



**CORCORAN & HAVLIN
INSURANCE GROUP**

**287 Linden Street
Wellesley, MA 02482**

www.chinsurance.com

Phone: (781) 235-3100

Fax: (781) 235-1622



**CORCORAN & HAVLIN
INSURANCE GROUP**

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CYBER INSURANCE

Cyber Insurance is more important than ever! Learn how to prevent data breaches & prepare for a cyber attack.

COMMERCIAL CONTRACT BONDS

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COMMON SEASONAL CLAIMS

Every season has its own set of hazards that pose potential danger, but knowing what to look out for will hopefully help you avoid disasters.

FALL DRIVING TIPS

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RISK ADVISOR

Fall 2022 Edition

A publication of the
**Corcoran & Havlin
Insurance Group**

A member of



**287 Linden Street
Wellesley, MA 02482
(781) 235-3100**

77 North Street
Medfield, MA 02052
(508) 359-5555

Cross of Duxbury
24 Bay Road
Duxbury, MA 02331
(781) 934-6500



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

THE IMPORTANCE OF CYBERINSURANCE

If you're a businessowner, it may seem that everyone these days is talking about **Cyber Insurance**. But what is it? And do you really need it? During the Covid-19 pandemic, there was a mass scramble to shift entire workforces to a remote set-up with continued access to corporate networks. But with this shift also came a surge of ransomware incidents. Ransomware is a type of malware that allows hackers to lock businesses or individuals out of their systems until they pay a ransom, often in cryptocurrency. These types of attacks have impacted businesses of all sizes and all industries.

This uptick in ransomware attacks has resulted in some very severe cyber insurance claims, ruining the loss ratio of the industry, and in turn, forcing insurers to respond by increasing premiums, restricting capacity, and introducing strict underwriting and risk management requirements. The cyber insurance market is finally showing signs of stabilization after two years of extreme volatility - but make no mistake - there are always new risks to contend with.

Any business that uses technology or collects data is at risk of a cyber attack, and the results can be catastrophic. Without a dedicated cyber policy, most businesses likely do not have adequate insurance coverage to help them recover after a data breach. Costs can include (but are not limited to) business disruption, revenue loss, equipment damages, legal fees, & public relations expenses. Cyber insurance can also help protect your company before a breach occurs, not just after.

Companies should create & implement a business continuity plan and an incident response plan. They should also consider having a secondary system available for online access, that is tested regularly for functionality. Using an intrusion detection system on your network can help companies respond to attacks sooner.

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Cyber liability statistics to know in 2020

According to Verizon's 2020 Data Breach Investigation Report:



70% of breaches were perpetrated by external actors



22% of breaches were caused by errors



28% of breaches involved small business victims



58% of victims have had personal data compromised



43% of breaches were attacks on web applications (more than double the previous year)



37% of breaches stole or used credentials



86% of breaches were financially motivated

How to prevent data breaches & prepare for a cyber attack:

- Have a **breach response plan**: The sooner your client alerts stakeholders, the better the outcome.
- Have a **breach response team**: A cross-functional team coordinates efforts across the company.
- Establish **data encryption**: This is critical to keeping sensitive data safe.
- **Train employees** with cybersecurity training on hacking trends / prevention: People are key to prevention and preparedness.
- Get **cyber liability insurance** coverage: When a breach happens, company assets will be covered.
- Companies should also have an updated cybersecurity policy outlining specific expectations of their employees when using technology and databases.
- Employees should understand the difference between **cyber security vs. data privacy**.
- It's also important to **pay attention to unique risks** your organization may face based on the industry you are in (for example, nonprofits) or based on the type of exposures you have (remote workers).



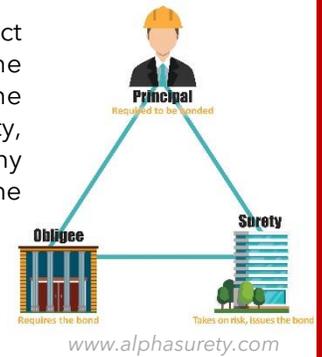
While there's no way to guarantee your business won't be the victim of these kind of attacks, there are plenty of steps you can take to reduce the cost if a cyber attack does occur. The best way to alleviate the cost of a breach is to be prepared beforehand: secure your business, get a plan in place, and make sure everyone knows their role in preventing and responding to a breach. If you have any questions on your current cyber coverage or are interested in obtaining this coverage for your business, please contact your Account Manager today! A customized cyber liability policy may make the difference between recovering from a cyber attack and losing everything you've worked so hard to establish!

COMMERCIAL CONTRACT BONDS

There are many types of businesses that might require a commercial contract bond as part of their total insurance program. While you may think of construction when thinking of contract bonds, service contractors, manufacturers, suppliers/installers and retailers/wholesalers may need commercial contract bonds when they enter into a contract to provide work or perform a service.

If an organization or individual hires a company to deliver goods or services, a commercial contract bond helps to ensure that the work, products or services are provided in agreement with the contract terms. In other words, commercial contract bonds are performance bonds in which the surety (the company that provides the bond) guarantees to the obligee (typically a public entity, such as federal, state or local government or a private owner) that the principal (the company contracted to deliver goods or services) will perform their contractual obligations as specified in the underlying contract. A bond, in essence, guarantees that, should the principal fail to meet their contractual obligations, the contract will still be performed.

When choosing a surety, it's important to pick one that understands the unique structures of commercial contractors, the complex contract provisions, the diverse industries and the different financial statements involved.



MOST COMMON TYPES OF COMMERCIAL CONTRACT BONDS:

- **Bid bond** - Affords protection to the obligee in the event that the successful bidder does not enter into a contract and does not provide the required surety bonds or other security.
- **Performance bond** - Provides protection to the obligee if the principal defaults on its obligations under the bonded contract.
- **Payment bond** - Guarantees that the principal will pay their subcontractors, labor and material costs associated with a bonded contract.
- **Maintenance bond** - Guarantees the ongoing servicing of equipment or facilities during the duration of a contract.
- **Supply bond** - Guarantees performance by the principal to furnish equipment, supplies or materials to the obligee.
- **Warranty bond** - Guarantees to the project owner that the contractor who did the work will fix defective work or materials, in the event that an issue arises during the warranty period specified in the contract.

Information Technology Companies and Bid Bonds

Consider there is a county government that plans to hire a single vendor to overhaul its computer platforms and implement a cloud software system. In most cases, government contracts are advertised for public bid, where the job may be awarded to the lowest bidder. A bid bond guarantees the contractor who wins the bid will enter into the service contract and provide any performance bonds that may be required. For example, if the bid-winning company discovers that it underbid the project and performing the work would not be profitable, the company might decide not to enter into a contract with the county despite being awarded the bid. If the winning bidder declines the work, the county may have to restart the bid process or award the work to another bidder - at a potentially higher price. But if the county requires a bid bond as part of the request for proposal, the county would be protected from assuming the additional costs associated with restarting the bid process or accepting a higher bid, up to the penalty of the bid bond.



www.californiacontractorbonds.com

Service Businesses and Performance Bonds

Imagine a snow removal company contracts with the owner of a large retail complex to clear business parking lots of snow so that roads & walkways can be safely traveled. To ensure that the company adequately performs its snow removal duties, the owner of the retail complex might require the snow removal company to purchase a performance bond before agreeing to enter into the service contract. If the snow removal company fails to clear the entranceways, exits and parking lots as specified in the service contract, the bond would provide for the costs to hire another snow removal company to finish the job, up to the penal sum of the bond.



www.performancesuretybonds.com

Manufacturers and Payment Bonds

A payment bond guarantees that a contractor will pay its subcontractors and suppliers for goods and services. For example, consider a custom vehicle manufacturer receives an order for 50 passenger buses from a transportation company. The transportation company might require a payment bond from the vehicle manufacturer. As the obligee of the payment bond, the transportation company could be protected from having to pay twice if it pays the vehicle manufacturer, but the vehicle manufacturer does not pay the seat manufacturer for goods provided. If the seat manufacturer is not paid, it might sue the transportation company for payment. The payment bond is there to guarantee this payment.



www.freeimages.com

the COMMERCIAL LINES TEAM

Catherine Aimola

John Browne

Marisa da Silva

Mathew Darby

George Doherty

Denise Donohue

Ken Doucette

Beth Eyster

Alan Heinlein

Deidre Kittredge

Alysha Lavatori

Beth McDonough

Riley Mantos

Gary Nagle

Megan Peterson

Sarah Pike

Ed Rovegno

Mark Sawyer

Jessica Schneider

Rick Weden



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INSURANCE CLAIMS THAT INCREASE IN THE FALL

ANIMAL COLLISIONS

These accidents can happen even in highly populated areas. Hitting a large animal can be just as dangerous as hitting another car. Most wildlife related accidents occur between October & December. Always drive defensively and observe wildlife road signs.

REAR END COLLISIONS

Distracted driving is a leading cause of these kinds of accidents. When you follow a car, make sure to leave space! Limit your distractions - put the phone away & keep your eyes on the road.

PARKING LOT CLAIMS

As the holidays approach, more people are out shopping, which means more people are in the parking lots. Damage from shopping carts, car thefts, & tight parking spaces can all be major hazards! When possible, try to park away from others and away from the cart return!

THEFT

Busy parking lots (especially leading up to the holiday season) can provide an opportunity for a thief to steal your car or your belongings inside. Remember to always lock your doors, keep valuables out of sight & park near security cameras whenever possible.

AGENCY NEWS

Corcoran & Havlin's newest *Commercial Lines Account Manager*, **Riley Mantos**, joined our agency in August of 2022. Riley began his insurance career in 2018 with Bright Insurance Agency. He attended UMaine at Orono where he studied Computer Science & Business Finance. He's an enthusiast of real estate & investing and closed his first real estate deal at the age of 18! Riley was born & raised in Milford, MA, where he lives with his pets (2 dogs, 2 cats & a bunny)!



We're very excited to welcome our new *Front Desk Executive*, **Sharnia Dont**. Sharnia started with us in mid-September. She's a 2019 graduate of UMass Dartmouth, where she majored in Operations Management, and minored in Management. Originally from Boston, Sharnia now resides in Brockton, MA. She's a big fan of art & fashion, and can often be found watching her favorite movies, *Harry Potter* & *the Order of the Phoenix* and *Mulan*!

TIPS FOR SAFE FALL DRIVING

Every year thousands of people are injured and hundreds of people are killed due to daylight savings time changes and the change of seasons.

Autumn means we need to be more careful as drivers.

1 WEATHER



Sudden changes in temperature, rain, snow and fog all make for hazardous driving. Be aware of the weather - know before you go.

2 SUNRISE & SUNSET



Daylight Savings Time means the sun on the morning drive might be right in your eyes. The sun goes down early now, so it gets dark a lot sooner! **HEADLIGHTS!**

3 CHILDREN & ANIMALS



Children are back to school and animals are busy preparing for winter. Look out for them. Slow down, keep an eye out, and be nice.

4 LEAVES



Leaves on the ground can be slippery and dangerous. Careful when driving on leaf-covered roads, whether it's raining or not. Clear leaves off your car before driving, just like snow.

**Stay safe
YOU ARE GOOD TO GO!**

