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Hanover Technology Advantage

Technology Professional
and Cyber Advantage

A simple calculation:

General liability

covers lawsuits brought by third parties
(i.e., anyone who isn't an employee) who claim
products or services caused **bodily injury** or
property damage



**Hanover Technology Professional
and Cyber Advantage**

covers lawsuits brought by third parties
who claim products or services caused them
financial loss



Comprehensive liability protection



The importance of technology
professional and cyber coverage

All technology companies face technology profes-
sional and cyber risk whether they recognize it or
not. The likelihood of a tech company's products
or services causing financial harm is often much
greater than their potential to cause bodily injury
or property damage.

Because of this, technology professional and cyber
coverage is some of the most important insurance
for technology companies to have. Without it,
technology companies are extremely vulnerable
to costly lawsuits and defense costs.

Having both general liability and technology
professional and cyber coverage policies, ideally
with the same carrier, helps to avoid coverage gaps
or surprises.

Sources

1. Open Web Application Security Project (OWASP)
2. IBM Security Services cyber security intelligence index: energy and utilities, 2015
3. Estimating the Cost of Civil Litigation, Court Statistics Project, January 2013
4. Institute for Legal Reform

*The examples in this material are provided as hypothetical and for illustration
purposes only. They are not provided as a possible outcome or result of any
claims. Coverage of any claim is determined by the facts presented, the coverage
terms, conditions, exclusions and limitations of the issued policy. Please refer to
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Tech businesses are at risk



of enterprise software produced by third-parties contains security vulnerabilities.¹



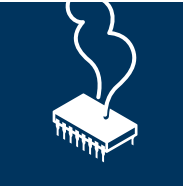
of cyber security incidents occur due to a misconfigured system or application.²



Median litigation cost for contract cases³

Technology professional and cyber coverage scenarios

An electronics manufacturer was responsible for developing components for laptops. When the laptops were sold, customers reported issues with the level of performance, which ended up being related to the component provided. The maker of the laptops was forced to recall their product and swap out the components, resulting in lost sales and a damaged reputation. The electronics manufacturer now faces over \$1 million in financial damages.



When a policyholder’s data center servers crashed, they were sued by several clients alleging loss of revenue as a result of the downtime and loss of data. The claim settled for \$480,000 in damages and \$235,000 for defense fees.



A website designer was sued for \$250,000 by a customer who alleged that inadequate security resulted in the unauthorized access to customer data files.



In each of these cases, technology professionals and cyber coverage would provide protection for:

- Defense costs for lawyers
- Financial damages if found liable
- A settlement if resolved outside of court

The Hanover solution

Our technology professionals and cyber coverage includes the flexibility to tailor protection for technology companies of all sizes.

Key features include:

- **Enterprise-wide** coverage—protection for financial damages arising from any allegations of errors in products, work or services
- **Cyber liability** coverage—protection from allegations for failure to prevent unauthorized access, use or theft of private personal data
- **Media and content** coverage—for claims related to the infringement or dilution of a title, slogan, trademark, trade name, service mark or copyright

Let the numbers do the talking

Think technology professionals and cyber insurance is a luxury expense? Just one lawsuit can bankrupt a smaller company.

Cost of technology professional and cyber policy starts as low as **\$50 per month** when purchased as an add-on to a business owner’s policy.

Cost of a frivolous lawsuit **\$2,000 to \$5,000⁴** to cover legal fees

Top three tech claims— all covered by professional liability

These claims are cited most often in lawsuits filed against technology companies:



BREACH OF WARRANTY AND REPRESENTATION

A tech company promises a product or service to a client in a warranty, and is unable to keep that promise.



BREACH OF CONTRACT

A detail within a written or verbal contract is agreed upon, but the tech company is unable to meet the obligation.



NEGLIGENCE

An employee fails to use reasonable care, which results in financial damage to a person or entity.

