

# Technology Professional Indemnity Insurance Wording

Chubb Tech Pro

CHUBB®

# Important Notice

**These insurance terms and conditions are an integral part of your insurance policy. Please read it carefully to ensure that it is in accordance with your requirements and that you understand its terms and conditions. Please contact your insurance intermediary immediately if any correction is necessary**

## Technology Professional Indemnity Insurance

Relationship of the **insurer**, the **policyholder** and the **insured** in connection with technology indemnity insurance is governed by the **insurance policy** and by these insurance terms and conditions that represent its integral part.

Please, read this **insurance policy** carefully, above all the provisions that may restrict the insurance coverage.

Words and phrases that appear in **bold** print in these insurance terms and conditions have special meanings defined in Article 3. Definitions.

### 1. Insurance Risk, Insured Event

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This insurance covers legal liability of the **insured** for **damages** caused to a **third party** by performing of **technology professional services**. This insurance is concluded as indemnity insurance.

The **insurer** will pay up to the **policy limit** on behalf of the **insured** all **damages** and **defence costs** that the **insured** becomes legally obligated to pay as a result of any **claim** first made against the **insured** during the **policy period** and reported by the **policyholder** or the **insured** to the **insurer** in writing during the **policy period** or any automatic extended reporting period (if applicable) in accordance with Article 5. C. Notice/Claims Reporting Provisions below, arising out of the performance of **technology professional services**, provided that the **wrongful act** took place during the **policy period** or after the **retroactive date** specified in the **insurance policy**. Payment of the **excess** applies to this insurance.

The **insurer** will pay **defence costs** incurred in defending a **claim** deemed covered under this **insurance policy**.

### 2. Extensions

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Provisions of other parts of this **insurance policy** also apply to the insurance cover under the extensions below.

#### 2.1 New Subsidiaries

The insurance also covers a **subsidiary** that becomes a **subsidiary** during the **policy period** provided that such company does not represent more than a 15 percent increase in total gross revenue of the **policyholder** in the financial year preceding the date of acquisition or establishment of such company. Where such company represents an increase in the gross revenue of more than 15 percent, such company will be deemed a **subsidiary** under this insurance, but only upon the condition that within 30 days of it becoming a **subsidiary** or failing to meet this condition, the **policyholder** will have provided the **insurer** with full particulars of the new **subsidiary** and agreed to any additional premium and amendment of the provisions of this policy required by the **insurer** relating to such new **subsidiary**, subject to the review and acceptance by the **insurer** of full and complete underwriting information.

Cover under this extension shall only apply in respect to any **claim** against the **subsidiary** arising from the conduct of **technology professional services** provided or required to be provided after the date of acquisition or the date the **subsidiary** was formed or the **retroactive date** whichever is later.

#### 2.2 Court Attendance Fees

**Defence costs** will include the following daily court attendance rates where court attendance of the **insured** as a witness is required in connection with a **claim** that is covered by this policy.

- |   |            |
|---|------------|
| a. Partner, statutory body or member of statutory or supervisory body of the <b>insured</b> : | CZK 10.000 |
| b. Employee of the <b>insured</b> :   | CZK 5.000  |

the total amount payable for court attendance shall not exceed CZK 100.000.

### 2.3 Privacy Breach

The **insurer** will pay on behalf of the **insured** all **damages** and **defence costs** resulting from any **claim** for any invasion, infringement or interference with any right to privacy or of publicity, including any disclosure which amounts to a breach of data protection legislation.

### 2.4 Transmission of Computer Virus

The **insurer** will pay on behalf of the **insured** all **damages** and **defence costs** resulting from **claims** for the negligent and inadvertent transmission of a **computer virus**.

### 2.5 Intellectual Property Infringement

The **insurer** will pay on behalf of the **insured** all **damages** and **defence costs** resulting from any **claim** for the infringement of intellectual property. This extension does not cover **claims** for the infringement of patents or **trade secrets**.

### 2.6 Defamation

The **insurer** will pay on behalf of the **insured** all **damages** and **defence costs** resulting from any **claim** for libel or slander where such libel or slander was committed unintentionally.

### 2.7 Loss of Documents

The **insurer** will pay on behalf of the **insured** all **damages** and **defence costs** resulting from the loss of **third-party documents** for which the **insured** is legally responsible and that during the **policy period** the **third-party documents** have been destroyed, damaged, lost, distorted, erased or mislaid, provided that this occurred in connection with **technology professional services**.

### 2.8 Fraud and Dishonesty

The **insurer** will pay on behalf of the **insured** all **damages** and **defence costs** arising from a **claim** for dishonest or fraudulent act or omission or any malicious, criminal or intentional breach of law of any employee of the **insured** in the conduct of the **technology professional services**, provided that coverage under this extension shall not be provided to any **insured** committing, participating in or condoning such dishonest or fraudulent act or omission or malicious, criminal or intentional breach of law.

### 2.9 Automatic Extended Reporting Period

If the **insurer** cancels or non-renews this policy other than for the non-payment of premium the **insured** shall have the right following the effective date of such cancellation or non-renewal, to a period of 60 days in which to give written notice to the **insurer** of any **claim** first made against the **insured** prior to the end of the **policy period**, provided that any actual or alleged **wrongful acts** occurred prior to the end of the **policy period** or after the **retroactive date** specified in the **insurance policy** and are otherwise covered by this policy. This automatic extended reporting period shall not apply if this policy or its cover has been replaced.

The **policy limit** for the automatic extended reporting period shall be part of, and not in addition to, the **policy limit** for the **policy period**.

## 3. Definitions

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3.1 **Beneficiary** means a person (natural or legal) who becomes entitled to the insurance payment as a result of the insured event;

3.2 **Bodily injury** means the mental or physical injury, sickness, disease or death of any person;

3.3 **Circumstance** means an incident, occurrence, fact, matter, act or omission that might reasonably give rise to a **claim**;

3.4 **Claim** means:

a. any delivered written demand for **damages** or compensation from the **insured**; or

b. beginning of any legal proceedings against the **insured**

in connection with the **wrongful act**;

3.5 **Computer system** means programmes, data processing media or equipment, operating systems, networking equipment and servers;

3.6 **Computer virus** means computer programme, instruction or code placed on any part of a **computer system** without the owner or user's knowledge or consent that are designed to harm the **computer system** or its owner or user;

- 3.7 **Damages** mean an amount which the **insured** is obliged to compensate to a **third party**, based on judgment, award or settlement that is pre-approved by the **insurer**, other than;
- future royalties or future profits including consequential loss or loss of profits, restitution, repayment or account of profits, or the costs of complying with orders granting injunctive relief;
  - return or offset of fees, charges, or commissions, fee disputes, costs assessments for goods or services already provided or contracted to be provided;
  - any punitive exemplary aggravated or similar damages;
  - finances, penalties, taxes and product recall expenses;
  - trading debts incurred by the **insured** or a guarantee given by the **insured** for a debt;
  - any amount any matters which are uninsurable under any applicable law or where the **claim** is made;
- 3.8 **Defence costs** mean reasonable legal costs and expenses incurred by the **insured** with the **insurer's** prior written permission in the investigation, defence, settlement or appeal of any **claim**, including the use of remedies; these costs do not include any internal remuneration or other personnel costs of the **insured**;
- 3.9 **Documents** mean documents of any nature including computer records and electronic or digitized data except money, negotiable instruments, bearer bonds or coupons, stamps, bank or currency notes or any other form of negotiable instrument, legally owned or otherwise in disposition of a client of the **insured**.
- 3.10 **Excess** means the sum stated in the **insurance policy**, which applies to each and every **claim** and by which the **insured** participates on the incurred **damages** and **defence costs** and which is deducted from the indemnity;
- 3.11 **Insurance policy** means insurance policy concluded between the **insurer** and the **policyholder** including any contractual agreements; these insurance terms and conditions are an integral part of the **insurance policy**;
- 3.12 **Insurable interest** means a legitimate need of protection from the consequences of an insured event.
- 3.13 **Insurance risk** means probability of the insured event caused by an insured peril.
- 3.14 **Insured** means the **policyholder** and any **subsidiary** when providing **technology professional services**.
- 3.15 **Insurer** means Chubb European Group Ltd, a company having its registered office at Chubb Building 100, Leadenhall Street, London EC3A 3BP, United Kingdom, acting through its branch Chubb European Group Ltd, organizační složka, having its registered office at Pobřežní 620/3, 186 00 Prague 8, Czech Republic, identification number 278 93 723, registered in the Commercial Register kept with the Municipal Court in Prague, section A, insert 57233;
- 3.16 **Policyholder** means a natural person or a legal entity specified as a policyholder in the **insurance policy**, who concluded the **insurance policy** with the insurer and is obliged to pay the premium;
- 3.17 **Policy limit** means the maximum limit of the indemnity (including **defence costs**) for all the insured events during the **policy period** as stated in the **insurance policy**;
- 3.18 **Policy period** means the period of insurance stated in the **insurance policy**. **Policy period** ends on the day specified in the **insurance policy** or on the day when the insurance is prematurely terminated;
- 3.19 **Pollutants** mean any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, odours, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
- 3.20 **Property damage** means damage to any **tangible property**, including the loss of use of **tangible property** which has not itself been damaged;
- 3.21 **Retroactive date** means the date specified in the **insurance policy**;
- 3.22 **Subsidiary** means any entity in which the **policyholder** either directly or indirectly through one or more entities controls the composition of the board of directors, controls more than 50% of the shareholder or equity voting rights, or holds more than 50% of the issued share capital or equity;
- 3.23 **Tangible property** means any tangible movable or immovable objects, including physical items on which data are stored; for avoidance of doubt it does not include software or data;

- 3.24 **Technology professional services** means the provision of services by the **insured** with respect to the design, development, installation, integration, configuration, or data processing of information technology or **computer system** development, web design and content delivery, as well as any specific technology professional services stated in the **insurance policy**.  
Such **technology professional services** do not include the development, use or maintenance of any **computer system** for the management of financial transactions, including but not limited to the transfer of money or the trading of any equities or derivatives;
- 3.25 **Terrorism** means an act, including but not limited to the use of force or violence and/or the threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear;
- 3.26 **Third party** means any legal entity or natural person, who is not
- i. the **insured**;
  - ii. parent company or **subsidiary** of the **insured**; or
  - iii. person influencing for any reason operation of the **insured**;
- 3.27 **Trade secret** means any formula, pattern, compilation, design, device, method, technique or process, and any alleged confidentiality in any computer program and/or allegedly confidential look and feel or constituent part of any program;
- 3.28 **Wrongful act** means any negligent act, error or omission, any negligent misstatements, any unintentional infringement of intellectual property rights or any unintentional defamation including unintentional infringement of civil honour and human dignity or goodwill of a legal entity committed by the **insured** or by others on the **insured's** behalf for whom the **insured** is legally responsible, in performing **technology professional services**.

## 4. Exclusions

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This insurance does not cover any **damages** or **defence costs** directly or indirectly arising out of or in any way attributable to:

- a. wilful, malicious, fraudulent, dishonest or criminal act of the **policyholder, insured** or any other person acting on their initiative including any act of gross negligence or arbitrariness;
- b. **bodily injury** or **property damage**;
- c. activities of the **policyholder** or the **insured** as an officer, partner, director, statutory body, member of any statutory or supervisory body, director or employee of any employee trust, charitable organisation, corporation, company or business other than that of the **insured** named in the **insurance policy**;
- d. any
  - (i) liability assumed and under any contract or agreement including any liquidated damages or liability for services credits except and to the extent the **insured** would have been liable in the absence of such contract or agreement;
  - (ii) guarantee or warranty;
  - (iii) delay in performing, failing to perform or failing to complete any **technology professional services** unless delay arises from a **wrongful act**;
- e. **technology professional services** performed for a person or legal entity which:
  - (i) the **insured** owns, operates, manages or controls either directly or indirectly in whole or in part or in which the **insured** has an ownership interest in excess of 15%; or in which the **insured** is a member of a statutory or supervisory body, a director or having any other similar managerial function; or
  - (ii) wholly or partly owns, operates, controls, or manages the **insured**;
- f. the actual or alleged inaccurate, inadequate, or incomplete description of the price of goods, products or services; or as a result of the **insured's** cost guarantees, cost representations, contract price, or estimates of probable costs or of the time for completion of work being exceeded or as a result of obligations set out in a contract which the **insured** knows or should reasonably have known at the time of the contract the **insured** would not be able to meet;
- g. alleged or actual electrical, mechanical or communications failures and/or interruption of utility services including the unavailability of internet service;
- h. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or **terrorism**;

- i. the presence or actual, alleged, or threatened discharge, seepage, dispersal, migration, release, escape, generation, transportation, storage, or disposal of **pollutants** at any time, including any request, demand or order to test for, monitor, clean up, remove, assess, or respond to the effects of **pollutants**.

In the event any portion of this exclusion is found to be invalid or unenforceable, the rest of the exclusions will remain in full force and effect.

## 5. General Provisions

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### A. Policy Limit

The maximum liability for all **circumstances** and **claims** including **defence costs** covered by this policy in the **policy period** will be the **policy limit** shown in the **insurance policy**.

All **claims** or other matters that are attributable to the same or similar originating **circumstances** or underlying source or cause shall be treated as a single **claim** or other notified event, regardless of whether such **claim** or other notified event includes the same or different claimants, insureds or legal causes of action. The date when any such **claim** is made will be the date that the first **claim** is made. Such single **claim** shall attach to the policy only if the first notice was given to the **insurer** by the **insured** during the **policy period** or automatic extended reporting period if applicable.

### B. Excess

The **insurer** will only be liable for that part of the **damages** and **defence costs** arising from any **circumstance** or **claim**, which exceeds the **excess**. The **excess** applies to every **claim** including **defence costs**.

### C. Notice / Claims Reporting Provisions

It is a condition precedent to the **insurer's** liability under this policy that the **insured** notifies the **insurer** in writing about the **claim** during the **policy period** or automatic extended reporting period if applicable.

If the **policyholder** or the **insured** learns about any **circumstance** during the **policy period**, notifies it to the **insurer** and provides all relevant information required by the **insurer**, then such a late **claim** arising from the **circumstance** shall be considered for the purposes of this a **claim** arisen within the **policy period**.

The **insured** shall further

- i. provide the **insurer** at its own expense with all necessary assistance regarding the **claim**;
- ii. provide the **insurer** with all relevant documentation and information; and
- iii. follow instructions of the **insurer** in defence against the **claim** and shall not admit any liability in relation to the **claim**, spend any costs or resolve the **claim** amicably without prior written consent of the **insurer**.

### D. Retroactive Date

If a **retroactive date** is specific, this policy will not cover and does not apply to any **claim** for **damages** or **defence costs** where the **technology professional services** lead to such **claim** were or were alleged to have been provided or required to be provided, in whole or part, before the **retroactive date**.

### E. Fraudulent Claims

If the **insured** makes a **claim** for indemnity under this policy knowing the same to be false or fraudulent as regards the amount or otherwise, the **insurer** has right to refuse the indemnity in accordance with relevant legislation. In such case the **policyholder** does not have a right for refund of premiums.

### F. Insurable interest

This insurance can be concluded only if there is an **insurable interest** of the **policyholder**.

If the **policyholder** knowingly insures a non-existent **insurable interest** without the **insurer's** knowledge, the **insurance policy** is invalid; the **insurer** has, however, right to the premium until he learns about invalidity of the **insurance policy**.

The **policyholder** and the **insured** shall inform the **insurer** in writing without undue delay about termination of the **insurable interest**. By termination of the **insurable interest**, this insurance is also terminated; the **insurer** has, however, right to the premium until he learns about such termination.

### G. Insurance Risk

The **policyholder** shall not, without the **insurer's** consent, do anything or allow any other person to do anything that may increase the **insurance risk**. The **policyholder** and the **insured** shall inform the **insurer** in writing without undue delay about change or termination of the **insurance risk** occurred during the **policy period**.

If the **insurance risk** is increased during the **policy period**, the **insured** has right to propose amendment to the **insurance policy** or to terminate the **insurance policy** in accordance with relevant statutory provisions. If the

**insurance risk** is substantially reduced during the **policy period**, the **insurer** shall reduce the premium proportionally with effect from the day he learns about such reduction.

#### H. **Policy Period and Termination of Insurance**

The **insurance policy** is concluded for a fixed **policy period** as stated in the **insurance policy**.

This insurance terminates in cases stated in the Act No. 89/2012, Coll., Civil Code, above all by:

- i. expiry of the **policy period**;
- ii. on the day following the expiry of the period stated in the reminder for payment of the premium by the **policyholder**;
- iii. agreement;
- iv. notice of termination of the insurance within 2 month after conclusion of the **insurance policy** or within 3 months from the receipt of the notification on the insured event;
- v. withdrawal.

#### I. **Other Insurance**

The cover provided by this policy is excess over above any other valid insurance (including any excess) or agreement of indemnity available to the **insured**.

#### J. **Applicable Law and Dispute Resolution**

This **insurance policy** is governed by laws of the Czech Republic and any disputes arising from this contract shall be submitted for decision to the relevant Czech courts.

#### K. **Territoriality**

This insurance coverage is provided worldwide with the exclusion of **claims** or legal proceedings instituted, pursued or originating in the United States of America or in Canada (or in any territory or possession within the jurisdiction of either country), or **claims** in which it is contended that any laws, rules and/or regulations of the United States of America (including the laws of any state or other subdivision) or Canada (or any territory or possession within the jurisdiction of either country) should or do apply;

#### L. **Subrogation**

Immediately on payment of a **claim** or **circumstance** the **insurer** will be subrogated to all **insured's** rights of recovery against any party from whom a recovery may be made, up to the amount of indemnity paid by the **insurer**.

The **insured** will take all reasonable steps to preserve such rights and co-operate with the **insurer**, including providing the **insurer** with all relevant written documentation and undertaking all necessary acts. The **insured** have to refrain from any action, which might put the **insurer's** rights under this provision at risk.

The **insurer** will not recover for **damages** or any other similar rights against an employee of the **insured**, partner or statutory body of the **insured** or its members.

Written Form and Changes of the Insurance Policy

The **insurance policy** and other acts relating to insurance shall be in written form. This policy may be changed only by written mutual agreement of the parties.

#### M. **Mergers and Acquisitions**

In the event that the **policyholder** consolidates, merges or is acquired by another entity, then the **policyholder** shall inform the **insurer** in writing about such consolidation, merger or acquisition without undue delay. This insurance then shall cover only **claims** where the alleged **wrongful act** occurred before effective date of such transaction. The **insurer** and the **policyholder** may conclude a written amendment to the **insurance policy**, by which the insurance would apply also to the **wrongful act** occurred after the effective date of the transaction, including any additional conditions or increase of premium.

#### N. **Non-assignment**

No assignment of rights or obligations under this policy shall be effective unless agreed in writing by the insurer.

**O. Exclusion of certain statutory provisions**

Section 1740 paragraph 3 of the Act No. 89/2012 Coll., Civil Code, regarding acceptance of an offer with supplements or variations shall not apply to the relationship between the **insurer** and the **policyholder**.

Section 1743 of the Act No. 89/2012 Coll., Civil Code, regarding late oral acceptance of an offer or acceptance of an offer by behaviour in accordance with the offer shall not apply to the relationship between the **insurer** and the **policyholder**.

Sections 1799 and 1800 of the Act No. 89/2012 Coll., Civil Code, regarding contracts concluded adhesively shall not apply to the relationship between the **insurer** and the **policyholder** who is an entrepreneur.

**P. Sanctions**

The **insurer** shall not be deemed to provide cover and the **insurer** shall not be liable to pay any **claim** or provide any benefit hereunder to the extent that the provision of such cover, payment of such **claim** or provision of such benefit would expose the **insurer**, or its parent, affiliates or ultimate holding company to any sanction, prohibition or restriction implemented pursuant to resolutions of the United Nations or the trade and economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

**Q. Complaints**

In case of any complaints or enquiries regarding this insurance, please contact the insurance intermediary through which the **insurance policy** was concluded or the **insurer** on the address stated in the **insurance policy**.

If you are not satisfied, you are entitled to refer this matter to the regulatory authority, which is the Czech National Bank.

The address of the Czech National Bank is:

**Czech National Bank**

Na Příkopě 28  
115 03 Prague 1  
Czech Republic  
tel.: +420 224 411 111



## Contact Us

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## About Chubb

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Chubb is the world's largest publicly traded property and casualty insurer. With operations in 54 countries, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients. As an underwriting company, we assess, assume and manage risk with insight and discipline. We service and pay our claims fairly and promptly. We combine the precision of craftsmanship with decades of experience to conceive, craft and deliver the very best insurance coverage and service to individuals and families, and businesses of all sizes.

Chubb is also defined by its extensive product and service offerings, broad distribution capabilities, exceptional financial strength and local operations globally. The company serves multinational corporations, mid-size and small businesses with property and casualty insurance and risk engineering services; affluent and high net worth individuals with substantial assets to protect; individuals purchasing life, personal accident, supplemental health, homeowners, automobile and specialty personal insurance coverage; companies and affinity groups providing or offering accident and health insurance programs and life insurance to their employees or members; and insurers managing exposures with reinsurance coverage.

Chubb's core operating insurance companies maintain financial strength ratings of AA from Standard & Poor's and A++ from A.M. Best. Chubb Limited, the parent company of Chubb, is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index.

Chubb maintains executive offices in Zurich, New York, London and other locations, and employs approximately 31,000 people worldwide.

**Chubb. Insured.<sup>SM</sup>**

Chubb European Group Limited, organizační složka, se sídlem Pobřežní 620/3, 186 00 Praha 8, identifikační číslo 278 93 723, zapsaná v obchodním rejstříku vedeném Městským soudem v Praze, oddíl A, vložka 57233, organizační složka společnosti Chubb European Group Limited, se sídlem 100 Leadenhall Street, Londýn EC3A 3BP, Velká Británie, registrační číslo 1112892, oprávněná k podnikání a regulovaná Prudential Regulation Authority a Financial Conduct Authority ve Velké Británii. Orgánem dohledu pro výkon činnosti v České republice je Česká národní banka; tato regulace může být odlišná od práva Velké Británie.