

Meet Sara from True Oasis Home Décor

Sara runs her own professional organising and interior design firm. She helps people maximise and beautify their spaces, and she relies on her website to collect and store all of her client information. That's where new clients fill out their personal details and share pictures of their homes, so she can generate a customised estimate and project plan.

Professional Indemnity / Errors & Omissions

Lawsuit claims financial harm

Because of a glitch in her system, Sara mixed up the project plans for multiple clients and ended up ordering thousands of dollars of custom shelving and other furniture at the wrong specifications. She had to redo the orders and push out deadlines for each client by months. A few of those clients were relying on their projects to be done in time for big events. Chubb's professional indemnity policy helped Sara respond to lawsuits claiming her services caused financial harm to the clients because of the costs incurred from the delay.



Total costs

Indemnity to impacted clients during mediation settlement	\$50,000
Defense costs of suits	\$35,000
Cost of lawsuit with professional indemnity coverage	\$35,000
Cost of lawsuit without professional indemnity coverage	\$45,000

Chubb risk specialists say

At its core, having a customer means having a relationship. And increasingly, having a customer means having a digital relationship. Personalised, effective, clear communications can enhance, solidify and grow that relationship.

Alternatively, poor customer experience — or any breach of customer trust — can hurt the connection and so the business. This makes it all the more essential to navigate today's digital communication trends with the right precautions.

The use of increasingly sophisticated tools — such as online cookies and audio listening — to collect ever more unique and personal information can be used to improve the customer experience. Many business owners and executives find that getting customers to share their data is a challenge, which likely indicates that customers are savvy enough to understand the risks associated with revealing their information. Businesses must clearly communicate their awareness of the serious responsibilities involved in gathering and storing personalised data, and that they have risk management protections and response plans in place to mitigate accidental or malicious impacts to data.

To minimise legal exposure, adherence to applicable laws governing data collection and usage (like the the Mandatory Breach Notification Scheme in Australia) is critical. But this is also an ever-changing and ever-challenging target, opening up many businesses to inadvertent privacy violations.

Personalised communications extend to real-time chat and social media outlets, which can be a boon for customer insights. It is critical for any business using these tools to appreciate that the employees doing the digital communicating aren't always the ones with the most maturity or experience. An incorrect or ill-considered customer service response can cause serious damage to a company's reputation and even lead to charges of libel and slander.

For many small or mid-sized businesses, dependency on third-party vendors to supply their on-demand operations or communications customisation needs may make them vulnerable. Should third parties fail, loss of revenue and loss of reputation may follow. Carefully vetting service providers and understanding the specific exposures are crucial steps in ensuring the security of the business.

CHUBB PRODUCTS TO CONSIDER



Cyber ERM



General Liability



Professional Indemnity



Umbrella & Excess Liability

CHUBB®

accenture

The material presented herein is not intended to provide legal or other expert advice as to any of the subjects mentioned, but rather is presented for general information only. You should consult knowledgeable legal counsel or other knowledgeable experts as to any legal or technical questions you may have. This presentation is solely for informational purposes.

Insurance is issued and underwritten by Chubb Insurance Australia Limited ABN 23 001 642 020, AFSL No. 239687 (Chubb). Chubb only provides general advice and does not consider your objectives, financial situation or needs. To decide if this product is right for you, please read the relevant Product Disclosure Statement (PDS), Terms, conditions, exclusions and limits apply.

Portions copyright © 2021 Chubb; portions copyright © 2020 Accenture. This document makes descriptive reference to trademarks that may be owned by others. The use of such trademarks herein is not an assertion of ownership of such trademarks by Accenture or Chubb and is not intended to represent or imply the existence of an association between Accenture, Chubb and the lawful owners of such trademarks.