Three Ways to Indemnify Your Business (Or Your Client's Business) From Smart Contract Risks

Jared Butcher, writing in the **Steptoe Blockchain Blog**, suggest three tools to address smart contract risks: (1) cybersecurity insurance policies, (2) indemnification agreements with outside vendors, and (3) "make whole" agreements among the smart contract parties themselves.

He writes that insurers, vendors, and other contract parties can provide the best source of indemnification, assuming that the proper contractual arrangements are put in place.

Under the heading of cybersecurity insurance policies, he writes:

"One issue worthy of particular attention is the employee exclusion. These exclusions in the policy language should be scrutinized to determine the level of coverage for losses caused by employee errors, which are likely to be a significant source of risk in a smart contract system."

Read the article.

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