

# Tech E&O/Cyber Risk Claims Examples



INSURED	INCIDENT	COVERAGE
Small business provides electronic cash registers and POS systems	<p>One of the business's clients had their point-of-sale system hacked when an employee's credentials were exposed.</p> <p>The aftermath:</p> <ul style="list-style-type: none"> <li>• The client had to notify its customers of the breach.</li> <li>• The small business was notified of a third-party lawsuit in the works.</li> </ul>	<p>Privacy liability</p> <p>Privacy breach response</p>
Software development company	<p>A company creates client relationship software (CRM) to manage a real estate client's files electronically. Within the software, auto-generated emails to customers are sent at 30-day, 60-day and 90-day intervals. A glitch in the program results in proprietary information being sent to the wrong customers.</p> <p>The aftermath:</p> <ul style="list-style-type: none"> <li>• A forensic investigation determined that proprietary information had been disclosed.</li> <li>• The client lost confidence in the software company and sued for breach of contract.</li> </ul>	<p>Privacy liability</p> <p>Technology liability</p> <p>Privacy breach response</p>
Small company provides online sales platform	<p>A computer security expert notified the company that there was a malicious back door installed in their software platform. He then attempted to extort a large sum of bitcoins from the company in order to keep his silence and not let their customers know the threat of a breach.</p> <p>The aftermath:</p> <ul style="list-style-type: none"> <li>• Forensics analysis confirmed there was a back door in the software platform.</li> <li>• To prevent future issues, the software was moved to a new platform.</li> </ul>	<p>Cyber extortion expenses</p> <p>Privacy breach response</p>

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Website design company	<p>During the build of a website for a client, the payment processing page is altered by an employee that allows scraping of the payment card information (PCI) entered by customers who complete the form. The client was notified by a customer that fraudulent transactions had occurred on their credit card following a purchase on the client's website.</p> <p>The aftermath:</p> <ul style="list-style-type: none"> <li>• Forensic investigation determined that PCI had been breached through the back door.</li> <li>• A class action is filed against the company.</li> </ul>	<p>Privacy liability</p> <p>Privacy breach response</p> <p>PCI fines and assessments</p>
Manufacturing technology company	<p>The company was hired to redesign a warehouse robotic system and was given a deadline of 180 days. In order to meet the deadline, quality assurance testing was rushed and incomplete. A few days into the system launch, it crashed, thus stopping all production until the issue could be resolved.</p> <p>The aftermath:</p> <ul style="list-style-type: none"> <li>• Deliveries were delayed until the system was brought back online.</li> <li>• The customer lost revenue as they could not supply their purchased inventory.</li> <li>• The customer filed a breach of contract lawsuit against the company.</li> </ul>	<p>Technology liability</p>

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