

# Information Technology Claims Examples



## Software Installation Firm

- ⌚ 6 staff
- ⌚ HKD5.5M turnover

### Background

The Insured was contracted to install software for its client, however in doing so an error occurred. The Claimant sought reimbursement from the Insured for losses incurred as a result of having to re-key the lost data. As well as the loss they incurred of the data which was not able to be re-keyed, this included approximately 27,000 video files.

### Outcome

The Insured appointed panel solicitors to assist with their defence of the claim. The Policy was triggered and paid HKD54,600 for defence costs and HKD234,000 for settlement costs.

**Payment:** HKD234,000 plus HKD54,600 in defence costs

## IT Project Management and Reseller of Third Party Hardware

- ⌚ 6 staff
- ⌚ HKD5.5M turnover

### Background

The Insured was hired by the Claimant to host their website. The Claimant initiated Court proceedings against the Insured for breach of contract and negligence when the Insured lost all of the claimants data on their website.

### Outcome

Indemnity granted and panel lawyers were retained to assist with the defence of the Claim. The Claim settled prior to a trial for a significantly smaller amount than alleged in the original claim. Settlement and defence costs totaled HKD507,000

**Payment:** HKD507,000.

## Data Communication Services (ISP) and Telecom Services

- ⌚ 5 staff
- ⌚ HKD3.9M turnover

### Background

The Insured was hired to install security systems and provide network and security consulting to a Client. Whilst installing cameras on site, the Insureds ladder fell off the roof of their vehicle, causing property damage to another car in the car park.

### Outcome

Indemnity was granted under the Products Liability insuring clause and settlement costs of HKD93,600 were incurred.

**Payment:** HKD93,600.

Insured by:



## Logistics Operator

- ④ 8 staff
- ④ HKD1.95M turnover

### Background

The Insured, a logistics operator, was storing vaccines in its Cold Room for their client. A Claim was made against the Insured by their client alleging that there had been a fall in temperature in the Cold Room which was a result of a hardware malfunction, which damaged their products. The Insured notified insurers for their Fire Policy as well as their PI Policy. The Insurers of the Fire Policy indemnified the Insured to the sum of HKD1,287,000 which was insufficient to meet the total replacement cost of the vaccines due to a global shortage in certain

of those vaccines. One of the vaccine's cost had increased from HKD290.16 to HKD519.87 per vial. The Claimant sought further damages of HKD1,950,000.

### Outcome

The Insured appointed panel solicitors to assist with managing the claim against them. The Policy was triggered and paid for defence costs of HKD117,000. The claim was settled at a mediation for HKD319,800 which was also indemnified by the Policy.

**Payment:** HKD319,800 plus HKD117,000 in defence costs.

## IT Project Management and Reseller of Third Party Hardware

- ④ 4 staff
- ④ HKD5.1M turnover

### Background

A claim was made against the Insured by a third party as their vehicle was damaged whilst crossing the bollards installed by the Insured. The claim against the Insured alleged that the hydraulic bollards installed under the road by the Insured was not programmed or installed properly, resulting in the bollards raising and damaging the Claimants vehicle. The Claimant sought damages for the repair of the vehicle against the Insured.

### Outcome

Insurers appointed a motor assessor to assess damage and repair costs. The Policy was triggered and the costs of tech assessor was met by the policy of HKD39,000. The Claim settled for HKD195,000 payable to the Claimant for damages.

**Payment:** HKD195,000.

## IT Sales and Installation Services

- ④ 5 staff
- ④ HKD3.9M turnover

### Background

The Insured was contracted to develop IT infrastructure to support and carry out data migration from one network provider to another for its client. A claim was made against the Insured which alleged that during the migration process, data was unintentionally deleted and the Claimant lost significant data. The claimant sought damages of HKD3,120,000 for lost data and rectification costs.

### Outcome

The Insured appointed panel solicitors to assist with managing the claim and defence. The Policy was triggered and covered the cost of HKD780,000 for defence costs up to the informal settlement conference. The claim was settled for HKD1,170,000 payable to the Claimant, which was indemnified by the policy.

**Payment:** HKD1,170,000 plus HKD780,000 in defence costs.