

Errors and Omissions, Media and Privacy (EMP)

Our product provides broad coverage for evolving exposures faced by businesses with revenues between \$15 million and \$150 million.

Highlights Applicable to All Coverage Parts

- Limits available up to \$5,000,000
- Worldwide coverage territory, including coverage for General Data Protection Regulation (GDPR)
- Vicarious liability included
- Full severability for innocent parties
- Softened hammer clause of 75/25 in favor of insured
- Three year extended reporting period
- Single deductible applies to interrelated acts
- Duty to defend policy with 100 percent allocation

Professional and Technology Errors and Omissions (Coverage Part A)

Covers claims arising from the insured's professional services for a broad range of companies including miscellaneous professionals and technology firms. This includes coverage for:

- Unintentional breach of contract
- Independent contractors coverage
- Broad coverage for use of the Internet and technology in delivery of professional services, for most miscellaneous professionals and technology firms
- Technology products coverage available for qualifying accounts included

Media Liability (Coverage Part B)

Covers claims alleging personal and intellectual property injury including libel, slander, copyright and trademark infringement. This includes coverage for:

- Negligence in content
- Broadly-defined "covered content" or option to customize schedule of "covered media activity"
- Full limits of intellectual property
- Media liabilities assumed under contract

Network Security and Privacy (Coverage Part C)

Covers claims against insureds arising from a failure of network security, breach of private data, violation of a privacy law or disclosure of third party corporate information. This includes coverage for:

- Regulatory actions arising from violation of HIPAA or any other privacy law, including claims expense, fines, penalties and consumer redress funds
- Payment Card Industry (PCI) fines and penalties
- Payment Card Industry (PCI) assessments which include reimbursement for fraudulent bank charges and costs to reissue debit and credit cards
- Full prior acts coverage available for first time buyers

Privacy Breach Expense (Coverage Part D)

Covers expenses arising from a privacy breach, including forensics, notification (including call center services), credit monitoring, public relations and computer system restoration, as well as expenses arising from a cyber extortion threat. This includes coverage for:

- Breach of Personally Identifiable Information (PII) in any form (including both digital and paper files)
- PII stored by the insured's third party vendors
- Privacy breach caused by a rogue employee
- Breach of employees' private data
- Voluntary notifications
- No "failure to maintain safeguards" clause
- Privacy breach expense in addition to limits of liability available
- Cyber crime
- Reputation damage
- Business interruption coverage, including dependent business interruption and system failure
- Full prior acts coverage available for first time buyers

Additional Advantages:

- Unsurpassed service with a sense of urgency and care
- Same day or next business morning claims acknowledgement
- Policyholders have access to many free and discounted services through our Business Resource Center that will assist in growing and protecting their business
- Carriers are members of the Berkshire Hathaway Company

For Errors and Omissions, Media and Privacy coverage parts, eligible classes include, but are not limited to:

Technology Services:

- Application service providers/Software as a service (SaaS)
- Business intelligence
- Cloud service providers
- Data or records storage
- Graphic designers
- Hardware evaluation
- IT consulting
- IT staffing
- Managed service providers/Help desk services
- Mobile application development
- Network architecture
- Project management
- Search engine optimization
- Social media consultants
- Software development
- Systems or network evaluations
- Telecom consultants
- Training specialists
- Training and education
- Web design
- Web hosting
- Wireless installation/configuration

Non-Technology Services:

- Advertising agencies
- Audio/Visual consultant
- Call centers
- Coaching services
- Compliance consultants
- Document storage/Destruction services
- Educational consultants
- Forensic investigators
- Fulfillment services
- Human resource consultants
- Insurance risk managers
- Interpreters/Translators
- Lobbyists
- Management consultants
- Marketing consultants
- Public relations consultants
- Referral services
- Staffing firms (temporary and permanent)
- Statistical consultants

Most Common Ineligible Risk Characteristics: (Located in AL, LA, MS or WV)

Technology professionals or specialists involved in the following operations:

- 911 or other emergency response and/or dispatch
- Aircraft, air-ground equipment, military defense and/or weaponry of any kind, including classified information
- Energy, power plant, utility or pollution monitoring, supply or distribution
- Equity trading
- Financial transactions
- Firmware or embedded software
- Fund transfers
- Global Positioning Systems (GPS), Geographic Information Systems (GIS), navigation systems development, maintenance or support

- Loan fulfillment
- Lottery/Sweepstakes/Gaming or other games of chance
- Mechanical, electrical, chemical, civil or architectural design or engineering
- Medical, dental or health care diagnosis, monitoring or treatment
- Pharmaceutical formulation, production or prescription, including clinical data
- Physical security system installation or monitoring (burglar/fire alarms and camera systems)
- Point of sale systems
- Robotics or process control of industrial equipment including HVAC systems

Non-technology professionals or specialists involved in the following operations:

- | | | | |
|-----------------------------|--|----------------------------|----------------------------|
| Accountants | Clinical research agencies | Government agencies | Nursing homes |
| Adoption agencies | Collection agencies | Hospitals | Payment card processors |
| Adult content providers | Construction managers | Hotels/Motels | Payroll processors |
| Allied health professionals | Contractors | Insurance agencies/Brokers | Property managers |
| Ambulance services | Environmental consultants | Janitorial services | Real estate |
| Ambulatory surgery centers | Financial advisors | Manufacturers | Retail/E-commerce |
| Architects/Engineers | Financial institutions including banks, investment bankers, and stockbrokers | Medical laboratories | Third-party administrators |
| Attorneys/Law firms | Franchisors | Medical professionals | Title/Escrow agents |
| Auto repair | Freight forwarders | Mortgage brokers | Trustees |
| Bars/Taverns/Restaurants | | Municipalities | |
| Claims adjusters | | Nonprofits | |

Email submissions to professional@devonparkspecialty.com

This document does not amend, extend or alter the coverage afforded by the policy. For a complete understanding of any insurance you purchase, you must first read your policy, declaration page and any endorsements and discuss them with your agent. A sample policy is available from your agent. Your actual policy conditions may be amended by endorsement or affected by state laws.

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911 or other emergency response and/or dispatch	Loan fulfillment
Aircraft, air-ground equipment, military defense and/or weaponry of any kind, including classified information	Lottery/Sweepstakes/Gaming or other games of chance
Energy, power plant, utility or pollution monitoring, supply or distribution	Mechanical, electrical, chemical, civil or architectural design or engineering
Equity trading	Medical, dental or health care diagnosis, monitoring or treatment
Financial transactions	Pharmaceutical formulation, production or prescription, including clinical data
Firmware or embedded software	Physical security system installation or monitoring (burglar/fire alarms and camera systems)
Fund transfers	Point of sale systems
Global Positioning Systems (GPS), Geographic Information Systems (GIS), navigation systems development, maintenance or support	Robotics or process control of industrial equipment including HVAC systems

Non-technology professionals or specialists involved in the following operations:

Accountants	Clinical research agencies	Government agencies	Nursing homes
Adoption agencies	Collection agencies	Hospitals	Payment card processors
Adult content providers	Construction managers	Hotels/Motels	Payroll processors
Allied health professionals	Contractors	Insurance agencies/Brokers	Property managers
Ambulance services	Environmental consultants	Janitorial services	Real estate
Ambulatory surgery centers	Financial advisors	Manufacturers	Retail/E-commerce
Architects/Engineers	Financial institutions including banks, investment bankers, and stockbrokers	Medical laboratories	Third-party administrators
Attorneys/Law firms	Franchisors	Medical professionals	Title/Escrow agents
Auto repair	Freight forwarders	Mortgage brokers	Trustees
Bars/Taverns/Restaurants		Municipalities	
Claims adjusters		Nonprofits	

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Claims Examples



Errors and Omissions

A management consulting firm specializing in efficiency consulting was hired to reduce the cost of distribution for a large chain of retail bakeries. They advised the company to concentrate on baking and packaging and to contract out delivery to a trucking company. The consulting firm worked closely with the bakery to complete the changes by the end of their fiscal year. Delays in contract negotiation with the trucking company caused distribution setbacks for the company's flagship product, Independence Day-themed cupcakes. The cupcakes did not arrive in time for the holiday, causing the bakery a significant loss in revenue. The management consultant was sued for negligence and defense costs exceeded \$200,000.

Technology Errors and Omissions

A software company was hired by a transportation company to design a software program that would route freight more efficiently. After six months, the developer failed to deliver the program as promised in their contract, and the company was forced to hire a replacement firm to complete the project. The transportation company sued for damages of \$3,000,000, which included the additional cost to complete the program and recover lost profits. The software company argued damages sustained by the plaintiff were limited to \$650,000 in fees paid for the software program. However, due to the negligence of the software design firm, the jury rendered a verdict of over \$1,000,000 in favor of the plaintiff.

Intellectual Property

During a televised sporting event, a car company aired a commercial that showed a ball with a trademark symbol bearing a striking resemblance to a logo of a luxury fashion designer. The fashion designer filed suit against the car company alleging trademark violations. It turned out that neither the car company nor their ad agency had permission to use the trademark. The fashion designer won summary judgment in the case and was ultimately awarded damages of \$3,200,000.

Cyber Crime

A fulfillment company employee gets an email from who they thought was their CFO asking them to wire money to a bank to pay for packing materials. Unfortunately, it was a spear phishing email and the money was wired to an unknown account that was quickly closed after receiving the funds. The amount lost totaled over \$100,000.

Network Security and Privacy Liability

An employee of a marketing company inadvertently downloaded a destructive virus that quickly spread throughout their network. As a result, approximately 25 percent of the company's customers were infected with the same virus. Consequently, their customers suffered a widespread loss of data and a complete shutdown of their networks. The customers filed a class action suit against the company, claiming they should have prevented the transmission of the virus. The customers sought damages for the cost to restore lost data and their economic loss. Total damages awarded were over \$3,000,000.

Regulatory Defense

A national network support company has field employees who frequently used company-issued laptops at customer locations. The laptops contained sensitive data from their customers' networks, including social security numbers and medical records. One day, an employee of the support company had his laptop stolen from his car. Although the data on his laptop was encrypted, the employee had his password taped to the laptop. Due to embarrassment, the employee did not notify the employer until two months later. Although the network support company immediately set about notifying affected parties of the breach, they were ultimately fined by the Attorney General for not notifying their customers in the time frame allotted by the state. The total amount of loss and claim expense was over \$700,000.

Payment Card Industry (PCI) Fines and Penalties

A cloud content provider was notified by its payment card-processing bank of a possible data breach to their payment system. A forensic investigation found that the content company unknowingly transmitted unencrypted credit card numbers. The payment card processor demanded indemnification for fines assessed by the credit card companies who alleged a data breach. The payment card processor withdrew \$100,000 from the content company's bank account and sued them for the balance of \$500,000.

Privacy Breach Expense

A fulfillment service was hit with a data breach that exposed the credit and debit card numbers and expiration dates of approximately 480,000 customers. The company spent over \$890,000 to hire a firm to conduct forensics to determine all those affected, re-secure its network and send out notification letters across multiple states. They also set up credit monitoring for its customers and spent an additional \$90,000 on hiring a public relations firm to manage the publicity surrounding the event. The costs associated with the breach were over \$1,000,000.

Cyber Extortion Threat Expense

The owner of a marketing agency arrived at the office to discover he and his employees were locked out of their computer system. A hacker notified him that the agency had 48 hours to pay \$50,000 or all files on their server would be deleted. As the deadline approached, the owner realized that he couldn't thwart the attack and was forced to pay the amount demanded.



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