

SafetyTek Expansion Webinar

July 27th, 2010



We make it happen.

Learning Objectives



- Coverage
 - E&O
 - SafetyTek Expansion Endorsement
- Definitions
- Importance
- Competitive
- Cost
- Q & A's

What Is Professional Liability Coverage?



- Coverage designed to protect professionals against liability incurred as a result of providing a product **or** service.
 - Actual, alleged or attempted
 - Breach of duty
 - Negligent Act, Error or Omission
 - Misstatement, misrepresentation
 - Personal Injury

Covered Technology Products



■ **Technology Products –**

means computer, telecommunications or hardware, software, measurement, middleware, network servers, storage and peripherals, tools or related electronic equipment, devices, instruments, integrated circuits, circuit boards, computer chips, central processor units, memory chips and motherboards including the design, development, manufacturing, distribution, licensing, leasing, sale, installation, repair or maintenance thereof.

Covered Technology Services



■ Technology Services –

information technology project management and consulting, and information systems or network analysis, design, programming or integration;

database design and the caching, collecting, compiling, processing, mining, or recording or analysis of data;

information system outsourcing;

information technology training and education;

Website design, programming or maintenance;

information system or **Website** hosting;

computer or telecommunications network design, maintenance, analysis, security; and

computer or telecommunications hardware installation or repair.

What is SafetyTek Expansion?



- First Dollar Defense
- Defense Outside the Limits
- Innocent Insured
- Management Consulting
- IT Staffing and Placement
- Telecommunication Services
- Contractual Liability
- Unauthorized Access and Unauthorized Use

Definitions



■ **First Dollar Defense –**

The Deductible shall not apply to Defense Costs.

Definitions



■ Defense Outside the Limits –

Damages Included in Limits of Liability, Defense Costs Not Included in Limits of Liability

All amounts paid as Damages with respect to a Wrongful Act are subject to the applicable Limits of Liability. All Defense Costs with respect to a Claim or Suit shall not be paid or deducted from the applicable Limits of Liability, provided, however, that the Our duty under this policy to provide or pay for defense of a single Claim shall cease when the “Each Wrongful Act” Limit of Liability specified in the Declarations is exhausted by the Our payment of Damages for that Claim. Further, Our duty under this policy to provide or pay for any defense shall cease entirely when the “Policy Aggregate” Limit of Liability specified in the Declarations is exhausted by Our payment of Damages

Definitions



■ **Innocent Insured –**

1. any natural person Insured unless such Insured committed, participated in, or had knowledge of any such fraud dishonesty or criminal or malicious Wrongful Act; or
2. the Named Insured or a Subsidiary unless any principal, partner, officer or director of the Named Insured or such Subsidiary committed, participated in or had knowledge of any such fraud, dishonesty or criminal or malicious Wrongful Act;

Definitions



■ **Management Consulting -**

means analyzing management and operating problems associated with the goals, objectives, policies, strategies, administrations, organizations and the principal functional or operating areas of a business, and the recommendation and implementation of practical solutions to these problems.

Definitions



■ Information Technology and Staffing and Placement –

means the identification, appraisal and placement of personnel into employment roles and consultation concerning such activities. Such consultation and placement will include either temporary or permanent appointments.

Definitions



■ **Telecommunication Services –**

means telecommunications services, including switching services, dial tone access, competitive access provider services, cellular and wireless communication services, call center services, telecommunications consulting services, local access telephone services, long-distance telephone services, cable and internet telephone services, broadband services and private line and private network services.

Definitions



■ **Contractual Liability** –

for breach of any express, implied, actual or constructive contract, warranty, guarantee, or promise, including any actual or alleged liability assumed by the Insured, unless such liability would have attached to the Insured even in the absence of such contract, warranty, guarantee, or promise; provided, however, this exclusion shall not apply to that part of a Claim alleging the unintentional failure to perform Technology Services or provide Technology Products;

Definitions



■ Unauthorized Access –

means the gaining of access to a Computer System by an unauthorized person or persons, or by an authorized person or persons in an unauthorized manner.

Definitions



■ Unauthorized Use –

means the use of a Computer System by an unauthorized person or persons or an authorized person in an unauthorized manner.

Importance



Scenario 1: Corrupted Data

A communications company sues for lost revenue and expenses to recover billing files for wireless customers that were deleted by their software vendor who was updating the system

- Indemnity Paid: \$750,000
- Defense Costs Paid: \$150,000

Scenario 2: Jury Award for Compensatory Damages

When a software solutions provider fails to live up to performance commitments made via a contract for a new software system, a local jury awards the plaintiff compensatory damages

- Indemnity Paid: \$2,400,000
- Defense Costs Paid: \$350,000

Competitive & Cost



- Other carriers do not offer the above coverage's
- Incorporated into our form
 - Minimum premium as low as \$1000 for \$1,000,000 limits
(Defense Outside the Limits not available in New York)

Guidelines



- \$3,000,000 limits and under
- \$25,000 deductible and under
- \$3,000,000 in revenue and under

What's needed to Underwrite?



- Application- Ours or Competitor's
 - What They Do
 - Who They Do it For
 - Website
 - Revenue
- When in Doubt, Get a Quote!
 - It takes only 5 minutes to get an Xact Quote on www.stuckey.com
 - Get peace of mind for you **and** your client!



Contact Us



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Q&A

