



All businesses – whether they're brick and mortar or online – have liabilities. Once they open their doors, they have certain responsibilities to other people. If you fail to meet those responsibilities, it could lead to lawsuits, lost money, and time away from running your business.

You don't want that. So let's look at the five common liabilities for digital businesses and how to manage them.

1. Social Media Mistakes

Social media is one reason your digital business can compete with corporations twice your size. However, it also makes it easier to:

Defame a competitor. Even if you're just poking fun of a competitor online, they may accuse your business of hurting their reputation.

Infringe on a copyright. If you share someone's photo on your business's social media accounts without their permission, they could sue you for infringing on their creative property.

Invalidate someone's privacy. If you use someone's personal information without permission, they could argue you invaded their privacy and sue you for damages.

General liability insurance can usually pay for your legal expenses when you're sued over these mistakes, but avoid mishaps when you can. To do that, create a social media policy that...

Outlines acceptable online behavior.

Requires employees to only use licensed creative work or work that belongs to the public domain.

Bans social media comments about your competitors and clients (unless they are positive and posted with permission).

Identifies who has permission to post from your social media accounts.

2. Unsafe Products

You're responsible for the products you put in consumers' hands. In fact, any member of a distribution chain can be responsible for an injury a defective product causes. That includes...

Manufacturers.

Distributors.

Suppliers.

Retailers.

Many states even have strict liability laws. The injured consumer only has to show that your product has a defect and it caused harm. Once they do that, you can be on the hook for damages and need an expert Defence Lawyer.

Your defense against this danger starts with the design process. Keep safety in mind at every stage, and create clear warning labels and instructions. You might also want to hire an attorney to create hold harmless agreements that state suppliers are responsible for their own mistakes.

Finally, you might want to have product liability insurance in case something goes wrong. It can pay for legal costs when you're sued over defective products you make or sell.

3. Workplace Accidents

As an employer, you're usually responsible for an employee's work injuries, and they aren't cheap. According to the National Safety Council, work injuries cost \$206.1 billion in 2013, a figure that includes medical expenses, lost productivity, and more.

Workers' compensation can help pay for medical expenses and lost wages so you don't have to pay out of pocket for employee injuries. But you can also help prevent work accidents by:

Training employees on workplace safety.

Maintaining a clean and organized work environment.

Providing ergonomic chairs, computers, and desks.

Establishing a hazards reporting system.

You may also want to examine your own behaviors to make sure you practice what you teach. For more pointers on setting a good example, read "Setting Standards for Your Staff."

4. Disgruntled Clients

Unhappy clients are bad for business. They usually don't lead to referrals and their dissatisfaction may prompt them to take legal action against your business.

If you do end up in court, professional liability insurance can help cover your legal fees. But to prevent a dispute from escalating, document like your business depends on it. Written records...

Make sure you and your client have the same expectations.

Track changes to a project's scope.

Substantiate client requests.

Help settle disagreements.

May support your defense in court.

Start with a written contractual agreement, preferably one a lawyer has reviewed. Then document any changes that happen to it. That may mean sending confirmation emails after clients make requests over the phone or in a meeting.

5. Uninsured Subcontractors

If you hire a subcontractor who doesn't have business liability insurance, you might end up paying for their mistakes. An unhappy client isn't interested in who did what work. They just want to be compensated for their losses, so they will usually blame you, the person they hired for the job.

Protect your business by only working with insured subcontractors. Require it in your contract, and ask to see their certificate of liability insurance before you hire them.

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ZENRUPTION NOUN / ZEN + RUP / - COMBINES DISRUPTION AND ZEN. WHY? COMBINING THE POSITIVE VALUE OF ZEN WITH THE NECESSITY OF DISRUPTION CREATES A ZENRUPTION.