

Accountability

Issue XIII

COVERAGE FOR TRANSMISSION OF A COMPUTER VIRUS

Five billion dollars were lost. In fact some sources estimate this at closer to \$10 billion. All from three little words: *I Love You*.

Every month several new viruses appear on the scene. These electronic “bombs” cause havoc and force the shutdown of computer systems. Often a virus is attached to an email from a friend or colleague, or buried within the code of an unsolicited message. Many can read a computer address book and forward the virus on to others.

Because of the ingenuity of virus authors, it is difficult to protect yourself against the legal liability consequences for damage to a client’s computer system, arising from transmission of a computer virus. There are few insurers offering coverage for this.

CPAGold™ the leading accountants’ professional liability insurance program from Jorgensen & Company and Royal Indemnity Company, has a specific endorsement to the policy that provides protection for legal liability claims arising from electronic media perils. This includes claims arising from *unintentional introduction of a computer virus to a third party computer, computer system or network*.

An endorsement can be attached to the policy, which adds the following wording to the policy:

In clarification of the coverage afforded

by this policy it is noted and agreed that the definition of **Professional Services** is expanded to include losses arising from the following events:

1. Misdirection of electronic mail or other electronic media, including but not limited to, an intranet, extranet or Internet connection;
2. Loss of client information transmitted via electronic media;
3. Unintentional introduction of a computer virus to a third party computer, computer system, or network causing harm or damage to a computer, computer system or network;
4. Unintentional unauthorized access by a third party to a computer, computer system or network, without authorization or exceeding authorization; or,
5. **Personal Injury** arising from the use of electronic media including possession of an Internet web-site.

This coverage is available at no additional cost to **CPAGold™** policyholders, subject to an insured meeting the minimum underwriting criteria.

At the time of publication (June 2000), no other accountants’ professional liability insurer is offering this coverage. In fact, only a few specialist insurers of electronic commerce insurers can write this new exposure.