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Claim Focus

Information Technology (IT)

Background:

The Insured, a telecommunications and IT contractor, was engaged to upgrade the technology infrastructure at a commercial premises. The scope of works included wireless access points, networking equipment and business phone services to modernise the client's communications systems.

Incident:

During the installation of a wireless access point, drilling works inadvertently caused damage to a decorative fluted ceiling. While the damage itself was relatively minor, the client was concerned about preserving the appearance and finish of the feature ceiling. The Insured acted quickly, acknowledged responsibility and offered to patch and repaint the affected area. However, the client considered a cosmetic repair insufficient and insisted on a full restoration to return the ceiling to its original condition.

Claim:

To meet the client's requirements, a specialist contractor was engaged to carry out the restoration works. The client subsequently provided:

- Photographic evidence of the damage
- A repair invoice totalling **$3,000**

The Insured notified the matter under their **Information Technology Liability Policy** and sought indemnity for the claim.

Key Takeaways:

Small damage can lead to bigger expectations → Clients may not accept a simple repair, particularly where decorative finishes, feature architecture or high-end fit-outs are involved. Restoration costs can far exceed the apparent extent of the damage.

Technology contractors face more than professional exposures → Businesses involved in IT and telecommunications installations are exposed to both professional risks and traditional third-party property damage claims. Appropriate Professional Indemnity and Public Liability cover remain essential.

Contact Us:

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FAST TURN AROUND

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Claim Focus (cont.)

Information Technology (IT)

Resolution:

With liability clear and quantum modest, an early commercial resolution was the most practical, cost-effective approach. The claim settled promptly without litigation, with a signed Deed of Release securing full and final settlement. The early finalisation of the claim demonstrated the value of proactive claims management and cooperation between the Insured, broker and insurer.

Broker Insight:

While this claim involved only $3,000 in damage, it serves as a valuable reminder that routine installation works can create unexpected property damage exposures. Effective claims management and the right insurance protection can turn a **potentially frustrating dispute into straightforward resolution.**

Key Takeaways:

- **Small damage can lead to bigger expectations →** Clients may not accept a simple repair, particularly where decorative finishes, feature architecture or high-end fit-outs are involved. Restoration costs can far exceed the apparent extent of the damage.
- **Technology contractors face more than professional exposures →** Businesses involved in IT and telecommunications installations are exposed to both professional risks and traditional third-party property damage claims. Appropriate Professional Indemnity and Public Liability cover remain essential.

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