

NASC

How To Protect Your Business



Topics

Stock
Through
put

General
Liability

Property

More
Coverages

Red Flags

Automatic
Exclusions

Cyber

Questions

Product
Recall –
Withdrawal
Expense

Property

- Building
- Business personal property
- Business income/extra expense/rental value
- Equipment breakdown

Premiums are based on type of construction, year building was built, square feet, # stories, whether the building is sprinklered, whether there a central station burglar &/or fire alarm. If the building is over 25 years old need updates (need year) to HVAC, plumbing, roof, wiring.

Stock Throughput

Coverage from the time you own an ingredient or product, until your client receives the product:

- Stock/inventory
- Transit
 - Incoming can be insured on replacement cost
 - Outgoing can be actual cash value or
Selling price (which includes your profit)
- Processing

General Liability

General Liability is protection for bodily injury or property damage that your business causes.

Exposure = Gross sales

Insurance is provided for your COMPANY, not you as an individual

Beware when putting multiple entity names on policy

General Liability

Coverages:

- Premises
- Product liability/completed operations
- Personal/advertising injury
- Medical payment
- Terrorism
- Worldwide
- Claims Made/Occurrence
- Flat Rate or Auditable Policy
- Identity Recovery
- Additional Insured-By Written Contract
- Additional Insured –Landlord
- Additional Insured – Manager of Premises
- Additional Insured – Vendor
- Defense Inside or Outside

General Liability

Recommended or Common Optional Endorsements:

- California Proposition 65 Expense Coverage
- Product Withdrawal Expense
- Manufacturer Errors & Omissions
- Professional Liability
- Batch Clause
- Waiver of Subrogation
- Primary/Non-contributory
- 30-day notice of cancellation

General Liability

Exclusions:

- Specific list of ingredients
- Banned ingredients
- Pharmaceuticals
- Marijuana/CBD – may have an exception for <0.3 THC
- Professional
- Pollution
- Employment practice liability
- Cyber
- Many others

NOTE: Hemp seed vs rest of hemp plant

Red Flags:

- Website
- FDA site
- Incomplete application

Other items needed:

- Labels
- Financials – audited if available
- Brochures
- Website
- Federal ID #
- Date company started business
- Retroactive date
- Manufacturer/suppliers COI
- List of discontinued products month/year

General Liability

Certificates of Insurance

- Name, address
- Special wording needed – AI/WOS/PNC
- Limits of liability
- Deductible
- Retro date
- 30-day cancellation (Amazon)

General Liability - CBD

- Sourcing
- Topicals
- Ingestibles
- Hemp Seed vs CBD
- % of sales
- Insurance Marketplace

Business Auto

- Vehicle info to include year, make, model, VIN, cost new
- Drivers including name, date of birth, driver license # & state of license

Coverages To Consider

Media

EPLI

Property

Cyber

Workman's
Compensation

Professional
Liability

D&O

General
Liability

Cyber Liability



A Cyber Attack is malicious and deliberate attempt by an individual or organization to breach the information system of another individual or organization

Cyber Liability



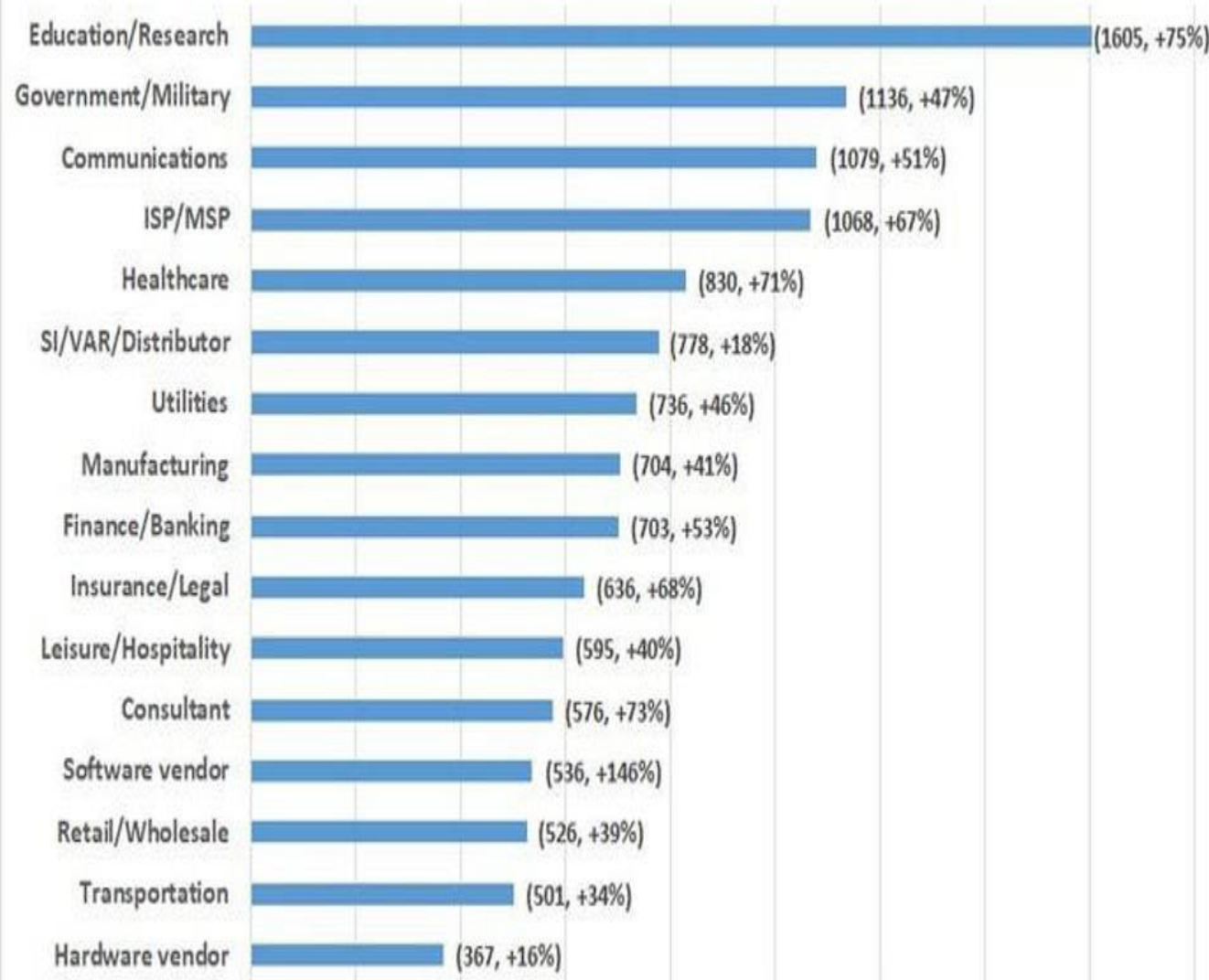
6 CYBER RISKS FACING EVERY BUSINESS

Deepfakes
Ransomware attacks
Smart home devices
Data privacy
Spear phishing
Human mistakes that lead to data breaches

Cyber Liability



Average Weekly Attacks per Organization by Industry (2021)



[illegible]

No IT Department
Size=Risk
Lack of Funding
Education

- No IT Department
Size=Risk
Lack of Funding
Education



SPECIALTY
INSURANCE PARTNERS

Cyber Liability



Cyber Liability

Coverage is provided for any failure to protect private information in the care, custody or control of the insured, its information holder, or for which the insured is legally responsible.

- * Private information includes personal & non-public business info
- * Information can be paper, electronic, unencrypted, or mobile in the cloud

Cyber Liability

- **Business Interruption** - Covers lost profits incurred due to not operation
- **Data Recovery** – Cost of recovering lost data
- **Extortion/Ransomware** – covers damage and ransom payments from an attack
- **Bricking** – when computers and electronic hardware are damaged beyond repair
- **Funds Transfer Fraud** – When a criminal deceives a bank/institution to transfer funds
- **Network Security and Privacy Liability** – Third party liability costs for transmission of malicious code to their own system & unauthorized release of Personally Identifiable Information
- **PCI** – Covers fines or penalties imposed by banks or credit card companies
- **Regulatory** - Legal defense and fines by regulators for breaching consumer privacy
- **Computer Fraud** – covers funds or property stolen resulting from a hack
- **Media liability** – when you content triggers legal action against you such as defamation, libel, slander, copyright, and invasion of privacy
- **Social Engineering** – When cyber criminals deceive a business to transfer funds willingly
- **Cyber Extortion** – Expense and payments to a third party to avert potential damage by a malicious code or data corruption

If you are collecting

Credit card info
Bank Account info
Checks
Email

Any of these

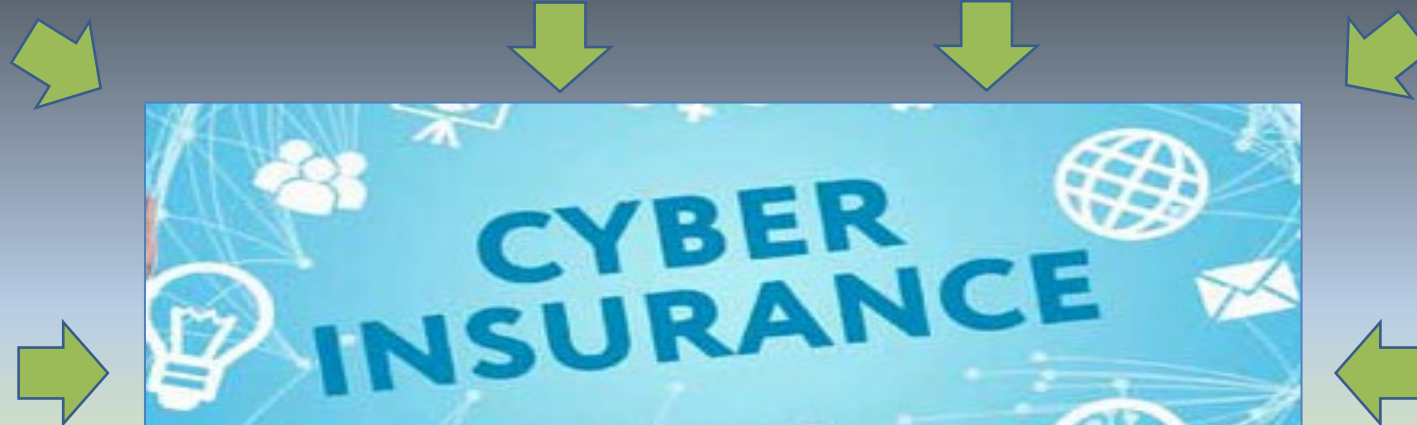
Phone Numbers
Social Security Numbers
Drivers License Info
Birthdates
Address
Passwords

Using any of these

Paper/Pen
Computer
Tablet
Mobile Phone
Website

Storing it here

Spread Sheet
On your computer
Cloud
Email
Notebook



תודה
Dankie Gracias
شكراً
Спасибо Merci Takk
Köszönjük Terima kasih
Grazie Dziękujemy Děkojame
Ďakujeme Vielen Dank Paldies
Kiitos Tänname teid 谢谢
Thank You Tak
感謝您 Obrigado Teşekkür Ederiz
Σας ευχαριστούμε 감사합니다
Bedankt ขอบคุณ
Děkuje vám
ありがとうございます
Tack

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