

ERRORS & OMISSIONS INSURANCE

for Tech/IT Companies

Why IT Firms Need Errors and Omissions Insurance

Errors and Omissions Insurance provides protection in the event you commit a negligent act or make an error or omission. If this error or omission causes a loss to a customer - professional liability Errors and Omissions provides coverage.

Every company messes up at some point. For example, you recommend to a client that they run a certain test of their system, after you did some extensive work on it. The client takes your advice, the system crashes, and they are unable to conduct business for a whole week. The client becomes enraged, calls his attorney, and looks to you for reimbursement.

The risk of legal assessments caused by programming or service mistakes makes professional liability errors and omissions insurance an absolute necessity in the IT business. Even with IT work that seems less risky, there's no outsmarting the consequences of a lawsuit. Practically any firm or individual that improperly performs services can cause a client to suffer economic loss.

Commercial General Liability does NOT provide coverage for programming errors, contract performance disputes or any other Professional Liability issues. IT consultants and companies who have General Liability without Professional Liability (Errors or Omissions) coverage are taking a serious risk. Even if you're not at fault, litigation is time-consuming, costly and potentially disastrous to a your firms reputation. Professional Liability Errors and Omissions insurance is a cost effective way to protect your business.

Typically, a general liability policy does not cover consequential financial loss, and most exclude claims arising out of professional services. To properly cover your exposures, you need comprehensive Errors and Omissions coverage in addition to your existing General Liability Policy. Optional coverages may include Media and Network liability.

Network Security Liability

Can be Transmission of malicious code (i.e. computer virus), security breach of your network by a hacker, or unauthorized access to, use of, or tampering with data or systems.

Media Liability

Means any form of defamation or tort related to: infringement of copyright (including software copyright), trademark, title, trademark, trade name, slogan, or service name; allegations of libel, slander, breach of privacy, product disparagement, trade libel; misappropriation of name or likeness or ideas, plagiarism, infringement of copyright, trademark, or negligence regarding the content of any media communication

Errors and Omissions The Primary Liability Protection

For many information technology companies, the likelihood of Errors and Omissions claims is greater than traditional bodily injury or property damage allegations. For most software developers, computer consultants, Internet businesses and other technology companies; Errors and Omissions policies are the primary liability protection.

As with other types of insurance, buyers should be sure that E&O insurance coverage is tailored to their particular needs. Errors and Omissions Liability Insurance coverage provide legal defense, as well as a financial coverage in the case of a judgment against you.

Cyberspace (Internet) Liability

The fastest changing area of liability today is cyberspace liability. The rapid explosion of persons getting on the Internet in the past few years has spurred the interest of businesses who are interested in promoting and marketing their products and services over the Internet. Cyberspace refers to the digital world represented by computer technology but more particularly to the access to the vast flow of information available on the Internet.

Only a few years ago only 12 million persons were accessing the Internet but now this number is over 60 million and growing at geometrical rates. Many companies are establishing home pages and communicate with others by means of e-mail, chat lines and bulletin boards.

Some companies have started to promote and market products and services on the Internet. Liability rules that applied to advertising injury, libel, slander, infringement of copyright and trade marks will have to be reformed to comply with changing conditions of online communication.



Providing Business Insurance Since 1895

InsureCast is a division of Gaston & Associates, Inc., a NY based insurance agency tracing its roots through 4 generations of family, and incorporated in 1895.

InsureCast's marketing territory is national in scope, and we hold property-casualty and life-health licenses in all U.S. states & DC — except Alaska, Hawaii, Iowa, North Dakota, Oklahoma, and West Virginia.

Our customers range from start-ups to public companies. We serve about four thousand clients nationally and throughout the world. We specialize in providing personal and commercial lines of property and casualty insurance, group health coverage, and individual life insurance.

InsureCast has become a world leader in technology insurance and professional liability insurance products for Information and Network Technology companies by proactively anticipating changing client needs in order to offer the most up-to-date solution.

Mission Statement

The mission of Gaston & Associates is to provide professional insurance services to the clients we represent.

- ✓ We strive to develop a customer base that will appreciate our service orientation and value added approach.
- ✓ We provide our clients with competitive, high quality insurance oriented products.
- ✓ We endeavor to maintain long-term customer relationships that are based on coverage and service.
- ✓ We embrace automation as a means to enhance service and improve communication.

To accomplish these goals, we establish departments, standards, workflows and procedures that enable us to provide a consistently high level of service to our customers. We staff each department with competent, ethical, individuals who are dedicated to continuing education and professional development.

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