



## Information Technology Professional Liability

With advancements in technology continuing at an explosive rate and an increasing complexity of software, the demand for specialist and general IT consultants has increased enormously.

IT consultants recommend computer systems, including hardware, software, firmware and networks for their clients. They are also responsible for a wide variety of services, including:

- hardware sales, installation, maintenance and repair
- software upgrades, configuration & customising
- computer network design & installation services
- internet integration and web page development
- designing specific training programs

The greater dependence on and increased use of IT consultants, together with the importance of their work, has increased their exposure to risks. They may face claims not only in connection with the quality of the advice they deliver but also for damage caused by the failure of the products they supply.

### Key Exposures

- Errors, omissions, or negligence in the installation of networks and software, preparation of custom-made programs
- Breach of copyright arising from use or modification of proprietary software programs
- Loss of data due to systems programming failures
- Delays and or costs overruns in the development installation or integration of software, hardware or firmware
- Breach of privacy or similar other legislation from the





- inadvertent publication/broadcast of databases
- Liability arising out of the design of or the content on a website or internet site
- Recommending a computer network to a client that fails to perform as described, or recommending equipment that is inadequate to meet the client's needs or type of operations

### Policy Features

- A broad definition of professional services
- Explicit cover for any technology product failure

### Covers

- Civil liability
- Misleading or deceptive conduct (including under the Trade Practices Act 1974, Corporations Act 2001, ASIC Act 2001 or similar provisions in the States' Fair Trading Acts)
- Intellectual property (including breach of copyright)
- Defamation
- Fraud or dishonesty of principals, partners, directors or employees (including theft of third party money or securities)
- Loss of documents or computer data up to the Limit of Liability
- Defence costs

### Standard Extensions

- Court attendance costs
- 30 day extended reporting period
- Property cover for lost documents – no breach of duty required (sublimited to \$250,000)
- Previous business name
- Quasi judicial costs (sublimited to \$100,000)
- Vicarious liability
- BusinessGuard Advisory Panel (providing limited free advice on matters which are relevant to the cover provided under this policy)

### Optional Extensions

- Employment practices liability (covering claims by employees made against the policyholder, or any principal, partner, director or employee)

- Fidelity (covering financial loss of the policyholder as a result of fraudulent or dishonest acts committed by an employee)

### Key Exclusions

- Contractual liability
- Performance guarantees
- Infrastructure
- Joint ventures (unless specifically agreed)
- Manufacturing liability
- Public key infrastructure
- Patent/trade secrets

### Limits

- Primary
- Up to \$25 million capacity

### Underwriting Information

- AIG Australia professional liability proposal form
- Full claims experience, including full details of all paid and outstanding matters
- Start up operations will require resumés for all principals, partners or directors and details of their past claims experience

### Target Market

Any firm that can demonstrate a positive approach to risk management.

### AIG Australia

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