



**CORCORAN & HAVLIN
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**CORCORAN & HAVLIN
INSURANCE GROUP**

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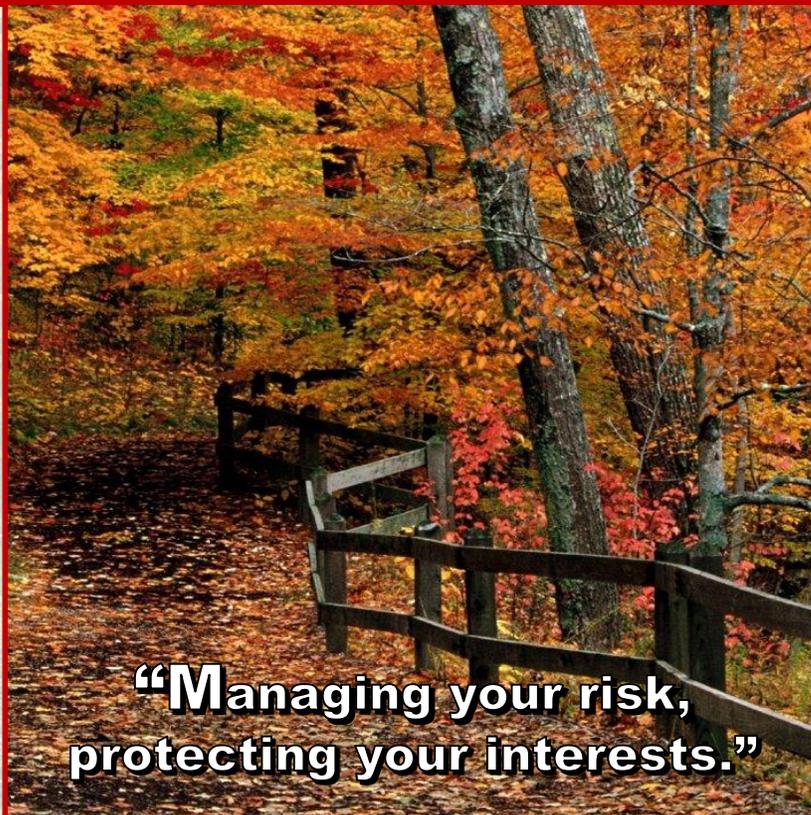
*Start your winter preparations now to
ensure your business stays safe this
season.*

Agency News

*Learn what's new at Corcoran &
Havlin this season!*

RISK ADVISOR

- Fall 2019 Edition
- A publication of the Corcoran & Havlin Insurance Group



**“Managing your risk,
protecting your interests.”**

A member of



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SOCIAL ENGINEERING FRAUD

Social Engineering fraud has been increasing at a drastic rate. Social engineering attacks happen every day, to businesses of all sizes. Even businesses that have taken all precautions are still left vulnerable to this type of infiltration. The attackers pose as vendors, clients or even employees & instruct their target to transfer some kind of funds. Most businesses aren't aware that deception has even occurred until they're notified by the actual vendor/client/employee who never received their payment. By this time, it can be too late to stop the attacker, which can leave your business with a serious financial loss.

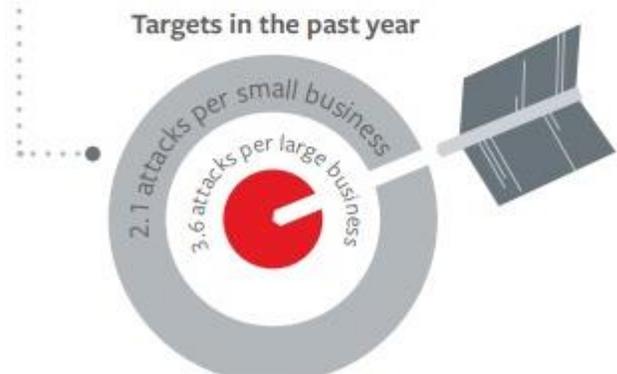
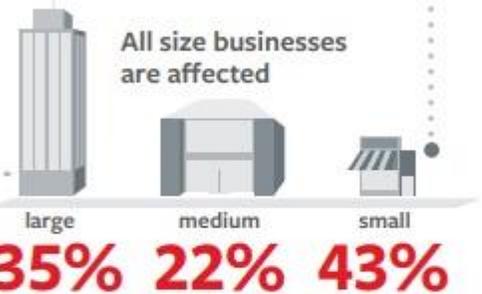
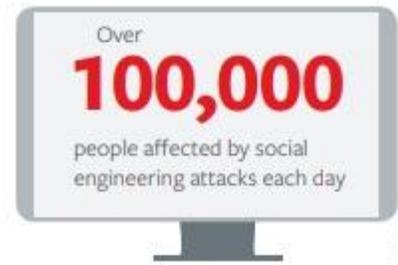
Social Engineering fraudsters are a sophisticated and well organized type of criminal. They are able to navigate into e-mail correspondences to search for any type of financial transaction they could intercept. Once they've found an applicable conversation (usually between a buyer and seller) involving a wire transfer, they have the ability to add a new message into the thread, giving the buyer a different routing number. These types of criminal will characteristically clone e-mails of one of the persons involved, leading the buyer to suspect no foul play – they think they're conversing with the same party as they have been the whole time. Due to the organization and legitimacy of the criminal's action, the buyer is unaware of the fraudulent activity until it is too late.

So what's the difference between Cyber Crime and Social Engineering Fraud? Is there a difference? In short – yes, there's a difference. Cyber Crime (or Fund Transfer Fraud) involves a malicious attack or hack that allows the attacker to obtain and use banking information to transfer money. A common example of this is when a hacker attacks a network to steal passwords and usernames. They could then use this information to move funds out of a target bank account. Most of the time, by the time the victim realizes this has happened, the money has already disappeared. Social Engineering Fraud involves an attacker using a scheme (referred to as phishing) to mislead their target, and trick them into giving away money.

How can you protect your business? Social Engineering Fraud coverage is very specific. A Crime or Cyber policy isn't satisfactory when it comes to protecting your business from these types of attacks. You must have Social Engineering Fraud coverage to receive payment for these claims. While Crime policies do contain a computer fraud & funds transfer fraud insuring agreement, courts tend to separate these attacks into two types – Either by way of thief who has hacked the insured's computer systems or where the insured has voluntarily transferred funds. Commonly, the latter types of attacks are not covered.

Coverage can be added to Crime policies by endorsement, but coverage can only sometimes be added to Cyber policies (depending on the carrier). Since Crime policies are geared toward covering first-party losses, insureds may elect to endorse their Crime policy as to preserve the liability coverage afforded under a Cyber policy in the event of a breach.

Typical coverage offers limits ranging from \$100,000 to \$250,000, and deductibles from \$10,000 to \$50,000. For some businesses with strong risk control processes in place, there are higher limits available (ex. Limits on amount of wire transfers, verbal verification, etc).



—Real Life Scenarios—

A client wire transfers \$500,000 to buy equipment to a phony routing number, based on a cloned e-mail sent by an imposter

A client alters an employee's direct deposit banking information, based on e-mail instructions received by someone posing as the employee.

A client receives instructions via e-mail, to change wiring direction from someone impersonating a coworker in the office. A large amount of money was transferred to the imposter & was never recovered.

COMMERCIAL FIRE SAFETY

Avoiding the Burn

Even with modern safety equipment, no business property is immune to sudden, unexpected damage. One of the more devastating of these events is a fire, which not only causes damage from smoke & flames, but also from water used to put out the flames. The more you work to prevent fires, the fewer your chances of experiencing one at your business. However, if a fire does occur on your property, your Commercial Property policy will help with the costs.

Most Commercial Property policies will cover damages resulting from fire. Structure & possessions coverage protects the building & your belongings. It will pay to replace or repair these after a fire. Your Liability policy could extend to third parties that experienced damage from the fire (ex. if a fire destroys a client's piece of furniture that you're reupholstering). Interruption coverage would allow you to continue paying bills during the time that you are closed due to the fire.

 <h3>HAVE THE RIGHT EQUIPMENT</h3> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Extinguisher <input checked="" type="checkbox"/> Blanket <input checked="" type="checkbox"/> Sprinkler System <input checked="" type="checkbox"/> Fire/Smoke Alarms <input checked="" type="checkbox"/> Emergency Exit Signs 	 <h3>MAKE SURE STAFF KNOWS WHAT TO DO</h3> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Train all staff <input checked="" type="checkbox"/> Appoint fire warden(s) <input checked="" type="checkbox"/> Conduct fire drills <input checked="" type="checkbox"/> Know where & how to use equipment <input checked="" type="checkbox"/> Display emergency numbers
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How Much Coverage Do You Need?

Fires can be a devastating event for a business. Having enough coverage is crucial to recovery. In order to figure out how much coverage is right for you, you'll need to look at both the value of your belongings and your ownership structure. Most commercial policies include possessions protection. You'll need to estimate the value of these items in your policy – it should roughly equal your possessions coverage limit. Some policies will only pay a particular amount per item lost (in addition to a total amount). In some instances, specialty items may require riders or other endorsements. When trying to decide how much structure coverage you need, keep in mind the amount should be enough to rebuild your building after a total fire loss. If your actions were to lead to a fire in the building which resulted in someone else's loss, you would then be accountable, even if you didn't own the building. In this case, your Liability coverage would help to pay for these losses.

BONUS TIP:

You can greatly reduce your premiums for fire coverage by installing a sprinkler alarm system. But make sure to have your system inspected regularly – or else you'll lose that credit!

For questions on your business's current fire coverages, contact your Corcoran & Havlin agent today.

Contractual Risk Transfer Agreements

Businesses rely on critical relationships with contractors, subcontractors, consumers, and vendors. Within these relationships, agreements are made and contracts are negotiated. Contractual Risk Transfer is a business strategy that involves the moving of a pure risk from one party to another. It's designed as a way to reduce the financial and/or legal responsibility of a business owner. The most common instance of this is when a company hires a subcontractor. With contractual risk transfers, one party agrees to indemnify and hold the other party harmless in a contract. The indemnitor is backed by their own insurance policy and accepts the liability for the indemnitee.

THREE ENDORSEMENTS CRITICAL TO THE RISK TRANSFER PROCESS:

Additional Insured (AI): This endorsement can give you certain rights under your subcontractor's or lessee's policy, especially with defense coverage. Having this endorsement will also deter your subcontractor's or lessee's insurance company from subrogating against you if a loss is caused by your acts or negligence. Being listed as an AI offers you more protection than simply receiving a certificate of insurance.

Primary and Non-Contributory: "Primary" is used to designate the other party's liability insurance as being responsible for responding to claims on behalf of the additional insured, before the additional insured's own insurance coverage. AI's usually have their own Liability policies, so they want to be sure this coverage extended to them will be the first to respond to a claim. "Non-contributory" means that the other party's insurance company, who is defending the AI, won't seek contribution or reimbursement from the AI's insurance policy, for any claims that may occur.

Waiver of Subrogation (WOS): This endorsement provides another layer of protection for clients by minimizing the potential for lawsuits result from a loss which may arise during a contractual agreement. With a WOS, an insured waives the right for their insurance carrier to seek compensation or reimbursement from a negligent third party.

D&O LIABILITY

Not Just for Public Companies

Many business owners think that the need for **Director's & Officer's (D&O) Liability** is only for public companies. The fact is - any business with a corporate board and/or advisory committee should have a D&O Liability policy. This type of coverage protects the personal belongings of corporate directors & officers (and their spouses), if they are ever personally sued by customers, employees, vendors, etc., for alleged or actual wrongful acts. D&O Liability coverage also normally protects the company and covers legal fees & settlement costs. Illegal acts are generally not covered under this type of policy.



Directors & officers of companies can be sued for a variety of reasons involving their role within the company, including:

Breach of fiduciary duties, resulting in either financial loss or bankruptcy

Misuse of company funds

Misrepresentation of company assets

Lack of corporate governance

Fraud

Failure to comply with workplace laws

Keep in mind that your company doesn't need to be a million dollar company for your directors and officers to be prosecuted. Many small businesses with few assets may need just as much protection as a larger corporation.

Consult your Corcoran & Havlin agent today to discuss your current D&O coverage.



The TOP 5 Workplace Hazards

Preventing and eliminating workplace hazards are not only necessary for employee safety, it is also your legal obligation to provide a workplace that is free of recognized hazards that may result in injury or death. It's important to be able to identify, monitor and reduce the risks associated with workplace hazards.



Machines

Office equipment, such as printers, copiers, fax machines and shredders, all pose risks to employees. Workers should either be properly trained on how to use these machines or not allowed to use them, unless they are qualified.

Electric machines should be plugged into grounded outlets. Any damaged part of the machine should be replaced immediately. Always keep combustibles away from the hot parts of machines.

Slips, Trips & Falls

Various things can lead to a slip & fall – items in walkways, poor housekeeping, and even cramped conditions can contribute to these instances. Be sure items like power cords are kept either clear of pathways or securely covered & anchored to the floor. Keep aisles clear of furniture, boxes & equipment to give your workers plenty of room to move.

Clean up any spills immediately & place mats in the doorway during inclement weather.

Ergonomic & Eyestrain Hazards

Office workers can sit at their desks for several hours, in one position. Actions like answering the phone or using a computer can lead to back, neck, and/or wrist pain that, can sometimes become chronic. Help your employees by providing chairs that can be easily adjusted & ensuring that their workspace is arranged in a way to minimize repetitive stress injuries.

Employees should take breaks from looking at their computer screen to minimize eye strain.

Chemical Exposure

Substances like fumes, gases, dust, and liquids can all harm your workers. Employees run the risk of inhaling, ingesting or absorbing these substances through their skin.

According to the CDC, these substances are most commonly carbon monoxide, ammonia, chlorine, hydrochloric acid, or sulfuric acid.

Fires

The majority of workplace fires are preventable with proper employee training. Workers should be trained to keep combustible materials away from heat sources.

Other fire hazards include space heaters and overloaded electrical outlets. Employees should receive training on what to do in the event of a fire.

Agency News

Corcoran & Havlin has won 4 Readers Choice Awards* for 2019!

The Gold Award for #1 Agency in the Region

(includes Wellesley, Needham & Newton)

- #1 Agency in Wellesley
- #1 Agency in Medfield
- #1 Agency in Duxbury

*Published by Wicked Local

Corcoran & Havlin has also been awarded the **Blue Ribbon Award*** for the Top Insurance Agency in the towns of Wellesley & Medfield!

*Published by Hometown Weekly

Start your Winter Prep Now

We may be enjoying the cool autumn air and falling leaves now, but believe it or not, the winter season isn't very far off. Taking time now to prepare buildings and vehicles is key in enabling you to have a worry-free this season.

WINTERIZE YOUR BUILDINGS

Once the leaves have finished falling, be sure to clean out any gutters. Gutters that are blocked with dead leaves can cause ice dams during the colder winter months. Take this time to also check to be sure there aren't any misaligned pipes or leaks. Downspouts should carry water away from your building's foundation. Caulk and door sweeps are an efficient way to deal with drafty areas.

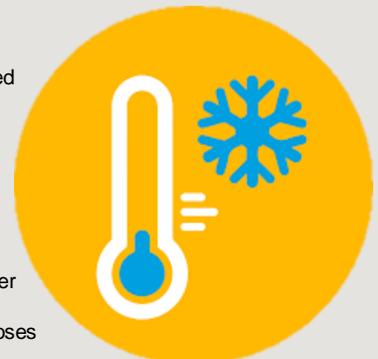
CHECK YOUR PIPES

Ensuring that your pipes are properly insulated will help prevent freezing. Maintenance should be performed annually on your heating system to ensure that your vents are well-connected and insulated.

REMEMBER YOUR CARS

Cars need a checkup before the winter time to make sure they are ready for the harsh weather conditions. Prepare your car now:

- Check the antifreeze levels and the firmness of hoses and clamps
- Check the tires for wear - Make sure they are properly inflated.
- Keep the gas tank filled. With a full tank, there's less room for condensation, which means fuel lines are less likely to freeze..
- If you have a rear-wheel drive vehicle, consider keeping a bag of sand over your rear axle.
- Remember to check the battery.
- Four-wheel drive doesn't help vehicles stop. You may be able to drive through a bigger pile of snow, but you'll still skid on ice.



Jeffrey Dee comes to Corcoran & Havlin with more than 30 years of Commercial Insurance brokerage experience. Throughout the Greater Boston area, he has worked at medium size retail agencies, as well as several national brokerages specializing in large construction risks. Jeff has helped to launch a new Excess and Surplus lines brokerage and he most recently worked with Technology-related companies, including both start-ups and mature companies. He joined the C&H Commercial team in August, as an Account Manager.