

Information and Network Technology

Custom Industry Solutions

CHUBB®

Information and Network Technology (INT) companies are encountering risks unheard of just a few years ago. At Chubb we've been in the technology business longer than any other insurer, and have built a reputation for being fair to our policyholders, innovative in our product offerings and flexible in crafting property and liability insurance solutions tailored to meet any need and any budget.

Property Insurance

Protection for material damage and consequential loss insurance. We understand the risks stemming from a computer virus or a denial of service attack and the importance of Research and Development (R&D). So we include impairment of computer services and new product delay with our gross profits insurance as well as cover for portable equipment and computer breakdown.

What Cover Can Chubb Provide?

IT Liability Insurance

The Professional Indemnity (E&O) section can respond to the financial injury suffered by a customer due to defects, deficiencies or a failure to perform pursuant to a contract. Coverage includes protection for both performance based contractual liability and liability assumed in contract (indemnities and hold harmless agreements). Our policy also extends to cover fee and expense mitigation payments.

Technology-related injury (Intellectual Property, Privacy and Media) protects against infringement of intellectual property, violation of a persons right of privacy, libel or slander and breach of confidentiality.

A Cyber attack coverage extension is available to protect against the unauthorised access or use of electronic data or information, including the reimbursement of expenses incurred to comply with a privacy data breach.

The General Liability section offers broad protection for bodily injury and tangible property damage claims irrespective of whether you designed, manufactured, installed or distributed the final product or stemming from software that fails to perform. Our policy protects the insured against damage to a customers premises or injuries to non-employees. Product recall expense is also covered.



- Defence communication and radar system technologies
- Government contractors

Clean technologies

- Solar products and services
- Energy efficiency technologies
- Smart grid technology
- Control systems and automation

Telecommunications services

- Cloud
- Internet service providers
- Application service providers
- Web hosting, data centres and ancillary services
- Wireless communications and messaging services
- Network consulting and support services

IT and telecommunications equipment manufacturing

- Computer and peripheral equipment manufacturers
- Communications equipment manufacturers
- Electronic components and accessories manufacturers
- Integrated circuit manufacturers
- Network hardware manufacturerse

Who Can We Cover?

Information technology services

- Data processors and system integrators
- Data storage and retrieval services
- Computer consultants and systems analysts
- Computer maintenance and repair
- IT outsourcing and facility managers
- Value added resellers
- SCADA and PLC programmers
- Other computer-related services

Software development

- Customised software
- Pre-packaged software
- Operating systems
- Networking software
- Databases
- Application software and tools
- Computer programming
- Shrink-wrapped software

Government / Defence

- Military applications and systems
- Defence hardware

We have a proven track record and experience you can trust. Don't take a chance. All it takes is one mistake or lapse in judgement to financially cripple a service oriented business.

Loss Scenarios

Consider the following loss scenarios based on actual claims and then ask yourself whether you have adequate insurance in place.

Delay

Potential cost: \$1,200,000

A software development company sign a technology services contract that requires the customised integration of software in five different countries, all within a one-year time frame. It takes over two years to fulfil the entire contract, and they are sued for breach of contract due to the delay.

Property damage

Potential cost: \$35,000

Software developed for a cold storage warehouse fails to maintain temperature levels inside the refrigeration units, resulting in defrosted food.

Interrupted service and lost data

Potential cost: \$150,000

A critical piece of hardware fails at a private cloud service provider, temporarily suspending customer's business operations and resulting in a loss of customer information.

Copyright infringement

Potential cost: \$120,000

An IT services company use a local company's trademark in their advertisements on their website. A French company sue for trademark infringement.

Death of a patient

Potential cost: \$2,000,000

A software development company supplied an electronic health record system to a hospital. A network shutdown occurs at the hospital and when it comes back up, instructions input earlier into the system are missing; causing treatment of a patient to be delayed and worsening their condition.

Loss of data

Potential cost: \$1,500,000

An IT consultant installed a software upgrade which accidentally erased valuable data.

Defective product

Potential cost: \$75,000

A subcontractor manufactures and ships a defective product, spurring claims for financial loss.

Privacy

Potential cost: \$500,000

A software development company developed an electronic health records system for a medical centre. The software had a security 'hole' in it which is exploited by a hacker. Thousands of patient records are compromised and many of the affected consumers seek restitution.

Interrupted service

Potential cost: \$150,000

A data centre facilitates and supports companies that offer cloud computing, internet hosting and miscellaneous technology services. The data centre was accidentally shut down and the operator sued for financial damages caused by temporary interruption of business operations.

Unauthorised access

Potential cost: \$25,000

A Software as a Service (SaaS) provider enables customers to store protected health information. A hacker gains access to this information and makes it public.

Risk Minimisation

Although there will always be computer mishaps and human errors of judgement, there are steps that you can take right at the start of a project to manage risk and strengthen the client relationship.

Here are a few areas in which you can manage risk and help limit exposures to liability claims from customers.

Stay in the comfort zone

In a highly competitive atmosphere, several IT companies are adding new products and services to broaden their appeal. This can backfire. Once away from core capabilities, there is more chance of promises being made that can't be kept.

Deploy appropriate resources

Even when providing core services to a client, a company will be playing with fire if it uses senior people to secure the business and inexperienced junior consultants or systems engineers to handle the implementation.

Use airtight controls

Use standard business contracts that have been thoroughly scrutinised by lawyers on your side and the client's side.

IT companies are encouraged to take advantage of all contract language that allows them to limit their liability. They should employ clear language tailored to their industry that minimises their exposure. Where possible, contracts should stipulate the indemnification procedures, terms and conditions that will apply in the event of a dispute.

IT companies should be as realistic as possible in their proposals, avoiding promises of lofty performance standards. If an IT company enters into contracts with incomplete specifications, it exposes itself to potential litigation.

Take great care with highly customised contracts. The fancier and more intricate the language the greater the more potential for confusion.

Follow sound protocols

In addition to the legal contracts, agree on a common written set of definitions, specifications and timetables with regard to the project. View these as 'living' documents that should be reviewed with the clients as milestones are reached and amended in writing if project deviations are made along the way. The procedures for making amendments and modifications to IT contracts should be clearly outlined.

Finally, if the customer is satisfied at the project's end, confirm it in writing.

Support the customer

A customer will have a much harder time alleging negligence if the IT company has 24/7 support procedures in place to deal with concerns.

Ensure dispute resolution

When disputes arise, have a formal dispute resolution process in place to handle them. Overpayment constitutes the largest area of dispute in IT cases.

By following these preventive guidelines, you can effectively manage your insurance costs and the risks of operating in a changing environment.

About Chubb in Australia

Chubb is the world's largest publicly traded property and casualty insurer. Chubb, via acquisitions by its predecessor companies, has been present in Australia for over 50 years. Its operation in Australia (Chubb Insurance Australia Limited) provides specialised and customised coverages include Marine, Property, Liability, Energy, Professional Indemnity, Directors & Officers, Financial Lines, Utilities as well as Accident & Health, for a broad client base, including many of the country's largest companies.

More information can be found at www.chubb.com/au

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