

Errors and Omissions

Chubb Life Science Broker Forum

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Errors and Omissions – Professional Indemnity

➤ Error

“An act, assertion, or belief that unintentionally deviates from what is correct, right, or true.”

➤ Omission

“The act of omitting; neglect or failure to do something required by propriety or duty”

➤ “duty” – the policy refers to breach of professional duty

Basis of cover.....

- Legal Liability of the insured arising from their breach of Professional Duty.
- For third parties' pure Financial losses ie not consequent on third party Bodily Injury or Property Damage.

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Cover in more detail

- The Company will indemnify the Insured for all sums which the **Insured** shall become legally liable to pay for damages and claimant's costs and expenses happening in connection with the Business for claims made against the Insured and notified to the Company during the Period of Insurance and arising from:
 - 1 breach of Professional duty by reason of any neglect error or omission occurring or committed by the Insured any **employee** or any person firm or company acting for or on behalf of the Insured.
 - 2 any act of fraud or dishonesty committed by any employee
 - 3 loss of or damage to documents

Key exclusions

- Some forms of contractual liability
 - Penalties and liquidated damages
 - Agreements that go beyond what have attached in the absence of such agreements
- Intellectual Property
- Directors' and Officers'

Key exclusions

- Repayment of Fees etc
- Medical Malpractice
- Direct Patient Care

Potential Beneficiaries of E&O cover include

- Contract Research Organisations
- Contract Manufacturers
- Product Manufacturers who also provide a service

Underwriting Considerations

- Work carried out by applicant
- Current contracts (number and size)
- Typical contractual conditions
- Project Planning /Complaint resolution procedures