



Technology Liability



# Programme your risk.

Delta has specifically designed this policy to respond to the broad needs of modern kiwi tech companies that provide consulting services, software development, web design, hardware distribution, cloud storage and the like. We protect our clients against such liabilities as professional errors and omissions and legal liability for personal injury or property damage caused to other parties. Unlike most other policies, there is clear coverage for common risks such as Contractual Liability, Project Delays and Cyber Security breaches. Also distinct from other policies, our clients only pay an Excess if found liable but we start defending from day one.

## BENEFITS AND FEATURES

 <b>Technology Wording Addressing Modern Exposures</b>	 <b>Tailored Claims Response</b>	 <b>24/7 Rapid Vendor Response</b>
 <b>Prominent Provider of New Zealand Technology Business Insurance</b>	 <b>Broad Spectrum of Clients from Individual SMES to NZX-Listed Companies with a Global Footprint</b>	
 <b>Technology insurance specialists</b> An experienced Technology Liability Underwriting and Claims team.	 <b>Global Experience &amp; Capability</b> Technical proficiency with underwriters that have crafted solutions for some large global technology companies.	
 <b>Tech &amp; IP Specialist Lawyers</b> An experienced legal capability in Technology Liability.	 <b>Global legal response</b> We have relationships with legal experts globally that can respond quickly in North America, Europe, Asia and Australia.	
 <b>Cyber Liability Extension</b>	 <b>Fee Refund/ Contractual Fees Extension</b> Most claims start with a fee dispute.	
 <b>Intellectual Property and Patent Extensions</b>  <b>Mitigation Extension</b>	Avoid friction by considering what may be typically uninsured costs to avoid litigation and maintain relationships.  <b>Project Delay Coverage</b>	

## CLAIMS SCENARIOS

### Service Provider of Cloud Services



#### Scenario

A service provider based in Australia offers software solutions and cloud hosting services for financial advisers in New Zealand. They suffer a power outage due to thunderstorms that fry their hardware and leave their systems offline for three weeks. This results in hundreds of financial advisers in New Zealand left unable to use their systems.

The advisers are unable to carry out investments for their clients, such as selling shares, and face claims by their clients for losses suffered. The advisers pass the cost of these claims on to the cloud service provider as a claim for breach of contract.

#### The Insurance Response

The extent to which the service provider is liable will depend on the terms of the contract. They might have a 'force majeure' clause and this will prevent them from being liable. They might also have a limitation of liability clause which limits their liability to a refund of fees, or to direct losses only. If they are liable, then their technology liability policy would meet the claims.

### Software Development Company Plugin Licence



#### Scenario

A software development company uses a plugin from a major software supplier for one element of their product. When supplying the product to their customers, they warrant that all appropriate licences have been obtained. By mistake, it turns out they used the full version of the plugin rather than the basic version which was all that they had a licence for, and was all that was needed. The major software supplier pursues several of the end customers for licence fees and penalties. The customers seek to pass this cost on to the software company.

#### The Insurance Response

The policy will respond to the claims by the customers for the additional licencing costs incurred. The software company will have to correct the software at their own cost so that it just uses the basic version in the future.

### Network Infrastructure Service Provider



#### Scenario

An IT service provider provides and maintains the network infrastructure for a law firm. They attend the firm one evening to carry out some maintenance on the server. Due to errors made in the maintenance work, the firm discovers the following morning that the network is not functioning. It takes over a day to get it running again, but in the meantime the law firm has been unable to access its account system and as a result has failed to transfer funds for a number of property settlements, resulting in some of the property sales falling through and penalty interest being incurred on others. They have some very aggrieved clients. The law firm seeks to pass on these costs to the IT service provider and also terminates the support contract with them. The IT service provider's liability insurance will respond to the claim by the law firm.

#### The Insurance Response

The IT service provider's liability insurance will respond to the claim by the law firm.

#### Summary

As New Zealand technology businesses continue to expand their operations in a more globalised world, their exposure to liability risks increase in turn. Operating in a more globally interconnected business world not only increases risks to the trappings of overseas jurisdictions, but can leave businesses vulnerable to a greater amount of cyber-risks. No industry is liability-proof, and the technology sector certainly is no exception. A tailored, technology insurance policy protects businesses from incurring substantial financial and reputational losses by providing the insured with a broad range of cover.