



# **QBE Information & Communication Technology Liability Insurance**



# The Product



## Today's environment

Companies in the information and communication field operate in one of the fastest-growing business sectors in the world but also against a backdrop of frequent legal and legislative changes.

## Increased litigation

With almost every facet of our working and personal lives becoming increasingly reliant on technology, its interruption or failure can cause critical disruptions. The heightened social awareness of legal rights in such circumstances means the information and communication industries is increasingly becoming the target of litigation.

## Increased exposure

Any business or organisation that develops, manufactures, licenses, sells, provides, advises, or integrates any form of information and communication technology and related services is potentially exposed to litigation. The failure of a product or a service or incorrect advice can lead to legal claims against the company.

Just the cost of legal representation itself can be potentially crippling, regardless of whether liability is eventually proven and compensation to a client required. Furthermore, even if the business is found to have no liability, the cost of legal representation is difficult to recover. An added complication beyond increased litigation is the fact that the legal and legislative systems have not evolved as quickly as the technology changes within society.

## What does information and communication technology mean?

It applies to:

- Any computer equipment, software, hardware, or firmware sold, manufactured, produced, installed, repaired, serviced, treated, supplied, distributed, licensed, or shared by the professionals.
- Any service, advice or work provided by the professionals in relation to the above; and also the provision of data processing, data communication services provided by the professionals.

## Why do IT professionals need protection?

If a third party suffers a financial loss after receiving the services or relying on the advice of an IT professional, they may have the right to sue for the loss. IT professionals can also be sued by a client who is merely dissatisfied with the work or services that were provided.

Given such possibilities, IT professionals need insurance cover to protect themselves against the potential financial burden of litigation, but also to protect the reputation of their business, their personal integrity and their personal assets.

Insurance cover for legal costs and expenses is important in today's business environment as litigation involving IT professionals can often also be complex in nature and expensive. As a result, it is critical that IT professionals have access to specialised and quality legal representation to safeguard their own interests.

## **What does QBE's Information and Communication Insurance provide?**

QBE's Information & Communication Technology Liability Insurance incorporates the benefits of a traditional professional indemnity and public and products liability policy while also recognising the specific needs of the information and communication industry.

Our comprehensive cover includes a broad definition of information and communication technology that incorporates products, services and advice and is common to both professional indemnity and public/products liability insurance – all within one policy. It eliminates the need to determine whether a product should be defined as a service or as a good, simplifying the claim process.

For example, if an IT professional designs and installs software or hardware that subsequently fails to meet expectations, would such failure be considered a design error or an installation error? If the professional holds separate professional indemnity and product liability policies, there could be a lengthy process to determine which policy the claim falls under.

We provide IT professionals with the confidence to face the challenges of today's business environment, knowing they will receive the needed assistance and support from QBE if they face litigation or prosecution.

### **Key benefits - QBE's cover provides protection for:**

**Errors and omissions** - indemnifies IT professional against claims arising from negligent acts, error or omissions incurred in provision of their information and communication technology.

### **Personal injury and property damage** -

indemnifies IT professionals against amounts (including defence costs) which they become legally liable to pay by way of compensation in respect of both personal injuries and property damage.

**Defence costs** - incurred in the investigation or defence of a claim.

### **Automatic extensions:**

- Libel and slander
- Fraud and dishonesty
- Outgoing principals
- Consultants, subcontractors and agents
- Intellectual property
- Joint venture
- Loss of data
- Defence costs for breach of contract
- Unauthorised access

### **Optional extensions:**

- Reinstatement of the limit of indemnity
- Licensee intellectual property rights

### **IT professionals who can be covered by this product:**

- General IT consultants
- Software developers
- Website developers
- Application developers
- Hardware and software resellers
- Hardware designers/manufacturers/importers
- Telecommunication service providers
- Internet service providers (ISP)
- Data processing and data warehousing service providers
- IT education/training service providers
- IT help desk and network support providers

# Examples of potential claims you could face

A **computer consultant** was hired to develop a new accounting system for a company seeking to prepare a comprehensive set of annual accounts. The consultant overlooked a number of aspects, which later led to a defect in the system. The financial data ended up in a terrible mess, with some information being lost. The company subsequently launched a legal claim against the IT consultant for the resulting financial losses.

An **internet service provider** was acting as a web host for a number of small businesses. However, during the internet service provider's back-up process, the server suffered a power surge and all of the information on the websites was lost. The system's back-up tapes were also found to be corrupted, exposing the service provider to multiple claims and extensive litigation.

A **website designer** was hired to develop a website for a retail business. However, the designer was unable to deliver a fully functioning website that met the client's requirements as specified in the contract of service. The retail business lodged a claim against the website designer for the website not functioning in time, seeking financial compensation for being unable to start their online business without the website.

## How to obtain further information about this product

Should you require further information, please contact your local QBE representative or account manager or visit:

[www.qbeap.com](http://www.qbeap.com)

## Important note

The description of coverage contained in this document is a summary of the highlights of the cover available. QBE encourages you to read the *policy wording* for a complete description of the terms and condition provided by this insurance product. Any claims made are subject to terms, conditions, limitations and exclusions as outlined in the *policy wording* of insurance.

The summary does not form part of the Policy terms and conditions.

## **QBE Information & Communication Technology Liability Insurance**

QBE Information & Communication Technology Liability Insurance provides protection against legal liability arising from the failure of products, services and/or advice.



**QBE Insurance (Malaysia) Berhad**

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