

See how FailSafe® can help your tech customers feel better protected.

► Capabilities | Technology & Life Sciences



Our FailSafe® suite of technology professional liability products helps deliver a total insurance solution for your tech customers. Without it, their business may be at risk.

Share the following claim scenarios for examples of tech company glitches and the related claim or indemnity expenses your customers may encounter. These scenarios emphasize the importance of ensuring that your technology customers are adequately protected through a third-party professional liability product that addresses these exposures.

Scenario 1	
Type of insured	Software company that sold and installed a computerized fare system to a transportation authority.
What happened	An overnight software upgrade results in erratic behavior of the fare system, including failure of the fare system equipment to operate and outages occur throughout the authority's network.
What followed	As a result of the system failure, many stations allow passengers transportation without proof of paying the fare. The transit authority sues the software company for negligence in the performance of services, specifying damages that include: <ul style="list-style-type: none"> • Lost revenues. • Extra expenses associated with the need to pay for additional staff to manage the crisis, including overtime pay to personnel. • Lost revenues associated with reputational damages caused by the event.
Resolution	Claim expenses: \$25,000+
Indemnity	Settled for \$300,000
Scenario 2	
Type of insured	Software developer that manufactures and distributes workforce management software enabling third parties to track employee hours, overtime, vacation time and compiles information for payroll processing.
What happened	The software company enters into an agreement to provide the software to a customer, including implementation, installation, customization, training and support services. Six months after installation, the customer isn't happy with the performance of the software program, specifically alleging a functionality failure.
What followed	The customer terminates the contract due to negligence and failure of the product to perform as intended. Damage allegations were in excess of \$700,000.
Resolution	Claim expenses: \$50,000+
Indemnity	Settled for \$250,000

Scenario 3

Type of insured	Software developer that manufactures and distributes software used by businesses to conduct risk modeling.
What happened	A customer purchases the software and relies on it in making financial decisions.
What followed	Following the customer's financial collapse and bankruptcy, they sue the software developer for providing inadequate software that they relied on in making decisions that led to their collapse.
Resolution	Claim expenses: \$1 million+
Indemnity	Nearly \$4 million

Contact your territory manager for details about FailSafe® and other tech solutions.



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