



Professional Indemnity Insurance for the IT Sector

What Is Professional Indemnity Insurance (PII)?

A PII policy in its most basic form covers a claim made against your business following an allegation of negligence in relation to your services.

Who Needs It and Why?

In the modern business world, clients have ever increasing expectations of the services that can be delivered and often will demand the comfort of having such protection in place. A successful action against your business could be ruinous and a PII policy provides you with the peace of mind.

What Is Covered?

Protection **can** include subject to policy limitation:-

- Negligence
- Contractual liability
- Failure of software, hardware or other IT services to perform their intended function
- Negligent misstatement or negligent misrepresentation
- Defence of allegations of the breach of a third party's intellectual property rights
- Defamation
- Dishonesty
- Your costs of avoiding a claim against you

What Is Not Covered?

Regrettably it is not possible to cover all scenarios and a few contingencies cannot be included as standard:

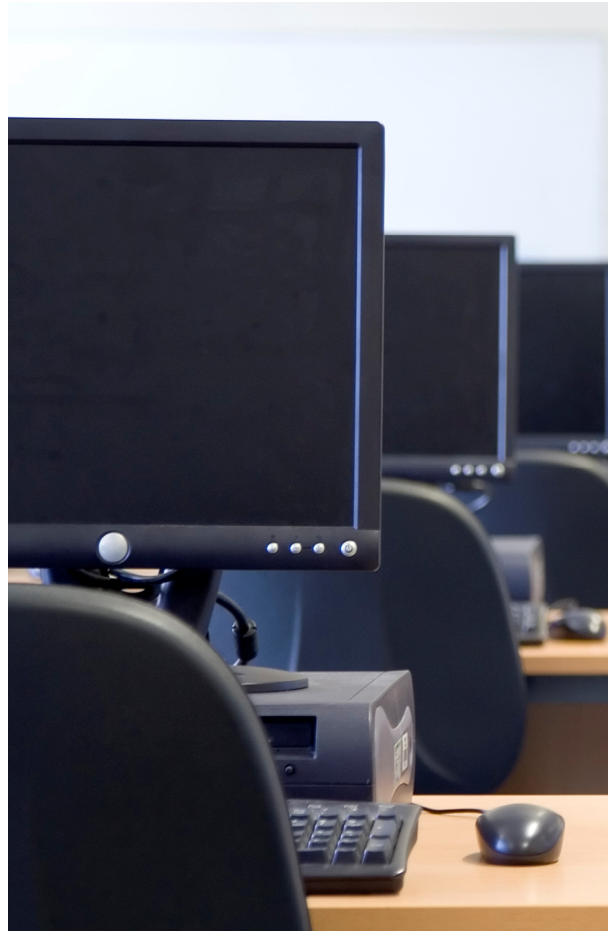
- Pollution
- Personal liability of a director
- Any problem you knew about or ought reasonably to have known about prior to setting up or renewing the policy
- Asbestos
- War, terrorism or nuclear risks

Claims Examples

- An error or omission in your work leads to your software failing to satisfy your client's requirements.
- You inadvertently breach a third party's copyright.
- A client withholds their payment alleging poor work and you recover your fee to avoid a larger claim against you.
- You inadvertently allow personal data to be obtained by a rival of your client.
- Your server on which you host multiple websites and business applications fails leaving your clients unable to operate for a number of days.



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