

TECHNOLOGY EVOLVES

FAST

SO DO YOUR RISKS.

Hiscox Technology Insurance.

25
YEARS OF
TECH PI


HISCOX
EVER ONWARDS



THE THREAT TO YOUR TECHNOLOGY BUSINESS

The technology sector in the UK is expanding 2.6 times faster than the rest of the UK economy. This, according to the Tech Nation Report 2018*, is an indication of not only how quickly tech companies are growing but how quickly the risks tech companies face are evolving.

With investment and capital pouring into the technology sector, investor and owner expectations are often only eclipsed by customer expectations on what can be delivered. These high expectations can be the breeding ground for companies facing extraordinary pressures to deliver time and time again.

Sometimes mistakes are made and this is when having the best possible team behind you is key. Our specialist technology underwriters understand your business and provide broad insurance cover, whilst our in-house claims solicitors can help protect the reputation of your business if things go wrong.

*Source: <https://technation.io/insights/report-2018>.

HOW YOU CAN PROTECT YOUR BUSINESS

Hiscox Technology Insurance has been developed to offer comprehensive and flexible cover to UK tech businesses of any size, from start-ups to multinationals, and includes the following protection as standard.



If it's not excluded, it's covered.



Breach of contract

Cover if the agreed obligations of a contract between you and the client are not kept.



Intellectual property infringement (patent and trade secrets)

We will pay the claim if you breach a third-party's intellectual property or patent, or misappropriate a trade secret.*



Negligence

If you fail to meet standards expected by your client we can handle any claims that may arise against you for professional negligence.



Breach of confidentiality

You are covered if your organisation accidentally discloses confidential information or data to a third-party without your client's consent.



Defamation

Hiscox will defend, or pay the claim if you or a member of staff unintentionally damage the reputation of a client or third-party.



Dishonesty

We can help you recover inventory and revenue should you or your employees jeopardise a client's business.



Civil liability

Cover for non-criminal damages that could damage others.



Sub-contractors or outsourcers

Compensation for any claim brought against you for work that was undertaken by your sub-contractor or outsourcer.



Network security and personal data events

Compensation for claims brought against you for transmission of malicious software, denial of service, disclosure of personal or corporate data and more.



Key-person cover

If you have a claim made against you, we will pay the cost to engage a consultant to pick up your usual business duties while you work with us to defend the claim.



Service credits

Where appropriate, we will use service credits as a way to fulfil claims payments as full or partial settlement of a covered claim allowing you to maintain your existing commercial relationship with your client.**



Court attendance

We will pay compensation if you have to attend court as a witness in connection with a claim.

*Non-USA/Canada.

**Not including cover for service credits under contract.

ENSURE ALL AREAS OF YOUR BUSINESS ARE COVERED

The Hiscox technology portfolio offers you a flexible insurance solution to help you reduce any potential risks to your business. Choose from a range of technology specific products below and incorporate all of your cover into one simple package with one renewal date.

- Professional indemnity.
- Property.
- Public and product liability.
- Employers' liability.
- Unlimited business interruption insurance – for businesses with turnover less than £2 million.
- Cyber and data.

WHO HAS THE HISCOX TECHNOLOGY PORTFOLIO BEEN DESIGNED FOR?

- | | |
|--------------------------------|--|
| — Software developers. | — AI companies. |
| — Hardware companies. | — Games developers. |
| — Internet service providers. | — Web developers and hosting companies. |
| — IT consultants. | — Search engine optimisation services. |
| — Technology companies. | — Bespoke software developers. |
| — IT infrastructure services. | — App developers. |
| — Data centres. | — Cloud computing. |
| — Telecommunication providers. | — Blockchain. |
| — Software testing services. | — SaaS, PaaS, DRaaS, IaaS or other 'as a service' companies. |
| — Managed service-providers. | — Data analytics. |
| — GDPR consultants. | — And many more. |
| — IT training companies. | |
| — IT staffing. | |



WHY WE'RE DIFFERENT WHEN IT COMES TO CLAIMS

Dedicated in-house claims team

Our in-house technology claims solicitors handle over 80%* of the professional indemnity claims that we receive. Rather than relying on external law firms, our solicitors are empowered to make decisions which speeds up the process of handling your claim and keeps costs down, whilst giving you a single point of contact throughout the settlement period.

Crisis containment cover

Crisis containment cover is included as standard in our Hiscox Technology Insurance policy. If a claim is made against your business, we give you access to a leading specialist crisis PR firm to help protect your reputation. There is a dedicated hotline open 24-hours-a-day, seven days a week so you can access support immediately in what may be an urgent and fast-changing situation.

Duty to defend

Unlike any other insurer our UK claims team work on a duty-to-defend basis, meaning we can deal with the entirety of the claim, even when parts of it may not be covered under your Hiscox Technology Insurance policy.

Duty to defend claims story

Our insured was responsible for the development and licensing of a software tool which included a component developed by another firm. The developers of the component granted a free licence of their component on the conditions that the source code of the component was made available to users and a copyright notice was displayed. Unfortunately neither of these things happen. The developers of the component terminated our insured's free licence with immediate effect rendering the tool void and made a claim for intellectual property infringement for the two years the software tool was available to customers and for the two years it was in development.

As our insured had first purchased cover at the date they launched their product, the two years the product was in development were prior to the policy start date. However, as our technology policy is written on a duty-to-defend basis we defended the whole claim for our insured as if it was covered, giving them the benefit of one legal team throughout what turned out to be a long mediation process. At the end of the claim, our insured simply paid back the cost of the additional legal work we had undertaken for the part of the claim that occurred pre-start date.



*Hiscox broker channel specialty claims analysis. December 2019.

HISCOX CUSTOMER CLAIMS STORIES

When reports have big consequences

Our client, a consultant within the technology industry, was hired by one of their clients to review a project being undertaken for a high-profile US organisation. There were concerns over the management and performance of the project. Our client undertook a review and concluded that the project wasn't progressing well and produced a report that made various observations and recommendations. Following the report's production, the manager of the project in question, who was a senior member of staff within the US organisation, was sacked. The project manager then sued our client in the USA on the grounds of defamation, alleging that the report was defamatory and claimed for millions of Dollars in compensation on the basis of loss of earnings and a damaged reputation.

What we did

Hiscox appointed specialist US defamation lawyers to defend the claim on behalf of our client. The case was eventually settled without admission of liability at mediation, avoiding an aggressive, public and costly trial and giving the insured the peace of mind that their reputation would remain in-tact and that they could get on with running their business. The case was settled for a considerable amount less than what the plaintiff was seeking in the claim.

What our client said

"I thought that the way we were treated by Hiscox was outstanding, we felt very well supported throughout a rather challenging situation. It was a pleasure working with you."



A small business gets on the wrong side of a big player

Our client is a reseller of software licences and took ownership of a previously purchased estate of licences when a large retailer went into administration. The original software developer, a large corporation, made a £1.8 million claim against our client for copyright infringement on the basis that they believed the licences were not valid and that our client was not entitled to resell them. Not only was this a large claim, it represented a fundamental challenge to our client's business model and the future of the business.

What we did

There was no question that our client had taken all appropriate steps to check the validity of the licences and we were quick to confirm cover and work with the client to defend the claim. We instructed expert software-licensing lawyers and after much wrangling were able to settle the case for a fraction of the amount claimed, allowing the client to return to running their business.



Righting the wrongs between our insured and their client

Our client provides fulfillment services for retailers. A glitch in our insured's processes meant that for a six-week period address labels were not printed correctly for one of its large customers, leading to a vast number of packages not being delivered.

What we did

Liability was not an issue, the only question was what loss the issue had caused. Hiscox worked with the insured to investigate the matter and following a settlement meeting with the insured and its customer, were able to reach an agreement which both settled the claim and ensured the commercial relationship between our insured and their customer was maintained. No external solicitors were needed, our in-house claims solicitors negotiated directly with the insured's customer to achieve the best outcome.

What our client said

"With the recent claim finalised and behind us, I wanted to personally get in touch to thank you for your professionalism and support. It wouldn't have been possible to resolve the issue in the way we did without your team's commitment. The partnership and service Hiscox provided was first class. We thank you and look forward to continuing to work together in the years ahead."



WHY CHOOSE HISCOX?

Access to legal services

You shouldn't leave legal requirements to chance. LawBite provides Hiscox Technology Insurance customers with a range of commercial legal services anytime, anywhere at half the cost of a conventional law firm; for services such as contract reviews, intellectual property surveys and health checks.

Find out more at
www.lawbite.co.uk/partners/hiscox-broker.

25 years' experience

Hiscox launched their first tech wording in 1994 and now insures more than 75,000 tech companies in the UK. As referred to in Tech Nation Report 2018*, the risks tech companies face are evolving fast so we strive to ensure our cover is up-to-date. We are now on the seventh version of the policy wording meaning that we're providing cover that is cutting-edge to the risks you face.

*Source: <https://technation.io/insights/report-2018>.

FAQS

Why should I buy specific technology cover?

Technology companies face exposures that other businesses may not see. For example, having broad breach of contract cover is essential for a technology company delivering innovative, complex and lengthy projects to their clients. Likewise all-encompassing intellectual property (IP) feature is highly relevant and necessary for a tech company who is likely creating and amending IP all the time. IP claims in particular are complex, lengthy and expensive, therefore it's important to have a specialist technology policy and a claims team to support you if things go wrong.

Why is breach of contract cover so important?

Around 65% of claims Hiscox handle for technology companies are down to breach of contract*, a significant statistic given the other risks tech companies face. Therefore it is extremely important to have the right cover in place to tackle any allegations that come your way. Hiscox promises a broad breach of contract cover that is backed-up by a specialist common-sense approach to claims that helps guide you through complex contract breaches and defend you against costly and reputationally damaging scenarios.



*Hiscox broker channel specialty claims analysis. December 2019.

For more information on insurance for technology companies, speak to your insurance broker. If you're a broker, please contact your local underwriter or your specialist technology underwriter.

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