



Fact sheet

Information Technology Liability insurance

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Information Technology Liability in a nutshell

Information Technology Liability insurance provides cover should the IT advice, services or products you supply fail. It's a combined policy that offers the protection of both Professional Indemnity and Public and Products Liability insurances.

The low-down

In a perfect world, technology would always run smoothly and glitch free. But things don't always go to plan. As a professional in the IT industry, the last thing you want is for a client to be unhappy with the products or services you provide them. This is where Information Technology Liability insurance comes into play. It combines Professional Indemnity cover to protect you against losses claimed by a third party due to alleged or actual negligence in your professional services or advice, and Public and Products Liability cover that helps protect you if a third-party claims that your negligent business activities or products caused them property damage or injury.

Ready to compare?

Do I really need it?

Unless you have deep pockets, a huge bank account or a solid plan to skip the country, then the short answer is likely to be yes. Not only are claims potentially expensive, preparing and defending against one could take valuable time away from running your IT business.

Information Technology Liability insurance helps you minimise disruptions to your business. A policy can pay for compensation costs, but also provide a specialised legal team to take on your defence, negotiate settlements, or represent you before the court.

Did you know?

For IT pros, it's sometimes hard to know if a claim falls under a Professional Indemnity or Public and Products Liability policy. If you have separate policies from different insurers, they might play a game of hot potato deciding who will pay the claim. By combining both types of cover into a single policy, Information Technology Liability avoids these frustrating situations, making claims easier for you.

What is typically covered?

✓	Negligent acts or omissions in the provision of professional services or advice.
✓	Third-party injuries or property damage as a result of negligent business activities.
✓	Third-party injuries or property damage caused by products you sell or supply.
✓	Costs incurred in investigating and defending a covered claim.

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What is typically not covered?

- ✗ Medical / surgical applications
- ✗ Aerospace / radar navigation systems
- ✗ Share trading or other financial transactions or calculations
- ✗ Security systems
- ✗ Military / defence
- ✗ Oil, Gas, Power, Nuclear applications
- ✗ Process control
- ✗ Console, mobile or PC games

Always read the Policy Wording to understand the terms and conditions of Professional Indemnity and Public Liability Insurance cover, including any applicable exclusions.

Claim Case Study

A computer programmer was de-bugging a client's software remotely and accidentally deleted all the information in the client's database, which had been inputted and saved on the software. This included customer records, accounts receivable and pending jobs. The mistake disrupted the client's business and caused them to lose income.

Luckily, the programmer had an Information Technology Liability policy. Their insurer settled the claim with the client and paid \$450,000 to cover losses, plus \$72,061 in legal defence costs for the computer programmer.



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