

## AFB Media Tech® (version 09/2014) Frequently Asked Questions

**Q: Does the AFB Media Tech policy provide contractual liability coverage?**

**Yes.** Insuring Agreements A (Professional and Technology Based Services) and B (Technology Products) both provide affirmative coverage for "any unintentional breach of contract."

**Q: Does the AFB Media Tech policy include a contractual liability exclusion?**

**Technically, yes, but...**

- **Not** with respect to Insuring Agreement A, for breach of an agreement by the insured organization to perform professional services or technology based services.
- **Not** with respect to Insuring Agreement B, for breach of an agreement by the insured organization to manufacture, develop, create, distribute, license, lease or sell technology products.
- **Not** with respect to Insuring Agreement C.1 to an obligation to maintain confidentiality or security of personally identifiable information or third party information.
- **Not** with respect to the legal services and computer expert services under the terms of a merchant services agreement
- **Not** with respect to the direct monetary fines, penalties, reimbursements, fraud recoveries or assessments owed by the Insured under the terms of a merchant services agreement
- **Not** with respect to Insuring Agreement D, for liability assumed under contract or misappropriation of ideas under an implied contract.
- **Not** to the extent the insured would have been liable in the absence of such contract or agreement.

**Q: Is there a type of contractual liability Beazley does not cover?**

**Yes.**

- Intentional breach of a contract. The AFB Media Tech policy provides coverage for **unintentional breaches**.
- Breach of any hold harmless or indemnification agreement.

**Q: When might an intentional breach occur?**

Here are a few examples:

- The insured has a dispute with a client and decides that continuing to work under their existing contract is not in their best interest, so they cease providing services.
- The insured is working on a very small contract, and they are then awarded a much larger contract. The insured determines that in order to execute on the larger project, they need to stop working on the smaller contract.

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**Q: How does the AFB Media Tech contractual liability coverage compare to our competitors?**

- Competitor forms may offer coverage only for written contracts. The AFB Media Tech policy provides coverage for **oral and written contracts**.
- Competitor forms may limit coverage to claims brought by clients only. The AFB Media Tech coverage is not limited to claims brought by clients and would extend to breach of contract claims brought by **third party beneficiaries**. This is particularly important for smaller insureds who are subcontractors of larger contractors and do not enter into contracts directly with the end user/client.

**Q: How does Beazley handle coverage grants?**

AFB Media Tech is a non-modular form that unites seven coverage components in one form –1) **Professional and Technology Based Services**, 2) **Technology Products**, 3) **Information Security & Privacy Liability**, 4) **Privacy Notification Costs**, 5) **Regulatory Defense and Penalties**, 6) **Multimedia and Advertising**, and 7) **PCI Fines, Expenses and Costs**. All Insuring Agreements are provided unless otherwise deleted or amended by endorsement.

**Q: Is coverage provided for infringement of copyright?**

**Yes.**

- Coverage is provided for all non-software copyright infringement within Insuring Agreement D (Multimedia and Advertising Liability); and
- Coverage is provided for software copyright infringement within Insuring Agreement B (Technology Products).

**Q: Is coverage provided for misappropriation of trade secrets?**

**Yes.** The AFB Media Tech policy is distinct in the marketplace with the affirmative coverage for misappropriation of trade secrets.

**Q: Is coverage provided for mental anguish and emotional distress?**

**Yes.** The policy provides a carve-back in exclusion D. Mental anguish and emotional distress are only excluded when arising from a physical injury, sickness, disease or death.

**Q: Are Privacy Notification Costs, Credit Monitoring, Legal & Forensics Expenses included in the AFB Media Tech form?**

**Yes.** Under Insuring Agreement D. Privacy Notification Costs.

**Q: How is coverage for additional insureds addressed?**

Additional Insured language is part of Insuring Clause III. The Insured and The Insured Organization. This clause provides blanket additional insured language for vicarious liability as required by contract.

**Q: Is coverage provided for independent contractors?**

Independent contractors are included with employees in Insuring Clause III. The Insured and The Insured Organization.

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