



AGCOM INSURANCE~SERVICE ABOVE THE REST~

Cyber Liability: What is it and do I need it?

By Sheryl Leonard

Emerging technology has ushered in new and complex exposures for most businesses. Many of these exposures are not covered by traditional liability insurance and property insurance policies.

I'm sure you have read about some of the larger recent data breaches in the news. Anthem Blue Cross, Target, Neiman Marcus, Michaels, Coca Cola. Just these 5 breaches alone have compromised over 200 million records containing sensitive identifying information.

Credit and debit card accounts stolen in the recent data breach at retail giant Target have been flooding underground black markets in recent weeks, selling in batches of one million cards and going for anywhere from \$20 to more than \$100 per card. This is the motivation for cyber theft. Many, many smaller data breaches go unreported by the main stream media. In fact, it is the small business, under 10 employees, who are most at risk of a data

breach. Giant businesses like Target and Blue Cross pay big money to technical firms to keep their data safe from hackers. Hackers still get in.

As a small business owner, do you know how safe your customer data is? Do you have customer data that needs to be protected? Many small business owners believe they don't have such information, therefore, there is no need to worry about protecting the data or themselves from the liability resulting from a data breach. If you require applications, collect payroll enrollment information, accept credit card payments, or set up charge accounts for your customers, you have just the information that cyber thieves are after. What have you done to make sure this information is secure? And how do you protect yourself and your business in the event of a breach?

A cyber liability policy will protect your business from the liability associated with

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GROWING

ABOVE THE REST



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We feature helpful safety tips, reminders of important crop dates, the latest edition of this newsletter plus some fun just to brighten your day!

Click below for our page:
[AgCom Insurance Agency](#)

Limousin Ground Beef for sale

Contact Sheryl for details and availability. 712-368-2611

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a data breach. These policies are complex and not all policies provide the same coverages. Besides the obvious need to defend yourself if a lawsuit results from a customer's stolen information, here are other expenses that may be covered with a cyber liability policy.

Loss containment coverage covers the direct expense required to hire a forensics expert to determine the cause of the breach and suggest measures to secure the site and prevent future breaches. This coverage will also pay to hire a PR agency to assist the insured in dealing with the crisis, notify individuals whose personal information have been compromised, monitor these individuals' credit (usually for one year), and pay costs needed to "restore" stolen identity, such as costs to notify banks and credit card companies). These costs alone can be thousands of dollars.

Some policies will cover regulatory defense expenses, as well as penalties and fines.

Business interruption covers losses incurred during the period of recovery resulting from a computer system disruption, including income loss, dependent business interruption (orders cannot be received or shipped), and extended business interruption. Even after restoration following a shutdown, it will require some period of time for the volume of business to return to normal. These costs, alone, can weigh heavily on small businesses.

Finally, Cyber-Related Theft of Property Coverages covers the cost of restoring and recovering the data lost from the "failure of an insured's computer system". For example, a hacker gains access to an insured's customer database and erases it from the company's computer system or an employee accidentally erases the company's customer database. Cyber extortion, computer fraud, and funds transfers may also be covered under such a policy.

Cyber theft is becoming more of a threat each day, it seems. Maybe it is time you evaluate your need to protect yourself from this kind of activity. Talk to one of us here at AgCom Insurance Agency and we can assist you in analyzing your exposure and risk. We will help you through the application process and tailor a policy to fit your unique needs.

APPLE TART

6 T Oleo (butter)
 1 1/2 c sugar
 2 eggs
 1 1/2 c flour
 1 1/2 tsp baking soda
 1 1/2 tsp cinnamon
 1/2 tsp nutmeg
 1/2 tsp salt
 3-4 c chopped apples

Cream butter & sugar. Add eggs and mix. Add dry ingredients. Stir in apples, but don't stir too much. Pour into 9x13 pan. Bake at 350 degrees for 35-40 minutes.

Sauce:
 6 T sugar
 6 T brown sugar
 6 T cream
 3/4 c butter
 1 1/2 tsp vanilla



Place first 4 ingredients in saucepan. Simmer for 10 minutes. Remove from heat and add vanilla.

This apple dessert is so easy to make but gourmet quality. I make this when I really want to impress! - Sheryl



Crop & Farm Expertise

Sheryl sheds light on crop & farm concerns from a farmer's perspective. AgCom is also a Farm Certified Agency for Nationwide Ag.

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Am I Covered for... Workers' Compensation on my small business?

by Cheryl Ellis

You own a small business. Maybe you have a few employees, maybe just you and your spouse are employed by the venture. Whether you are in retail or service, are you covered by Workers' Compensation?

According to Iowa law, businesses are required to carry this coverage on any employees. Period. No room for discussion.

However, owners can still opt out. The new Iowa code effective July 1, 2015 requires an additional form to be submitted by anyone who chooses not to be covered. One of our carriers (ACUITY) distributed this succinct explanation: "Iowa code now requires all non-officer owners (sole proprietors, partners, limited liability partners, limited liability company members) and corporate officers who are eligible for Workers' Compensa-

sation and employers' liability insurance to indicate in writing if they do not wish to be covered. This is done by completing either the Nonelection Form (14-0175) or the Corporate Officer Exclusion Form (14-0061) and submitting it to the Iowa Division of Workers' Compensation. Both of these forms are available on their website at <http://www.iowaworkcomp.gov/pdfs>. " We also have copies available in our offices if you need to grab one.

While each insurance carrier may treat this differently, many will take a proactive approach. If you have not turned in this completed form so you are listed on the Iowa Division of Workers' Compensation website, it will be assumed that you do want coverage. What does that mean? The downtown retail business with only one employee and an owner could be charged for work comp on both of them. That will likely be at least twice what you typically pay for this coverage.

For contractors, it also means that your subcontractors must either carry workers' compensation coverage or be on that list of opt-outs for you to avoid the

possible charge for workers' compensation coverage on them. (Yes, this gets sticky on whether or not subcontractors are employees, but be forewarned that the "employee test" is strict and getting stricter. When in doubt, a carrier will treat them as employees to cover their exposure. The end result at audit time? You have to pay out much of your profit on that bid because you certainly didn't figure workers' compensation on another "employee" into the job.)

MANY SMALL BUSINESS OWNERS WOULD BENEFIT GREATLY FROM OPTING IN TO THIS COVERAGE INSTEAD OF TRYING TO FIND A WAY TO OPT OUT

***This new workers' compensation law does NOT apply to farms. But, be cautious. If your farm hosts agri-tourism (pumpkin patch, farm tours, etc.) that significantly increases your income, you could be considered a commercial venture. If that is the case, workers' compensation could be required.

In my opinion, workers' compensation can be one of the best buys in the insurance industry. Many small businesses and small business owners would benefit greatly from opting in to this coverage instead of trying to find a way to opt out. How many small businesses would have to close their doors and receive no income if the sole proprietor was injured at work? How long can you sustain your current lifestyle with no income? Honestly, especially if I was a contractor, I would look at workers' compensation as a risk management tool to keep my business in business.

Am I Covered For...?

A lifelong learner and insurance professional, Cheryl loves to research and answer your insurance questions. Submit yours anytime.



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Farm Safety Day Oct 9th

3rd graders from Ridgeview will tour the Leonard Farm for their safety field trip

Feed the Farmer Oct 16th and Oct 30th

Partnering with KCHE, we are hosting feed the farmer twice this month!

Pumpkin Parade Oct 30th Downtown Holstein

Bring the kiddos or put on a costume and come get a treat.

Places to see AgCom Insurance in October

Harvest Hero Snack Pack

All through harvest, we will be delivering snacks to local farmers as they are in the field.

You don't want to miss out—give us a call and let us know where you'll be combining and we'll drop one off — and maybe even climb in the cab with you for a ride-along!



Financial Management Basics

by Mark Leonard

Financial management is an elusive term to define and topic to discuss, but I'll make some attempt to do both. At the most basic level financial management is the art of making certain that money flowing out of an entity is less than the money flowing in. This is true whether a business or household is being discussed. Factually, it is a requirement that the outflow is less than inflow or the entity will collapse under the weight of its debt obligation. As an example, I've heard many times that a family needs to borrow money to meet their monthly budget. But if you can't make your budget as it exists today, how can you possibly meet it next month when adding the additional demand of making the loan payment? Businesses run into the same problem when borrowing to cover cash flow shortfalls. So what should a family or business do when they find themselves with greater cash outflow than inflow?

First, an identification of the costs that are least necessary has to be done. Those least necessary costs may be anything from cable TV subscriptions to reducing the amount of beverage purchases made. (I've told my own family that if you're thirsty, water at the tap is free – so use it). Businesses frequently find that non-essential expenditures for customer appreciation or entertainment (which frequently means owners' entertainment) need to be curtailed. Sometimes it is simply items of equipment that cost more to maintain than replace. The point is every family and every business falls prey to funding non-essential expenses.

The second issue and certainly where every family or business prefers to focus is on how to increase the inflow of cash. But, unless the cash outflow is managed with discipline, there will never be enough cash inflow to keep up. Businesses can refocus their marketing efforts to more precisely zero in on their target audience versus blanket marketing efforts that will reach a high percentage of people with no interest in the products or

services. Families have other avenues to pursue which include working longer hours or more overtime pay periods as a method of increasing revenue. Always the option exists to seek other employment that will offer greater financial rewards and may require relocating to a new area. All of us have ancestors who did exactly that: leaving one environment for another that would offer more opportunities to provide for their families.

But whether business or personal finances are being strained, a couple of facts remain: (1) doing nothing will most surely create a continuing problem and (2) borrowing money to cover up an immediate but systemic structural problem will only exacerbate the intensity of the problem over time.

I remember being told when I was younger that no matter how much money you make, you can always run out. Therefore the message is: learn how to manage your money and live within a budget so that regardless of your income you don't end up in an overextended situation.

A banker I know in southern Iowa made a great statement to me: Any fool can make money, a wise man can keep it. And that, my friends, is the real crux of money management.

Any fool can make money, a wise man can keep it.

Banking News

A leader in agricultural and commercial lending, Mark shares his perspective on the current markets and trends.



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