

Visit [Chubb.com](http://Chubb.com)

Edition 11 | March 2007



### Commercial Lines

- ❖ [Protecting Against M&A Insurance Gaps](#)
- ❖ [Errors & Omissions Insurance: It's Not Just for Service and Technology Firms Anymore](#)
- ❖ [An Online Tool That Helps Convince Clients to Buy?](#)
- ❖ [Financial Institution Portfolio<sup>SM</sup> by Chubb: The Clear Solution for Your Larger FI Accounts](#)

### Personal Lines

- ❖ [Bill Payment Made Easy With New EFT Program From Chubb](#)
- ❖ [Enhanced Masterpiece<sup>®</sup> Real-Time Agency Interface](#)



### MarketBuilder Archive

- ❖ [Edition 10: November 2006](#)
- ❖ [Edition 9: June 2006](#)
- ❖ [Edition 8: March 2006](#)
- ❖ [Edition 7: September 2005](#)
- ❖ [Edition 6: April 2005](#)
- ❖ [Edition 5: December 2004](#)
- ❖ [Edition 4: August 2004](#)
- ❖ [Edition 3: March 2004](#)
- ❖ [Edition 2: December 2003](#)
- ❖ [Edition 1: September 2003](#)

## Commercial Lines

### Errors & Omissions Insurance: It's Not Just for Service and Technology Firms Anymore

Gone are the days when only select "professionals" needed professional liability insurance like errors and omissions — and companies still operating under that assumption may have critical gaps in their insurance portfolios.

Due to evolving business and legal environments, manufacturers and other companies that provide products or services to third parties need protection beyond their general liability (GL) policies. Among other things, standard GL policies respond to claims made or lawsuits brought by third parties for bodily injury and physical injury to or loss of use of tangible property. However, GL policies don't respond to claims or lawsuits for other types of financial losses, which is why errors and omissions insurance is quickly becoming a critical part of many companies' insurance portfolios.

Chubb's new commercial Errors & Omissions (E&O) insurance product works in concert with our general liability policy to provide an integrated insurance solution. This policy supports Chubb's traditional commercial appetite and focuses on companies that design, develop and manufacture products, as well as those that provide services to others. With operational capacity limits of up to \$10 million and global protection for suits brought outside the United States, Chubb's commercial E&O product can serve clients big and small, in any geographic location. Other important features of Chubb's commercial E&O product are its claims made & reported coverage trigger, broad definitions of products and services, and Chubb's ability to provide added protection for known circumstances.

### Even Good Companies Can Have Bad Luck

Despite your clients' best efforts and hard work, they may be sued by a dissatisfied customer who alleges mistakes were made. Sometimes the allegations aren't even against your client, but against a subcontractor they hire.

Consider these instances where your client may be at risk of significant legal liability because they caused a financial loss to their customers:

- A manufacturing error results in loss of revenue
- Improper use of raw materials causes the failure of a product, resulting in loss of earnings
- A subcontractor's error causes economic injury
- An installation mistake results in loss of income

- A design error causes a product to function improperly, resulting in lost revenue

### **Selling E&O to Your Clients**

There are other reasons your clients need E&O protection as part of their overall insurance portfolio. Here are some items to point out to them:

- To meet emerging market needs, your clients may add new services, such as maintenance, installation, design and delivery, thereby increasing their exposure to errors and omissions losses.
- While well-written contracts can help protect against lawsuits, even clear and concise contracts are subject to legal attack.
- More and more contracts require errors and omissions protection.
- An errors and omissions lawsuit must be defended, even if the suit is unfounded and groundless.
- As it can be difficult to determine which component part causes a product failure, all part providers in the supply chain may be sued.
- If your clients do not have errors and omissions insurance, their directors and officers may be liable for failure to obtain proper insurance.

### **Take Action Now**

Chubb has been writing E&O insurance since the 1970s. Our underwriters, risk engineers and claims professionals have the knowledge base, along with years of experience, to support your clients' errors and omissions insurance requirements. To learn more about Chubb's new commercial E&O product or to learn how we can assist you with your errors and omissions needs, contact your Chubb underwriter today.

---

For more information, contact your local Chubb office, visit [Chubb.com](http://Chubb.com), or send an email message to [info@chubb.com](mailto:info@chubb.com).

Copyright © 2007 The Chubb Corporation. All rights reserved.

[Disclaimer](#)