



# Claim Examples

## Professional Indemnity Insurance

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### Against companies involved in the IT industry...

- Whilst undertaking a PC clean up an employee of a computer maintenance company accidentally erases their client's entire database. The client commenced legal proceedings for the financial loss suffered, business interruption costs and the cost of recovering the lost data as a result of this negligence.
- An IT firm completes its contract and submits its fee invoice. The client delays payment and, when legal action is threatened, they suggest that the work was not satisfactory and threaten a counter-claim alleging negligence. Even though this counter-claim is clearly without merit, substantial legal costs are incurred in defending the action.
- Confidential information which was in the possession of a data processing company is accessed and used by another company. The data processing company's client sues the data processors for damages and also makes a complaint to the Information Commissioner under the Data Protection Act. The data processing company incur substantial costs in defending and investigating these claims.
- A telecommunications engineer faced a claim that there was a defect in their circuit design which meant that the system provided to the client was not fit for its intended purpose. The client sued the engineer for the costs of remedial work and damages.
- A computer programming company were writing a new programme for one of their largest clients. After a period of testing the programme was put into use when it became apparent that a bug in the system had gone unnoticed by the computer programmers. The client incurred significant financial losses as a result and sued the programmers for negligence for this failure.
- A client sued their software designers for failing to deliver a design project on time and within an agreed budget. The suit was for the additional costs they incurred in trying to get the software from another source and for the business interruption caused by the delay.
- A company enters into a contract with a software company to create a new website. The developer builds the new site but presents an invoice for twice the original estimate. The company refuses to pay the invoice and the developer sues the company claiming the increase in costs had been for additional work sanctioned by them.
- A website designer was sued for using copyright images without a licence.

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