Insurance for Network Service Providers

Power Supply Cut Off, Shutting Down Several Businesses
Plaintiff Sues after Dropped 9-1-1 Emergency Call
Internet Service Provider Sued for Copyright Infringement

With offerings such as real-time media, cellular communications or facilities management, the networking industry has expanded far beyond its roots in voice and data transmission. Adding to the industry’s complexity is the blurring of traditional boundaries, with cable operators offering telephone service via Voice over Internet Protocol (VoIP) and telecommunications carriers providing streaming media through cell phones and digital subscriber lines.

As demand continues to drive innovation, complexity will increase. Network service providers need an insurance partner that can keep pace. Chubb has witnessed the expansion of the networking industry and has the expertise to help networking companies manage risk with enterprise-wide insurance products supported by dedicated claim and loss control services.

Property
Chubb’s Customarq Classic property insurance policy responds to broad “all-risk” perils, including water damage from inundation, abrupt or accidental mechanical breakdown, surface water and sprinkler leakage.

Customarq Classic offers independent limits of insurance and expanded definitions for towers and cell sites through Chubb’s industry-specific telecommunications and broadcasting policy features.

An automatic blanket limit of $500,000 applies to 12 property coverages, including electronic data processing (EDP) property, personal property of employees and public safety service charges. This blanket limit is in addition to the specific limits purchased and may be allocated among any of the 12 property coverages. The automatic blanket limit may be increased for qualified risks.

Electronic data processing property insurance protects against loss or damage to EDP equipment and EDP media.

Business Income
All companies need business income protection, and Customarq Classic sets the standard. For example, at the time of loss, the entire business income limit is available to pay extra expenses incurred to continue operations.

Reliance on outsourced services, such as call center support, could translate to lost income should a fire or other peril prevent the service provider from delivering as promised. Dependent business premises protection is automatically included with a $250,000 worldwide limit; higher limits are available for qualified risks.
Impairment of computer services – malicious programming insurance applies to the extra expenses, data recovery costs and lost business income following an illegal or malicious entry into computer systems by authorized or unauthorized users. Customarq Classic automatically provides basic limits for this insurance, and additional limits are available for qualified risks.

Determining the amount of business income insurance to purchase can be a difficult task for network service providers. Unlike most other insurers, Chubb has business consultants who can help insureds formulate accurate valuations. For those preferring a self-directed approach, we have developed a software application that guides users through the process.

General Liability
Whether subcontracted or not, infrastructure expansion, maintenance and repair are a constant source of exposure for a networking company. Chubb’s Customarq general liability insurance policy provides a broad platform of liability insurance protection that includes work performed by others on the insured’s behalf. In addition, in circumstances where the insured is contractually obligated to indemnify the party performing the work, that party can also be covered provided the insured assumed such liability prior to the loss.

Many service providers offer support to emergency response systems such as 9-1-1. Chubb’s Customarq general liability insurance policy responds to liability created by this unique exposure.

Advertising injury and personal injury liability insurance offers protection against the costs associated with lawsuits alleging libel, slander, violation of privacy, or claims of infringement of another’s copyrighted advertisement or registered trademark in advertising the insured’s products or services.

Our general liability insurance provides a separate advertising injury/personal injury aggregate limit, preserving the general aggregate limit for bodily injury and property damage.

Worldwide protection is automatically afforded for suits brought in the United States. When our global liability extension is purchased, the insured is protected against lawsuits brought anywhere in the world (where legally permissible).

Intellectual Property, Privacy and Communications Liability
Our Reputation Injury and Communications Liability policy is perfectly suited to address copyright and trademark infringement or communications liability claims stemming from the creation, dissemination or sale of material facilitated by any product or service a networking company offers.

Privacy has become a worrisome exposure for network service providers since they often process or transmit or store non-public personal information for customers. Chubb’s Reputation Injury and Communications Liability insurance dovetails with our INTegrity by Chubb errors & omissions (E&O) policy to offer protection when the service provider is legally or contractually liable for damages suffered by consumers or customers.

Lawsuits resulting from libelous or slanderous statements or copyright or trademark infringements made by customers using network services are a constant threat. In some cases, legal immunities safeguard service providers from liability. However, these immunities vary from country to country. Chubb’s Reputation Injury and Communications liability policy helps guard against these exposures.

Chubb’s dedication to the information and network technology industry is evidenced by its product innovation, quality of service, precision underwriting and depth of expertise.

POWER SUPPLY CUT OFF, SHUTTING DOWN SEVERAL BUSINESSES
While conducting routine maintenance at a customer’s facility, a subcontractor severs the power supply, shutting down business operations for several days. Multiple lawsuits are filed by tenants and area businesses against both the subcontractor and the network service provider. Chubb’s Customarq general liability policy responds to this loss.
Errors and Omissions

Our INTegrity by ChubbSM errors & omissions policy can respond to the financial injury suffered by a customer due to product defects or deficiencies, or a failure to perform services. It is affordable protection against a significant threat to a company’s financial well-being. A general liability insurance policy does not protect against these vulnerabilities.

Upgrading a customer’s corporate infrastructure involves extensive integration services. Our INTegrity by ChubbSM errors & omissions insurance protects against liability for failure to properly complete critical integration services, which can result in significant financial injury and downtime for the customer.

Service providers sometimes make representations and warranties they are unable to fulfill. Our INTegrity by ChubbSM errors & omissions insurance recognizes this exposure and responds accordingly. Our notice of circumstances feature provides the opportunity to preserve E&O limits of insurance for circumstances that may result in future claims.

INTegrity by ChubbSM errors & omissions insurance is offered at the value, standard and premier levels. In addition, two triggers are available: claims made and claims made and reported. These options allow insureds to purchase the level of protection best suited for their needs and budget.

More Options
Round out your insurance program with additional products and services:

- **Umbrella and excess** insurance can be structured to include auto, general, foreign and intellectual property liability insurance on a follow-form basis.
- **Continuum from ChubbSM** provides liability protection for buyers or sellers involved in mergers and acquisitions.
- **Commercial automobile** insurance includes nonowned and hired cars.
- **Workers compensation** protection includes primary foreign voluntary workers compensation to protect employees traveling overseas.
- **Executive protection liability** insurance includes directors & officers liability, crime, employment practices liability, kidnap/ransom and extortion.

Global
A domestic property and liability insurance program can easily be expanded worldwide with a Customarq Global extension.

Differences in conditions or limits that may exist between the domestic program and the local (admitted) insurance contracts are insured subject to the terms and conditions of the Customarq policy. Where admitted insurance is required, Chubb can write the primary policies through our network of wholly owned offices or affiliates, including compulsory coverages for products liability.

---

**PLAINTIFF SUES AFTER DROPPED 9-1-1 EMERGENCY CALL**

Despite numerous advisories from the manufacturer, a network service provider offering 9-1-1 emergency services fails to replace a defective network switch. When a caller to 9-1-1 cannot get through, an elderly resident dies. A bodily injury lawsuit is filed by the decedent’s heirs against the network service provider. Customarq general liability insurance responds to this loss.

**INTERNET SERVICE PROVIDER SUED FOR COPYRIGHT INFRINGEMENT**

A customer posts copyright-protected material on a website operated by an Internet service provider. Almost immediately, a lawsuit alleging copyright infringement is filed against the Internet service provider. Chubb’s Reputation Injury and Communications Liability policy responds to this loss.