



Why Do I need this Coverage?

- ◆ This educational document is designed by the members of TechAssure to give you brief, one page, explanations of 5 important insurance coverage forms.
- ◆ Coverages included are:
 - E&O on slide #2
 - Cyber Perils on slide #3
 - Commercial General Liability (CGL) on slide #4
 - Marine insurance on slide #5
 - Management Liability insurance on slide #6
- ◆ **NOTICE:** This is not an offer for sale of any form of insurance. Please contact your local TechAssure member if you require additional information or would like to apply for coverage.



Why do I need E&O?

- ◆ **Errors & Omissions (E&O)** insurance, a/k/a Professional Liability, covers your legal liability to a third party who has incurred a consequential loss from an error, omission, or failure to perform, that arose from your technology product or professional service.
 - E&O is designed to respond to claims against you that are not covered by your **Commercial General Liability** insurance.
 - E&O covers the legal expenses to defend you, and damages you are legally obligated to pay to the claimant – all subject to the limit of insurance.
 - It is possible with some E&O policies to add *Cyber Perils* (see next slide) coverage to expand your coverage for additional risks.
 - To receive a quote you complete a 5-9 page application and provide copies of financial statements, among other items. Underwriters evaluate the type of customers to which you sell; the use of your product/service; strength of your contracts; price of your product/service; length of use and time to install; and your history of claims.



What Is Cyber Perils Insurance?

- ◆ Whether sold as a stand-alone policy or an endorsement to an E&O policy, coverage for cyber perils protects you for claims by third parties usually excluded by a CGL or standard E&O policy form. Examples:
 - Copyright or trademark infringement arising from materials on your website or that result from your electronic communications.
 - Invasion of privacy or failure to prevent access to private information, or publication of that information.
 - Failure to prevent an unauthorized access to data.
 - Transmission of a virus.
 - To receive a quote you complete a 3-5 page application and provide copies of financial statements and sample contracts you use, as well as how you control your website and services.



Why Do I Need CGL?

- ◆ **Commercial General Liability (CGL, or GL)** insurance covers your legal liability to a third party for tangible property damage or bodily injury, as well as limited **Personal Injury** claims (libel, slander, defamation) and **Advertising Injury** claims (disparagement, copyright or trademark infringement arising from your advertising activities).
 - Your landlord and lenders usually require that you carry CGL to protect against financial loss from legal expenses and damages you may have to pay.
 - CGL policy language varies little among insurance carriers.
 - Because CGL policies only cover tangible property damage, many types of claims that could arise from a technology product or service could be intangible in nature and only covered by an E&O policy.
 - CGL is usually sold with a Property insurance policy in a “package” insurance program that receives a discount.



Why Do I Need *Marine* Insurance?

- ◆ Marine insurance is the oldest form of insurance as we know it today, and includes several types of policies for different types of property or goods that can be moved.
 - **Transit** insurance covers your property while in transit – your common carrier usually has very limited liability for the value of your goods they handle.
 - Transit insurance is specific to the territory covered, so make sure you have international coverage if you ship outside the U.S.
 - To obtain this insurance you must estimate both the annual total value of property shipped and the maximum value for any one shipment. You must also describe method of transit and any special packaging protection – the higher the values the more detail is required by the underwriter.
 - Your property insurance policy only covers described property while at premises listed in the Declarations of the policy.



What is Management Liability Insurance?

- ◆ **Directors & Officers Liability** insurance, **Employment Practices Liability** insurance, and **Fiduciary Liability** insurance are three policies referred to as “Management Liability”.
 - **D&O** covers suits against company directors and executive officers alleging an error, omission, misstatement or misleading statement in carrying out their duties as a director or officer. For private companies the corporate entity (as a “legal” person) can also be covered. Breaches of contract are usually excluded.
 - **EPLI** covers suits against the corporate entity, directors, officers, supervisors and employees alleging wrongful termination, harassment, or discrimination against current, former, or prospective employees.
 - **Fiduciary Liability** covers the individual liability of employee benefit plan fiduciaries under the 1974 ERISA act. Errors, omissions, or negligent management of benefit plans can create individual liability.
 - For all three coverages you must complete an application and provide information on financial performance, employee handbook, and other attachments.



Why do I need International Insurance?

- ◆ Most of the insurance policies you will cover suits brought in the country in which you are headquartered – where you buy your insurance. If you have the possibility of being sued in a foreign court, outside your primary jurisdiction, then you should consider adding an International insurance program.
 - An International insurance program usually includes a Property and General Liability “package”, Auto, and can include Workers Compensation.
 - A limited number of insurance companies can offer International Packages, and only a few can also coordinate insurance programs in other countries by issuing “local” policies in each country as well as the International Package.
 - You can also add Political Risk insurance and a Kidnap, Ransom & Extortion policy to round out your protection.