



CLAIM SCENARIOS

INTEGRATED TECHNOLOGY

Computer Consultant

A computer consultant was assisting a client with their credit card processing from one vendor to another. It was alleged that the Insured failed to follow their own guidelines and procedures during the process and mishandled sensitive account information.

Defense Costs and settlement \$1.725M.

Computer Consultant

A computer consultant was hired to create a new computer system for a client. The client alleged the new system was not functional and corrupted their current system. \$70,000

Computer Programmer

It was alleged that there were errors in a trust accounting software system designed and sold by the Insured. Paid \$127,410 and \$20,641 in Defense Costs.

Cyber Extortion Threat

A U.S. based information technology company contracted with an overseas software vendor. The contracted vendor left universal "administrator" defaults installed on the company's server and a "Hacker for Hire" was paid \$20,000 to exploit such vulnerability. The hacker advised if the requested payment was not made he would post the records of millions of registered users on a blog available for all to see.

The extortion expenses and extortion monies exceeded \$2M.

Malicious Code

A juvenile released a computer worm directing infected computers to launch a denial of service attack against a regional computer consulting and application outsourcing firm. The infection caused an 18 hour shutdown of the entity's computer systems. The computer consulting and application outsourcing firm incurred extensive costs and expenses to repair and restore their system, as well as business interruption expenses which totaled approximately \$875,000.

Software/System Integration Company

The Insured marketed and implemented an office computer system to the plaintiffs with promises of improved productivity, efficiency, etc.

After paying the Insured nearly \$350,000 for the work, the client refused to pay the last \$76,000 of the billing and alleged that the system wasn't operating as promised. Paid \$823,164 and \$263,018 in Defense Costs.

Software Developer

The Insured sued a client for early termination of the services contract; the client in turn sued the Insured for errors in setting up the software system. Paid \$55,582 and \$89,139 in Defense Costs.

Software/Hardware Developer

It's alleged that the Insured misappropriated a business partner's trade secrets. Paid \$471,000 in Defense Costs.

Systems Integrator

There was an alleged breach of contract/inability to deliver functioning system as promised. Paid \$211,000 and \$70,541 in Defense Costs.

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