

Social Media: #NewestBusinessLiabilityRisk

The stories of social media fails are legendary—companies using inappropriate humor regarding serious social issues, typographical errors, and pop references that backfire.

These examples represent reputational issues that can affect your company's brand and its sales.

The mistakes in social media marketing that make the headlines can obscure other forms of risks presented by social media, namely privacy violations, security breaches, unauthorized use of intellectual property, and employment-based claims, among others.¹

Liability Risks of Social Media

The risks that social media may introduce to your business are generally not new, but conventional risks delivered in a modern way.

To help manage these risks, you should:

- Create a general social media policy for your company
- Develop a specific policy for employees who use social media as part of their role
- Consider a policy that also addresses personal social media use outside of work
- Don't create your policy in a vacuum. Rely on the diverse talents of your employees
- Limit social media to designated spokespersons for better control over messaging
- Train all employees on your social media policies

These risks may be covered by your existing business liability insurance, provided through a rider on your current policy or through the purchase of specialized coverage. Speak with your insurance agent to learn how to make sure you are adequately protected against the business risks of social media.

1. The information in this material is not intended as legal advice. Please consult legal or insurance professionals for specific information regarding your individual situation.

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