

# Staffing Insurance News



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## Website Puffing

### “What is only an exaggeration will not hurt you”...WRONG!

In today's litigious society, puffing can hurt you in many ways. The information on your website is a description of what your company does for your client customers. Your website information is designed to delineate you from your competition. Website information often times “Puffs” your business experience, since the logical buyer's thought is that the more experienced you are, the better the service you provide. Are you also aware that the more experienced you are, the higher the standard of care you are held to in the US court system? Ask any doctor; he will tell you that if he practices in a major metropolis he is held to a higher standard than a doctor in a rural community! Businesses are held to standards of care having root in the same general way. If a doctor tells you he has successfully delivered 5,000 babies he is held to a standard of care far beyond that of a doctor who has delivered 20 babies.

Take a step back to the actual definition of puffing which is, “an exaggeration made by a salesperson or found in an advertisement or on your website. This exaggeration regarding the good points of your service, business, property etc and expected future rise in values and growth cannot be the basis of a lawsuit for fraud or breach of contract UNLESS the exaggeration exceeds reality.” Since exaggeration almost by definition will exceed reality, you are on dangerous ground. How many times do you say, “I had a million telephone calls today”? We know that would be impossible, so there is no doubt that this is an exaggeration that exceeds reality, the context can be the subject of a lawsuit. Now back to the final portion of the definition of puffing, “When the puffing includes outright lies or has no basis in fact, a legal action for rescission of the contract or for fraud against the seller is very possible.”

A website is an advertisement that advertises to anyone who has access to the Internet, and remember the Internet can be accessed in most libraries, schools etc. Banks and insurance companies will review your website. When your website states you are in business for 100 years and have 2 million customers with revenues of \$2 billion dollars, you can bet that you will be held to a very high standard. Additionally, your bank will wonder why you want a loan; your insurance company will wonder why you are reporting different revenues on your application. When there are discrepancies, the underwriting process says, the underwriter must decline or charge a higher rate for the risk.

Give careful consideration to the information you say about your company on your website or any advertisement about your company. What you may think as a “white lie” may be the basis of a lawsuit against you. When you say you are the best you need hard data to back it up or you must qualify specifically what you are best at. When you say you have placed thousands of engineers with Ford, GM and Chrysler your engineers will be held to a higher standard than a company that only places draftsmen with a local landscape architect. Your insurance coverage will be increased to account for the professional placements which are spoken about on your website.

If you are lucky website puffing will only cost you money. If you are unlucky, website puffing will cost you your business.

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