



ROBERT A. SCHNEIDER AGENCY, INC.

INFORMATION TECHNOLOGY/EDP SERVICES

CLAIMS EXAMPLES

1. A software developer created an inventory and subscription program for a large public library system. The library alleged the program did not perform as promised by the developer. After several attempts by the developer to modify the program and appease the library, the library sued. The case resulted in years of sizable defense costs and delayed the deployment of the software. Eventually the case was settled in the software developer's favor, once they were able to show they had "fixed" the problems. Unfortunately the software was outdated by then, so the fix included providing the library system an updated program for no additional revenue.
2. A data processor created a special software program to mail several million seasonal catalogs for a retail client. The program malfunctioned, the catalogs went to the wrong addresses and the retailer claimed nearly \$1 million in damages, including lost profits and loss of goodwill. The data processor's carrier paid over \$500,000.
3. Billing software sold by a data processor to a utility company did not process billing as quickly as promised. The utility sued for \$5 million for the cost to correct the problem, but the case settled for \$500,000.
4. A company wishing to expand its computer-based training programs for commercial software contracted with an entrepreneur for the use of creative source code enabling the training program to duplicate actual software screens. After the company stopped paying him royalties, the entrepreneur sued, alleging the company had infringed his copyright in the source code. The carrier paid him \$350,000 in settlement.
5. After a serious automobile collision at an intersection, both drivers, one west-bound and one south-bound, claimed to have had a green light. The drivers sued the company which had programmed the computer system for changing the lights. Because its policy had a bodily injury/property damage endorsement, the carrier paid for the defense and settled with both plaintiffs.

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 issued.