**What does Technology Errors & Omissions Insurance Generally Cover? Sometimes, the policy will include elements of cyber insurance, sometimes they are a full combination of cyber and tech e&o, and sometimes they are only tech e&o. Below is general information on the type of organization tech e&o insurance is geared towards and typical coverages, exposures, and some case studies.**

**Technology Services**

Technology Based Services means computer and electronic technology services, including data processing, Internet services, data and application hosting, computer systems analysis, technology consulting and training, custom software programming for a specific client of the Insured Organization, computer and software systems installation and integration, computer and software support, and network management services performed by the Insured, or by others acting under the Insured Organization’s trade name, for others for a fee, but shall not mean Technology Products.

Areas of potential liability:

* Negligent Act
* Error & Omission
* Unintentional Breach of Contract
* Failure to Render Technology Based Services

**Technology Products**

Technology Products means a computer or telecommunications hardware or software product, or related electronic product that is created, manufactured or developed by the Insured Organization for others, or distributed, licensed, leased or sold by the Insured Organization to others, for compensation, including software updates, service packs and other maintenance releases provided for such products.

Areas of potential liability:

* Negligent Act
* Error & Omission
* Unintentional Breach of Contract
* Failure of Technology Products to Perform

**Patent, Software Copyright, Misappropriation of Information**

* Infringement resulting from a theft or Unauthorized Access or Use of software code by a person who is not an Insured
* Infringement of copyright committed by the Insured with respect to software Technology Products

**Information security and privacy liability**

* For theft, loss or unauthorized disclosure of personally identifiable or third party corporate information
* For unauthorized access, theft of or destruction of data, denial of service attacks and virus transmission involving the insured's computer systems resulting from computer security breaches

**Privacy notification costs**

* Coverage for the costs to provide notification in compliance with a breach notice law, including costs of expert forensic and legal services to help determine the extent of the breach and steps
* Costs for credit and identity monitoring product, public relations services and call center services

**Multimedia and advertising liability**

* Online and offline media coverage for companies involved in advertising their own products as well as companies in the media industry
* Personal Injury coverage

**Additional key benefits include the following:**

* Regulatory defense and penalties
* PCI fines, expenses and costs
* Unintentional breach of contract coverage for professional liability exposure
* Coverage for a wide range of trade secret misappropriation claims
* Coverage for a wide range of trade secret, misappropriation claims, and copyright infringement
* Coverage for mental anguish and emotional distress
* Many additional enhancements available to address specific client needs
* Privacy, contingent bodily injury and property damage and other enhancements available

**Target market**

* Software companies
* Systems integrators
* Technology outsourcers
* Technology consulting
* Internet services
* Combined hardware/software and business services providers

**Case Studies from Beazley**

**Suit for delayed dispatch system**

A technology company that had contracted to deliver a computer-assisted transportation dispatch system was sued for failure to deliver a timely, efficient system. The claimant alleged that the delayed delivery caused significant damages. Beazley supported the company’s efforts to reach an early settlement, and the insured was able to negotiate a quick resolution of the matter. Beazley paid more than $3 million combined in defense and toward the settlement.

**Tech failure to implement action**

A developer of electronic health records (EHR) solutions was sued for failure to properly implement an EHR solution by a customer healthcare institution. In discovery, Beazley learned the plaintiff had obtained significant “meaningful use” dollars from the federal government as part of a program incentivizing the healthcare sector to implement EHR technology, then found the customer’s signed meaningful use application and confronted the plaintiff with its application. Part of the application certified to the federal government that certain EHR solutions were in place. Beazley argued that if statements in the application were true, then certain allegations against the defendant developer could not be true. Beazley and defense counsel were able to leverage the statements in the application to reduce the plaintiff’s settlement demand from several million dollars to the low six figures.

**Suit for faulty software platform**

A software company developed a platform for a telecommunications company to analyze their customers’ broadband usage. The telecommunications company experienced an issue with the platform that led to the incorrect recording of the data usage. As a result, almost 100,000 customers had their broadband data usage incorrectly recorded. After the telecommunications company settled with a regulator to compensate the impacted subscribers, Beazley worked with the insured software company to retain expert defense counsel and resolve the matter.

**Copyright infringement dispute**

A midsized software company purchased developer and distribution licenses for certain computer code and used that code in one of their products. An employee of the insured software company determined (incorrectly) that the company no longer used the software in its products and terminated the license. Subsequently, the insured was sued for copyright infringement. Damages sought were in excess of $20 million. Beazley worked closely with defense counsel to reach an early settlement to avoid a protracted and costly trial, and ultimately convinced the plaintiff to settle for just over $6 million.

**Software failure**

A healthcare consulting company was sued alleging that software developed by the insured technology company malfunctioned and resulted in errors in submitting claims to insurance companies for reimbursement. Claimant alleged if the software worked properly, the claims would have been covered by insurance. Beazley was able to assist the insured in negotiating defense counsel rates as well as a lower than expected settlement.

**Defamation suit**

A media company was sued for defamation related to a documentary segment it aired. Beazley worked with the media company to select defense counsel and obtained a favorable fee arrangement. Beazley also attended focus groups and mock jury exercises, and contributed to substantive legal arguments as a result. The trial resulted in a complete defense verdict.