

Staffing Insurance News



NEWSLETTER DECEMBER 2010

Social Media, Another Risk for Staffing Companies

The Internet has created new ways to communicate with each other – we can share all kinds of information with lightning speed and ease. But the connective power of online networks has also created problems for companies that were unimaginable ten years ago. Posting photos and comments can enhance a business' reputation. However, some postings can damage not only your own company's reputation, but the reputation of other businesses, all stemming from your employees' discussions and online posting.

Managing potential risks from information disseminated on the Internet that could lead to a loss or lawsuit is vital. Getting the right business insurance coverage – such as Advertising Injury, Personal Injury, EPLI – can protect your company against these types of claims. A claim involving identity theft as a result of your employees online "discussions" is a new exposure, requiring coverage specific for identity theft, now available in the marketplace.

Legal Issues

There are a variety of legal issues around social media:

- **Defamation:** Posting inappropriate content or badmouthing an employer or employee. A recent legal case in Connecticut involved the firing of an employee who criticized his supervisor on Facebook, an activity that is generally protected by the law (but one that must be done on the employee's own time, not on the job). The employee was fired for job performance and violating the employer's policy barring employees from depicting the company "in any way" on any social media site. The National Labor Relations Act, (NLRA), says an employee has the right to talk freely about working conditions, in this case their supervisor. Your choice is to either acquiesce or become involved in the legal argument of what employee activities are protected as a "concerted protected activity" under the NLRA. Legal arguments result in costly litigation.
- **Privacy:** Disclosing secret or confidential information, problems being not only real time but, also knowing, what is "legally private"
- **Discrimination:** In your office or your client's office
- **Copyright Infringement:** Copying what is not yours

Tools

More and more people today are just as comfortable "tweeting" or "friending" as they are making a phone call so it is important that companies are prepared for their employees' use of social media. Just as the Internet has become part of corporate America's marketing strategies, social media is a further expansion of instant communication.

Social media must be part of every company's personnel policies. While organizations can't control social networks, they can put programs in place to monitor and mitigate the possible risk to reputation.

Experts say companies should take the following steps:

1. Establish a new media policy that has ground rules about communicating online. For instance employees should behave in a way that is covered in your code of conduct – such as keeping proprietary information private. Keep the guidelines simple, easy to follow and not too restrictive.
2. Counsel employees on the consequences of inappropriate postings and urge them to use their best judgment and common sense. Emphasize the appropriate use of company equipment such as computers, cell phones and BlackBerries. Encourage employees to contribute social media outreach ideas. Harness the creativity and knowledge of employees and share the best ideas.
3. The laws surrounding privacy, defamation and right of publicity haven't changed, but they now apply to a Twitter tweet as well as a newspaper article. It's important that companies have their legal council review their media guidelines to be sure the guidelines are legal and review all insurance coverage as respect to these guidelines. As this new communication frontier emerges, it brings with it new opportunities and new challenges. Be aware of them, educate yourself and your employees, and proceed with eyes open.

Social Media is here and like anything else use it wisely to ensure that it will benefit both your company and your employees performance.

To find out more or if you have any questions or concerns please do not hesitate to contact [World Wide Specialty Programs](http://WorldWideSpecialtyPrograms.com) at **631-390-0900, 800-245-9653**, or visit our website at wwspi.com.



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