



Information and Communication Technology Insurance



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QBE Hong Kong's Information and Communication Technology Insurance provides customers with protection against liability arising from the failure of products, services and advice they provide.



Why do information and communication technology (ICT) professionals and businesses need insurance protection?

Individuals and businesses involved in the technology sector face significant potential legal liabilities if a third party suffers a financial loss after receiving services, products or relying on the individual or company's advice. ICT professionals and businesses can also be sued by a client who may be merely dissatisfied with the work or services provided.

Given such risks, ICT professionals and businesses need specialised insurance to fully protect themselves against the financial burden of such litigation as well as to protect the reputation of their business, their personal integrity and even their personal assets.

Insurance cover for legal costs and expenses is important in today's business environment as litigation involving ICT professionals and businesses can be both complex and expensive. It is vital that ICT professionals and businesses have access to expert and legally qualified representation to protect their own interests.



What type of claims could an ICT professional or business face?

There are multiple possibilities to consider. For example, a company enters into a 12-month contract with a start-up firm for the development and implementation of a financial trading system. Six months into the development, the system is not living up to the client's expectations and as such the client stopped paying the milestone instalments. After nine months, the company sues the client for non-payment, which results in a counter-suit alleging **misrepresentation**, breach of contract and **un-fit for purpose**. The total payout amounts to US\$2.5 million, with consequential damages amounting to US\$500,000 and **return of fees** amounting to US\$2 million. Without ICT insurance, the company faces a significant financial loss.

In another example, a professional software developer is hired to help reduce a client's paperwork by building a workflow management system. The document retrieval time requested by the client cannot be achieved however. As a result, the client sues the software developer, alleging **breach of contract** because of the functionality and performance failure. The court agrees with the client and awards damages against the professional developer in excess of US\$4 million. With ICT cover, the developer would be covered against the financial penalty.

A company that provides software for the creation and use of electronic application forms a store's loyalty cards, enters into an outsourcing agreement. The agreement provides for access to some of its client's software products. After the outsourcing agreement comes to an end, the client alleges that the company used its software to develop its own products, which were then sold to competitors, infringing the client's **Intellectual property rights**. With the help of specialist solicitors and forensic investigators, the company is able to establish that the software was developed without copying or adaptation from any corresponding part of the client's software. In addition to having access to these specialists, the company's ICT insurance covers the significant defence costs that are incurred.



How will I benefit from partnering with QBE Hong Kong?

- 1. High claims paying capability:** Our strong balance sheet ensures a sustainable, long-term partner with strong financial ratings. For our latest ratings, please refer to our Group's website (www.group.qbe.com/investor-centre/ratings).
- 2. Expert claims handling:** We understand that the true test of any insurance company is when a claim arises. Thus, QBE Hong Kong has local claims representatives and legally qualified claims specialists dedicated to assist through the entire claims process.
- 3. Global reach and remarkable history:** QBE Hong Kong is part of the QBE Insurance Group, a general insurance and reinsurance company with 12,000 employees in 31 countries and territories. We have been serving Hong Kong for more than a century and operate a local office in Macau as well as a representative office in mainland China.
- 4. Broad and transparent coverage:** QBE Hong Kong's ICT wording is broad and easy-to-read with no hidden exclusions to assist both brokers and clients gain a full understanding of the coverage.
- 5. Trusted advisor:** QBE Hong Kong is a global insurer with a long track record of assisting ICT clients. Our specialised ICT underwriters are hand-picked for their technical knowledge and commitment to high service levels.

What to consider when choosing ICT coverage?

There is an array of choices when it comes to ICT insurance coverage. Some aspects of cover are less important and some are critical for the ongoing operation of the business. Below is a list of ICT coverage features that should be strongly considered when analysing the need for ICT insurance.



First party cyber and data security features

- Breach of privacy regulations civil penalties
- Computer system extortion
- Crisis management and credit monitoring expenses
- Data breach notification costs

First party professional indemnity features

- Costs of official enquiries
- Fidelity
- Key person loss
- Loss of or damage to documents and data
- Court attendance compensation
- Irrecoverable fees
- Loss mitigation and rectification
- Public relations expenses

Third party professional indemnity features

- Extended continuous cover (no requirement for QBE Hong Kong to have been the previous insurer)
- Broad "civil liability" PI trigger
- Defence costs exclusive (in addition to the limit of indemnity)
- Deductible exclusive (no excess for defence costs)
- Return of fees / amounts paid / restitution
- Patent rights infringement
- Contractual liability (indemnity and hold harmless)
- Principals indemnity
- Waiver of subrogation
- Limitation of liability
- Duty to defend
- Advance payment of defence costs
- Cyber and Data Security
- Fit for purpose (implied and express)
- Liquidated damages
- Vicarious liability
- Intellectual Property Rights (including patent)
- Loss of documents and data
- Misuse of confidential information
- Defamation
- Privacy breach
- Privacy regulations breach
- Dishonesty and fraud
- Automatic reinstatement of the limit of indemnity
- Cost estimates and cost guarantees
- Separate tower of limits for Section 1 Professional indemnity and Section 2 Personal Injury & Property Damage
- Automatic cover for subsidiaries
- Competition, consumer and fair trade legislation breach
- Contractors automatically covered
- Extended Reporting period/run-off

To learn more about how our ICT liability can help support your business, please contact us for more information.

At QBE Hong Kong, we are committed to providing the liability insurance solutions that protect our customers' business.

Company Profile 公司簡介

QBE Hongkong & Shanghai Insurance Limited (QBE Hong Kong) offers a comprehensive range of non-life insurance solutions for both corporate and personal customers. QBE Hong Kong is part of the QBE Insurance Group.

QBE Insurance Group is a general insurance and reinsurance company with operations in key insurance markets. Listed on the Australian Securities Exchange, QBE Insurance Group is headquartered in Sydney and employs more than 12,000 people in 31 countries and territories.

昆士蘭聯保保險有限公司（昆士蘭保險香港）為企業及個人客戶提供全面的非人壽保險方案，屬昆士蘭保險集團之成員公司。

昆士蘭保險集團為一般保險及再保險公司，業務遍及主要保險市場。昆士蘭保險集團於澳洲證券交易所上市，其總部位於悉尼，在31個國家及地區有超過12,000名員工。



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