates. After a preliminary investigation, no direct evidence was obtained but signs pointed to Bill for creating the rumors. Due to the already tense relationship with Jan and the signs of Bill spreading the false rumors, Bill’s city employment was terminated by the city council.

Disgruntled by the termination, Bill filed a claim against the city alleging slander and wrongful termination.

This claim made it all the way to a jury trial where Bill was able to build a solid case based on the lack of direct evidence in support of his termination and the turbulent relationship between Jan and the other city council members.

**Total Cost:** \$72,638

### Lesson to Learn:

When a claim gets to trial, attorneys try to use direct evidence (rather than circumstantial evidence) to paint the best picture they can for the jury about what really happened. Before terminating an employee, there should be just cause with direct supporting evidence of that cause. Documenting facts and keeping supporting evidence are the best tools to successfully defend any claim, especially claims involving employment.

**No One is Perfect**  
By providing real life claims examples, it is MOPERM’s hope that we all can learn from the experience of other members. Not all claims are preventable, but it is MOPERM’s goal to prevent as many as possible.

## MOPERM Risk Management

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