Professional indemnity insurance for technology companies

Policy summary

Policy wording ref: 22413 WD-PROF-UK-TEC(2)

Key benefits: what risks are you protected against?

Professional indemnity insurance covers you for compensation you have to pay to your clients or third parties as a result of problems with your work. We will pay for claims which are made against you during the period of insurance, up to the limit shown in your policy schedule or as otherwise specified in the How much we will pay section of your policy wording. We will also pay your legal defence costs incurred with our agreement in respect of covered claims.

We will pay compensation in relation to claims made by your client against you for:

- breach of any contract between you and your client, including reasonable compensatory payments;
- issues arising from your delivery of a business activity for a client where this involves your use of artificial intelligence or generative AI;
- a vulnerability caused by you to the computer or digital technology or green technology operated by you or your client, which has led to a cyber attack or hacker affecting such computer systems;
- errors in the creation, modification or maintenance of computer and digital technology or green technology which have caused an interruption to your client's business;
- the processing, storage, loss or destruction of personal data;
- death, personal injury (including mental injury or disease) or property damage caused by your computer or digital technology or green technology failing to perform its intended function.

We will also pay compensation in relation to claims made by any party (including your client) against you for:

- infringement of intellectual property rights such as copyright or trademark, including where this arises from your use of artificial intelligence;
- negligence or breach of duty: if you fail in a duty of care to your client, perhaps giving incorrect advice or making a mistake in your work;
- defamation: libel and slander;
- work undertaken on your behalf by sub-contractors or outsourcers. However, we reserve the right to recover losses from your sub-contractors or outsourcers;
- dishonesty of your employees, sub-contractors and outsourcers;
- any other civil liability: this means that if a claim or loss occurs because of your business activities and we haven't specifically excluded it and it's not a criminal prosecution, it's covered;

We will also pay your losses as a result of:

- any tangible documents needed for your business which are lost, damaged or destroyed;
- work undertaken on your behalf by any overseas support staff, or by another person or entity for the purpose of a joint-venture.

In addition we will pay:

- towards your outstanding fees owed by a client, if by taking such action, the client agrees not to pursue a claim against you;
- payments towards the costs of rectifying any error, including the costs required to mitigate any resulting loss or damage;
- service credits provided to your client in full or partial settlement of a covered claim;
- the cost to engage a consultant to manage your response to a covered claim or to replace a senior manager or director whose time is diverted to the management of a covered claim;
- in respect of claims brought against an entity that contractually requires you to note them as an additional insured on your policy, provided that such claim against the additional insured arises due an act, error or omission by you;
- compensation where your attendance at court is required in connection with a covered claim.

Significant or unusual exclusions and limitations

We will not make any payment for your lost profit or any trading loss suffered by you. We will not pay for claims or losses arising from:

- any reserved legal advice or any activity regulated by the Financial Conduct Authority;
- infringement of patent or misappropriation of a trade secret;
- any bodily or mental injury or death unless in relation to mental anguish due to defamation. This also does not apply to a claim for injury arising from your computer or digital technology or green technology failing to perform its intended function;

- the loss, destruction or damage to tangible property, unless arising from your computer or digital technology or green technology failing to perform its intended function. This exclusion does not apply to any claim for damage to electronic data or the loss of any document which is necessary for the performance of your business activity which is lost whilst in your possession;
- the failure of service by an internet service provider, cloud services provider or other utility service, other than where your business activities provide these services;
- the ownership, use or possession of any land, building, animal or vehicle;
- any breach of your obligations as an employer;
- any discrimination, harassment or unfair treatment;
- any violation or alleged violation of laws relating to discrimination on the basis of disability;
- anything which was likely to lead to a claim and which you knew about before the policy started;
- any costs or expenses involved to recall any software (including artificial intelligence) or hardware where required to do so by injunction;
- the chargeback or reversal of any payment transaction;
- terrorism, civil commotion, strikes, war, communicable disease or nuclear risks; including any fear or threat of such an incident, or any action taken in controlling, preventing or responding to such an incident;
- a cyber attack, hacker or social engineering communication; including any fear or threat of such an incident, or any action taken in controlling, preventing or responding to a such an incident. This does not apply to any claim arising directly from a vulnerability caused to computer or digital technology or green technology operated by you or your client which has led to a cyber attack or hacker affecting such computer systems;
- a failure to comply with any US or Canadian law relating to the collecting, processing, storage or use of biometric or genetic information, or in respect of claims arising from unauthorised monitoring, tracking or profiling of personal data or US or Canadian law relating to the disclosure of information regarding the rental, sale or access to audio visual materials;
- the processing, acquisition, storage, damage, loss, alteration, disclosure, use of or access to personal data. This exclusion does not apply to claims brought by a client where they arise from your performance of a business activity.

Please read the policy for details of its terms in full.