



Less Risk ...
More Security

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Agenda



- What kinds of risks do businesses face?
- What business entities can protect you?
- How do you know if the business is at risk?
- What happens if something goes wrong?
- How does insurance help?
- How do you defend yourself and your business?
- What if you agree to defend someone else?



What kinds of risks do businesses face?



- **Torts – someone or something gets hurt**
- **Contracts – someone agrees to something**
- **Regulations and Licensing – you need permission or a license to do something**
- **Taxes – the government has to be paid**



What business entities can protect you?



- LLC – Limited Liability Corporation
- Corporation
- LLP – Limited Liability Partnership



Is a business entity bulletproof?



- Even with an entity set up to protect you, sometimes things can go wrong
- How can a business approach risk so they can protect against problems?

How do you know if the business is at risk?



- Torts
 - Respondeat superior/scope of employment
 - Manufacturers
- Contracts
 - Authority to bind the business
 - Overpromising
- Tax
 - Direct liability
- Regulations and Licensing
 - Direct liability



What happens ?

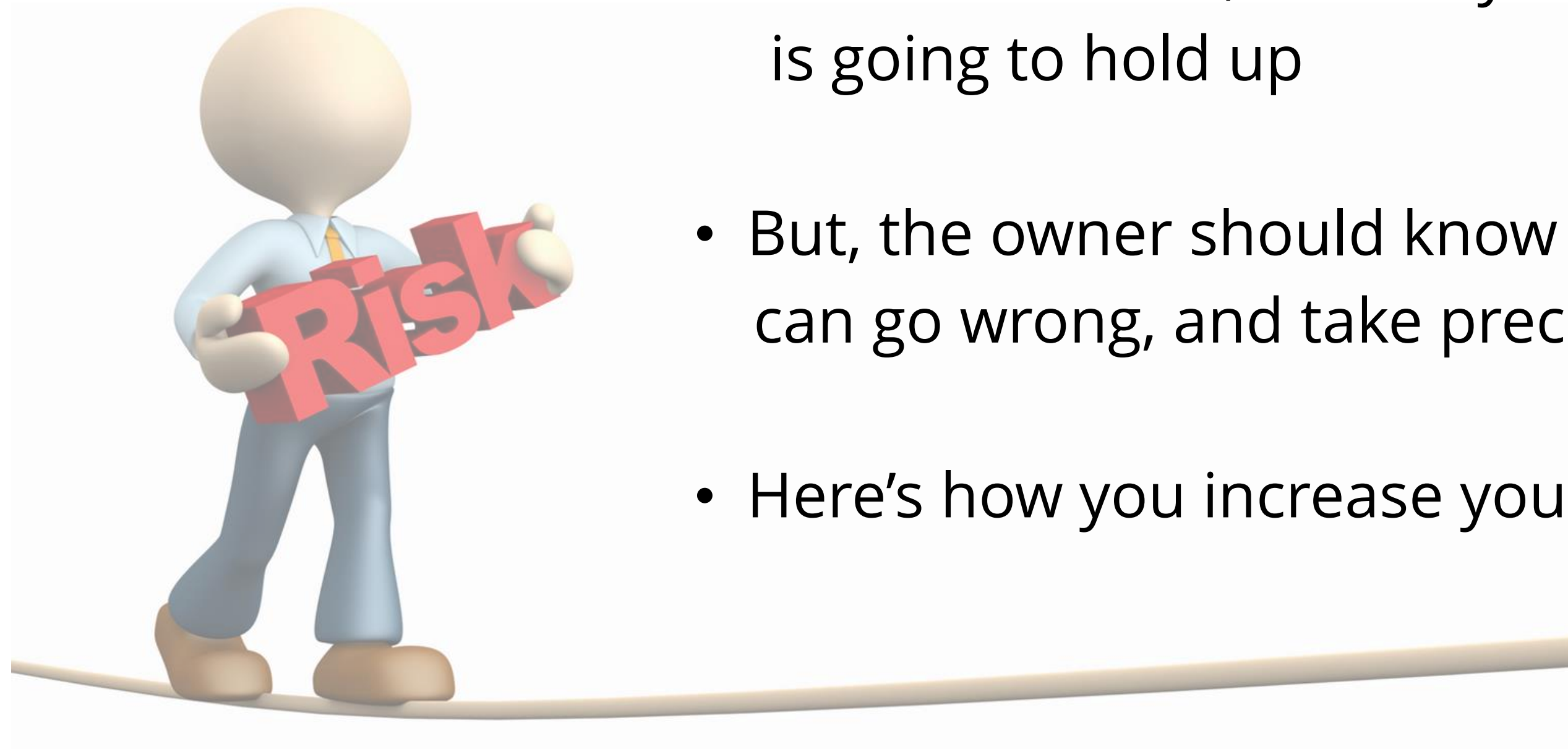


What happens to the company and the owner if something goes wrong?

- Is the owner vicariously liable for the employee's actions?
- Are the business's assets (or insurance) enough to pay?
- Is the owner at risk? Piercing the corporate veil
- Special considerations
- Taxes
- Consequences



Tools to protect against risk



- Most of the time, an entity's liability shield is going to hold up
- But, the owner should know what can go wrong, and take precautions
- Here's how you increase your security

How does insurance help?



- Helps with liability when things go wrong
- Free resource – talk to an insurance agent!
- Best practices
- Types of insurance
 - General
 - Professional
 - Errors and omissions (E&O)
- No insurance for taxes...



- Waivers and consent forms
 - Total waiver
 - Negligence waiver
 - Consent
 - Word carefully
- Safety standards, employees
 - Posted warnings
 - Employee trainings
 - Standards and procedures
 - Disclaimers
- Labeling
- Talk to a lawyer!



- **Well-written contract for goods or services**
 - Meeting of the minds, party goals, rights and responsibilities
 - Scope of services
 - Ownership of materials
 - Standards
 - Term
 - Delivery/deadlines
 - Fee schedule
 - Expenses
 - Termination



Defending someone else (indemnification)



- Agreement to defend someone else if something goes wrong
- Manufacturers/producers
- Third party servicers
- Officers & directors



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