Hanover Technology Advantage

Claim scenarios

The unexpected can happen at any time, anywhere. These claims scenarios are a good reminder that being prepared with coverage that goes beyond the norm is always the best policy. Hanover Technology Advantage gives you the kind of broad coverage options and exceptional claims service that allow you to enjoy peace of mind while you continue to build your business.

Lost data coverage

Your employee installs a software upgrade for your customer, but fails to properly back up the data. After a successful installation, your company's tech realizes the data associated with the application has been deleted. Unfortunately, your client had not backed up data for a few days.

Needless to say, your customer is not happy and your company is billed for replacing the data from an electronic record. Your claim is denied by your general liability carrier because loss or damage to software and data is excluded from your policy and now you have to deal with this issue on your own.

The Hanover solution

Loss, corruption or destruction of data arising from your product or your work is covered by data and systems restoration coverage as part of Hanover Technology Professional and Cyber Advantage.

No bodily injury or property damage exclusion

A recreational vessel runs aground, causing both bodily injury and property damage. It is alleged that the software developed by your company malfunctioned and caused a navigational buoy not to emit a proper signal.

Unfortunately, your general liability policy excludes coverage for bodily injury, property damage and personal and advertising injury arising from software or programming. In addition, bodily injury and property damage are specifically excluded from your professional liability policy. You are left to defend a claim that could reach seven figures, leaving your company feeling like it is between a rock and a hard place.

The Hanover solution

We are experts in understanding the risks your technology company faces, and we do not exclude professional services on our general liability policies for tech risks. We close a gap in coverage for many technology companies since technology errors and omission policies typically don't cover bodily injury and property damage.

Electronic components manufacturers

Your company manufactures components for a large computer manufacturer. Despite rigorous quality control by both entities, a problem with the computers is discovered after thousands of products have been sold. The root cause of the problem is determined to be the components that your company manufactured.

The computer manufacturer seeks payment to replace faulty components and alleges additional financial injury from damage to their reputation, as evidenced by lost sales.

Unfortunately, your product liability coverage will not respond to this claim because there is no allegation of bodily injury or property damage. This leaves you wanting to recall your carrier.

The Hanover solution

The Hanover provides professional liability coverage not just to software developers and programmers, but also electronics manufacturers and telecommunication service providers. We do this because as technology continues to evolve, businesses have evolving exposures.

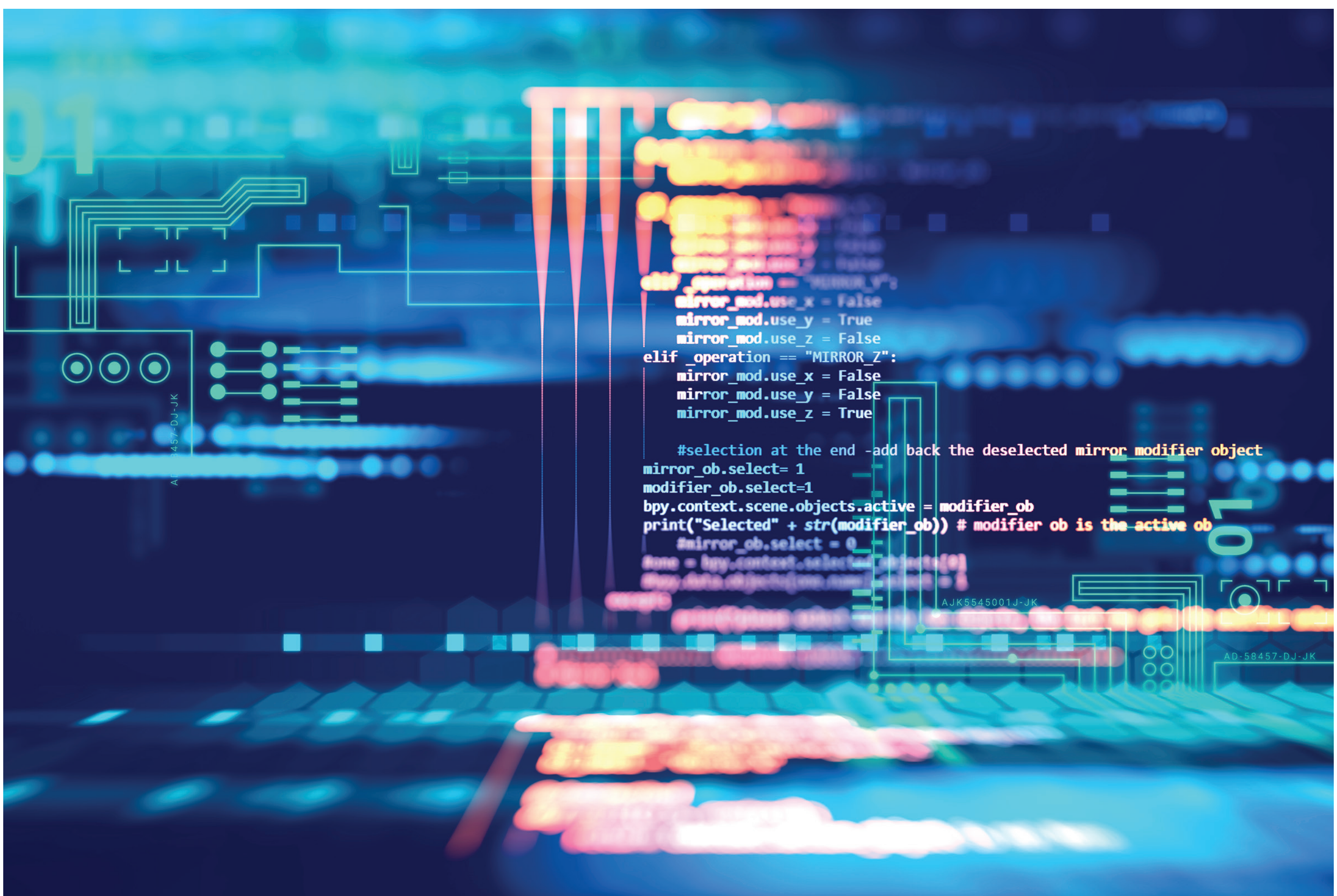
Breach of warranties and representations coverage

As a telecommunication service provider, your company takes pride in the reliability of your network and advertises 99.9% uptime. A serious network outage is caused by faulty switching software. Unable to connect with customers for several hours, your customers allege hundreds of thousands of dollars in lost sales.

Your company's professional liability carrier denies coverage for the claim based on the "breach of warranties and representations" exclusion. Coverage surprises like this can cause lots of disruptions.

The Hanover solution

Hanover Technology Professional and Cyber Advantage automatically includes an express grant of coverage for breach of warranties and representations—critical for most technology-based businesses.



No security exclusion

Your company is hired to fix a website security hole. Your IT consultant fixes the issue, but forgets to restore the firewall, exposing customer data and transactions.

Your client sues to recover costs associated with notifying its customers potentially affected by the data breach.

However, your errors and omission policy has a "security exclusion," which is common among many carriers, and the claim is not covered. That is one big omission in your coverage.

The Hanover solution

Security is a big risk for today's technology companies, and all Hanover Technology Professional and Cyber Advantage forms automatically provide coverage for information security.

Enhanced copyright infringement coverage

A packaged software developer alleges that your customization of their product violates your license agreement and constitutes copyright infringement.

Your firm's professional liability copyright coverage does not extend to infringement of computer code. And subsequently, your claim is not covered by the carrier which infringes on your balance sheet.

The Hanover solution

Hanover Technology and Cyber Advantage offers coverage for copyright infringement of software code.

Recall coverage

A faulty circuit board has a remote but real potential of causing a fire and as a result, you have to recall your products from the market.

Several of your customers file a claim alleging financial injury resulting from the inability to use the product while it is being replaced. The claim is submitted to both your general liability and professional liability carriers. Neither one of them accepts coverage.

Your general liability carrier cites an impaired property exclusion and your professional liability carrier points to a total recall exclusion in the policy.

The Hanover solution

Our general liability enhancement endorsement for the technology industry automatically includes $25,000 per occurrence for product recall expense. In addition, Hanover Technology Professional and Cyber Advantage includes coverage for third-party loss of use arising from a recall or withdrawal of your products or your work.

Cyber extortion

An intern clicks on a scam link, which installs ransomware that locks up corporate billing data. No problem, there's a backup — except somehow the bad actors were able to connect to the company's off-site backups and delete the files. The ransomware demand was for $200,000 and because of the lack of a backup, there was no choice but to pay. Then there were the costs associated with making sure their systems were clear of any additional malware, and the costs associated with notifying their customers.

The Hanover solution

Hanover Technology Professional and Cyber Advantage protects your business against the costs of security breaches, cyber extortion, data restoration and more.

Connect to total peace of mind

It's an ever-changing, increasingly risky and litigious world out there. Even if you do everything right, things may still go wrong. That's why it's important to choose the right insurance partners to help you protect your business. Contact your local Hanover independent agent to learn more about our technology insurance solutions.

Why The Hanover?

The Hanover is a leading property and casualty insurance company offering a broad portfolio of tailored coverage solutions for personal, commercial and specialty customers. The Hanover is a Fortune 1000® company, with nationally recognized claims service and proactive risk management expertise. The company's financial strength has earned it high marks from key industry analysts, including an "A" rating (Excellent) by A.M. Best Company.

The Hanover Insurance Group®

The Hanover Insurance Company
440 Lincoln Street, Worcester, MA 01653

hanover.com
The Agency Place (TAP)—https://tap.hanover.com

114-1210 (4/20) LC 2020-151