

**Introduction:**

TechPro Liability Insurance, often called Technology Errors and Omissions (Tech E&O), is a specialized coverage designed to protect technology businesses from the high costs of lawsuits alleging that their products or services failed to work as intended. Unlike standard general liability policies that focus on physical injuries, this insurance addresses economic losses experienced by a client—such as lost revenue due to a software bug, a system outage, or a missed project deadline. It serves as a financial safety net by covering legal defense fees, settlements, and court judgments.

**Who is providing the Coverage?**

Royal Sundaram General Insurance Co. Limited is providing the coverage under this Policy.

**Who can avail “TechPro Liability Insurance”?**

1. Technology Companies
2. ITES (Information Technology enabled services such as call centres), BPO (Business Process Outsourcing)
3. Digital platform and apps
4. Fintech – Technology Providers (such as Payment gateway technology providers)

**What is the coverage under the policy?**

This policy covers claims for incidents that occurred or happened after a specific retroactive date. The claims should be filed during the policy period or the stipulated discovery period.

The coverage under the policy: -

1. Cover for Professional Negligence of the insured  
Covers errors, omissions, or negligent acts arising from the rendering of technology and IT-enabled services of the insured.
2. Technology product failure  
Protects against financial loss suffered by clients due to error or alleged error of a Technology product ie., any computer hardware or firmware.
3. Intellectual property: Coverage for unintentional infringement of copyright, trademarks, particularly relevant for Software products, Digital platforms, and open-source software usage.



4. Defamation: defamation typically refers to:

- Libel – written or digital defamatory statements
- Slander – spoken defamatory statements

that cause reputational harm to a third party, arising out of the insured's professional technology services.

Defamation is covered only when it arises from professional technology services, such as:

✓ Digital & Technology Activities-

- Content published on:
  - Websites
  - Mobile apps
  - SaaS platforms
  - Social media accounts managed for clients
- Product reviews, blogs, whitepapers, or marketing content created as part of a tech contract

✓ Client Service-Related Claims

- A client alleges that insured's:
  - platform published defamatory material
  - employee uploaded false content harming a competitor
  - software distributed defamatory user content due to moderation failure

5. Fraud or dishonesty of any employee

Covers claims arising from:

- Breach of client confidentiality
- Mishandling of customer data
- Failure to maintain data security due to professional negligence

6. Defense costs: Covers the following:

- Advocate fees
- Court costs
- Investigation and expert fees

**Additional coverage**

1. **Court Attendance:** Pays per day for each witness who actually attends court in connection with the claim under the policy.
2. **Extending reporting period:** If the Insurer cancels or does not renew this policy, the insured has a right to a period of 30 days following the date of cancellation or expiry to give notice of claim. If the policy is renewed or replaced, this right is not available to the insured.



3. **Computer Records:** The policy extends to cover replacement or restoration computer records that has been destroyed or damaged for which the insured is legally responsible subject to terms and conditions of the policy.

### What are the key exclusions under the policy?

This policy shall not cover **Loss** in connection with any **Claim**:

- **Dishonest or Criminal Acts:** Deliberate, malicious, or criminal acts, including fraud or willful breaches of law.
- **Known Circumstances/Prior Claims:** Claims or potential claims known before the policy inception, or that should have been known.
- **Contractual Liability/Penalties:** Liabilities beyond common law, such as liquidated damages, contractual penalties, or guarantees of performance.
- **Bodily Injury and Property Damage** arising out of, based upon or attributable to Bodily Injury or Property Damage unless arising from an actual or alleged failure to achieve the legally required standard of care, diligence and expertise in performing Professional Services.
- **War and Terrorism**

Please refer the policy wording for the entire list of exclusions.

### What is the duration of the policy?

The policies will be issued for a one-year term.

### What is the procedure for cancellation of the policy?

**Cancellation by Policyholder:** This policy may be cancelled by the Policyholder at any time only by mailing written prior notice to the Insurer. In such case, if no Claim has been made and no circumstance has been notified prior to such cancellation; Insurer shall retain the customary short rate proportion (unexpired portion of Premium less handling charges) of the Premium. Otherwise, Premium shall not be returnable and shall be deemed fully earned at cancellation.

**Cancellation by Insurer:** This policy may be cancelled by the Insurer delivering to the Policyholder by registered, certified, other first class mail or other reasonable delivery method, at the address of the Policyholder set forth in the Schedule, written notice stating when, not less than thirty (30) days thereafter, the cancellation shall be effective. Proof of mailing or delivery of such notice shall be sufficient proof of notice and this policy shall be deemed cancelled as to all Insureds at the date and hour specified in such notice. In such case, the Insurer shall be entitled to a pro-rata proportion of the Premium. Payment or tender of any unearned Premium by the Insurer



shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.

## What is the Claims procedure?

### 1. Claim intimation:

The insured should notify us as soon as practically possible to

Royal Sundaram General Insurance Co. Limited

Vishranthi Melaram Towers", 2/319, Rajiv Gandhi Salai, Karapakkam, Chennai 600 097.

### 2. Claim Process:

1. The insurer will appoint a Panel Counsel (investigator) for the settlement of claims who may seek for additional information/evidence or clarification.
2. The insured needs to submit the claim documents as required by us or the investigator for processing the claim.
3. The insured must fully cooperate with the insurer during the investigation process.
4. The insured should not admit liability or incur costs without the insurer's prior written consent, as this may jeopardize coverage.
5. It is important to keep us updated regarding the status of the claim and provide us with all relevant information (key correspondences).
6. If the liability is established or settlement is approved, we then pay damages / compensation including legal and defense costs subject to Limits of indemnity and deductibles under the policy.

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## Section 41 in the Insurance Act, 1938

### 41. Prohibition of rebates

(1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer: Provided that acceptance by an insurance agent of commission in connection with a policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer.

(2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.

**Note: In case of any conflict, the terms and conditions mentioned in the policy document shall prevail.**