

HOW HIGH IS YOUR RISK?

Small Business and Lawsuits

Small businesses that don't take the threat of legal action seriously are setting themselves up for trouble. Don't leave yourself and your business exposed.



1 in 3 small business owners are either **sued or threatened** by a lawsuit.

Lawsuits against small businesses account for

\$36,500,000,000

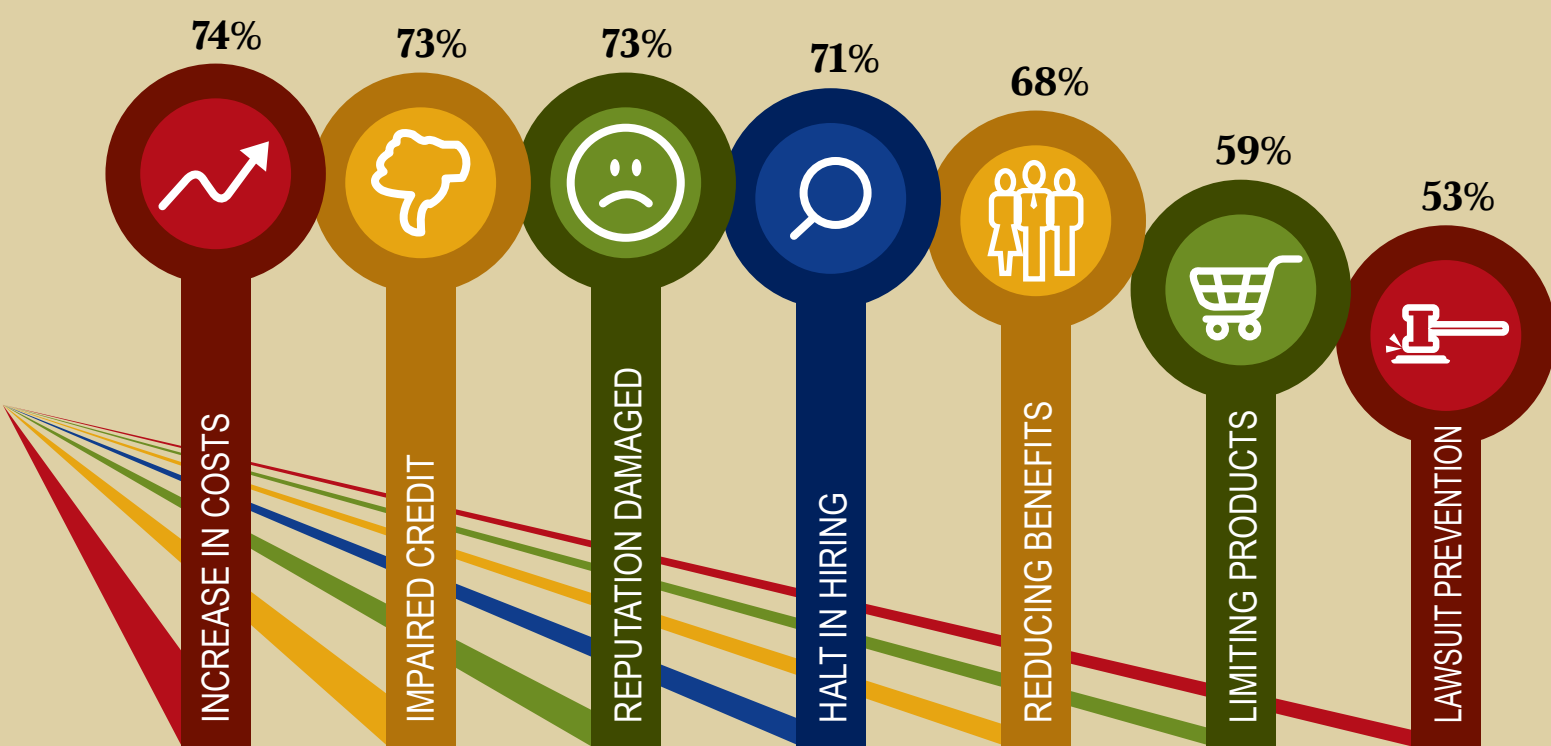
out-of-pocket dollars

for the small business owner annually.



NEGATIVE EFFECTS OF A LAWSUIT ON SMALL BUSINESS

The cost of an employment lawsuit is not exclusively defined by the amount written on a check. It is also measured by the effect it has on the company, its employees and customers.



INCREASE IN EMPLOYER HARASSMENT CLAIMS

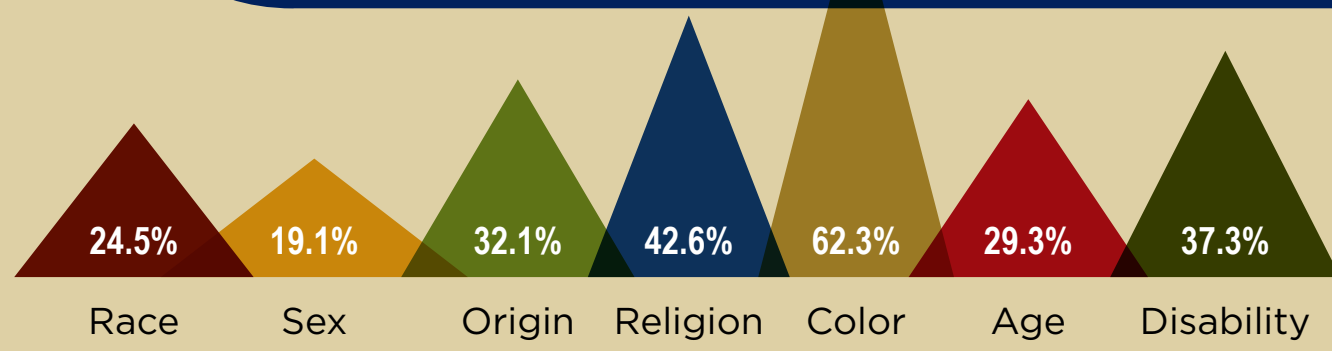
Employee lawsuits have risen **400%** in the past 20 years.

The current annual level is 6.5 claims per 1,000 employees

The average **cost to settle** an employment lawsuit has **tripled** over the past five years.

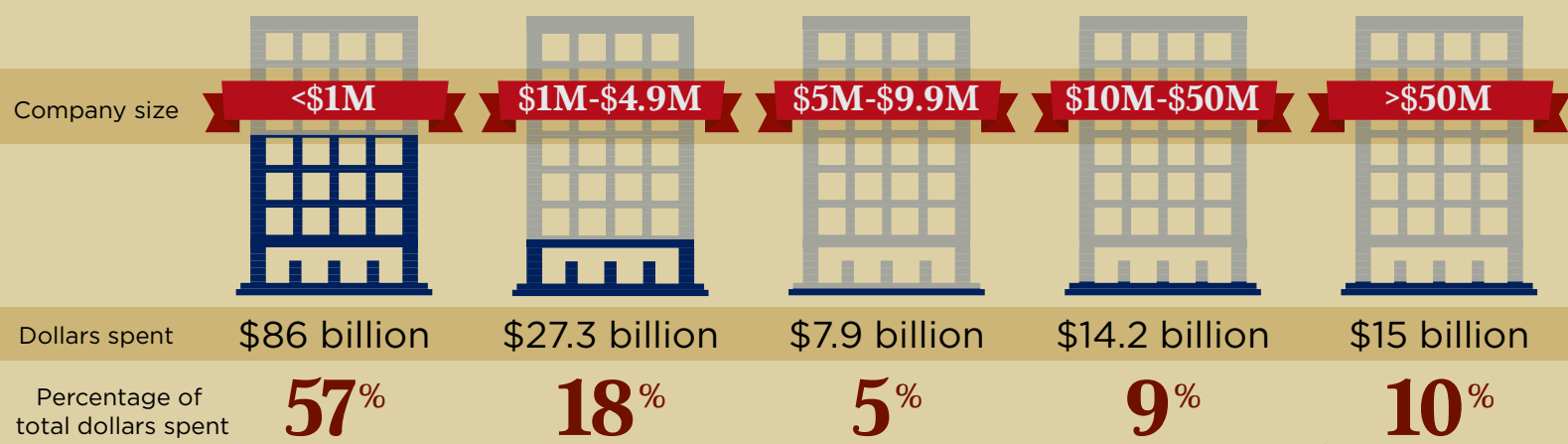
The current average cost is more than **\$300,000**

The rise of employee harassment claims from 2005 to 2011.

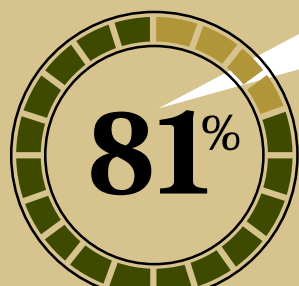


TORT LIABILITY

Think lawsuits only affect the big guys? **Think again.**

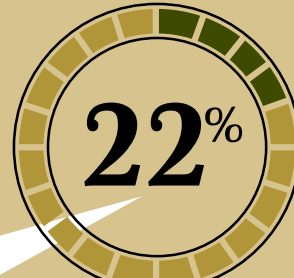


Annual cost for U.S. small business tort liability: **\$105.4 Billion**



Share of small business **tort liability cost**

Share of small business **revenue**



HOW TO PROTECT YOURSELF

These five simple steps can help you and your business succeed

1 MAKE IT LEGAL
 It's the single most important way to protect yourself and your business from lawsuits. There are other benefits too, like saving money on taxes, access to resources and building a foundation for your brand.

2 GET IT IN WRITING
 From partners to employees, from investors to vendors, you need a written contract with everyone you do business with. It gives a basis for talking about expectations in the company and gives you protection.

3 BE PROACTIVE
 Build a relationship with an attorney you trust as part of your leadership team. Just like looking to a doctor to get medical advice, your attorney can provide a wealth of business advice.

4 RESOLVE COMPLAINTS
 A good attorney has been in the business world solving problems—problems just like yours. Having an attorney on your team can be the difference between having a good resolution versus damaging relationships or the business.

5 GET COVERED
 Like insurance for your home, it seems unnecessary—until you need it. Then it's the difference between a difficult position and a horrible situation. Be cautious and get insurance coverage for your business.