PROFESSIONAL INSURORS
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Technology Errors & Omissions

Errors and Omissions, also referred to as Professional Liability, is a line of insurance coverage that is essential for any company who provides professional services for their customers. Technology companies are often responsible for protecting clients' data, serving as consultants to help make decisions for the safety and security of their firms, and contributing to the overall success and profitability of their clients' businesses. Most General Liability policies exclude professional coverage; therefore, Tech firms can be left at risk if they don't purchase Errors and Omissions coverage.

Errors and Omissions

Professional Liability Exposures Examples:

- <u>Inaccurate Advice</u> – Tech professionals offer advice to their clients every day, and every piece of advice given presents a risk to your firm. If a recommendation made by your firm doesn't bring the benefit that was promised to the client, a lawsuit could arise that your E&O carrier would defend you in.

- <u>Software Development Errors</u> – Any error in the delivery of software to a client could lead to an E&O claim for your firm. These errors could result in lost income for the client, harm to their public reputation, or even theft of their customers' personal data.

- <u>System Downtime</u> – This is an exposure faced by managed IT and cloud providers. Should your services result in extended downtime of a client's operating systems, it could lead to financial losses and cause them to file suit against you as a result of the failure to perform.

- <u>Failure to Meet Project Deadlines</u> – You set a timeline for a project and fail to complete the project by the date that was agreed to, your client could sue for potential profits that were lost as a result of the prolonged project timeline.

- <u>Data Breach</u> – This could occur as a result of a software development error but could also happen due to your firm's negligence in securing your clients' confidential data. Network configuration firms, cloud providers, and MSPs are responsible for maintaining proper security measures to protect data in their care, and any breach would likely result in a lawsuit.

Errors and Omissions

How PI TechInsure Can Help

While it's important to carry insurance that will protect you from claims arising from these exposures, it is more important to actively manage and prevent these risks from negatively affecting your firm. Be cautious of insurers that offer off the shelf, online policies for tech companies, many that can be bound in less than 5 minutes. These policies many times have restrictive language that provides a false peace of mind of being "covered", or may satisfy a contract requirement, when in reality, they are very restrictive on what is covered.

An agent specializing in the tech field can consult with and advise you on what you need, and which carriers are the best fit. Also, the online options typically present a challenge if a claim needs to be filed, or an exposure needs to be discussed, you're stuck speaking with a chat bot, or a call center rather than your trusted professional. Partnering with Professional Insurors and utilizing our TechInsure program will assist you in identifying and preventing your business risks, while also navigating the Technology insurance marketplace, making sure your coverage is placed with a strong carrier who understands your firm, and provides tailored coverages based on the unique services you offer.

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About Professional Insurors

Professional Insurors has a distinct and rich history that starts in 1977. Over the course of 45 years, our philosophy continues to remain the same: concentrate on specialized areas and bring excellent service and products to our clients. Our employees are our most important asset, and we have an employee first culture where they have a career path and look to future opportunities and personal growth.

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