

## Technology Loss Scenario

### Breach of Security

**Coverage:** Errors and Omissions Liability

**Cause of Action:** Product Failure

**Type of Organization:** Telecommunications Company

**Description of Event**

A telecommunications firm was sued by customers claiming they were sold a defective system with inadequate security protections. The customers claimed the faulty product allowed individuals to access their phone systems and, as a result, to amass fraudulent overseas charges.

**Resolution**

The claim was valued at \$345,000.

**Could this happen to your organization? Contact your trusted Chubb agent or broker:**

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Loss scenarios are hypothetical in nature and for illustrative purposes only. Whether or not or to what extent a particular loss is covered depends on the facts and circumstances of the loss and the terms, conditions, and endorsements of the policy as issued. It is impossible to state in the abstract whether the policy would necessarily provide coverage in any given situation. Consult your agent, broker, or other expert.