

Technology Insurance in Canada



Protect your tech company or startup with technology insurance.

Canada's technology industry is booming! Innovative businesses and startups have experienced success on a national and international stage, revolutionizing all sectors of the economy.

The technology industry comes with its own unique set of risks, and it is important to have technology-specific insurance to help protect your hard and soft business assets. At Acera Insurance (formerly Rogers Insurance), our insurance experts can help you manage your risks, exposures and design a technology insurance program that works for your needs and budget.



Technology Insurance Coverage

Every business is different and has a unique set of risks and exposures, which is why our technology insurance brokers will help you find the right protection for your individual needs. Here are the most common types of coverage chosen by Canadian tech startups:

- Property
- Commercial general liability
- Professional liability (also known as errors & omissions)
- Cyber/privacy liability
- Media liability (also known as multimedia liability)
- Crime and fidelity
- Equipment breakdown
- Business interruption

Some technology insurance companies offer specific packages designed for tech startups and businesses.

Property Coverage

Property coverage is standard insurance for all businesses. This protection covers repair or replacement of your company's property if it is damaged, destroyed, stolen or impacted by an insured peril. This includes furniture, equipment, tools, stock or inventory, improvements and renovations. It also applies to static premises you own or occupy as a tenant as well as mobile property.

Insured perils depend on the individual policy but commonly include fire, theft, wind and more. Generally, sewer backup and overland water (also known as flood) insurance are an add-on and may not always be available.

Commercial General Liability Insurance

Another standard coverage for all businesses is commercial general liability insurance. This type of protection covers your business if a third party sues you for causing a bodily injury or property damage due to a negligent act. Here are a few examples:

- A random passerby slips on the sidewalk outside your business and injures themselves. They sue you for failing to clear the sidewalk of ice and snow, causing them to get hurt.
- A client in your office trips gets hurt and sues your business.
- While installing equipment at a customer's premises, an employee accidentally causes damage to the third party's property. The customer sues you for damages.

Professional Liability Insurance

If your technology business provides a professional service or advice, professional liability insurance (also known as errors & omissions) is essential. This protection covers legal expenses if you're sued by a third party for causing them financial loss due to an error, omission or professional negligence related to your advice or service failure. Here are a few examples:

- As a technology consultant, you advise a client on cybersecurity measures. That client follows your advice and still suffers a cyberattack, causing them significant financial loss. They sue you for providing bad advice.
- A client accuses you of failing to provide adequate professional services as laid out in your contract.
- There is a coding error in a third-party app you created which fails to perform on its launch date to horrible reviews. Your client sues you for financial loss and reputational harm.

Cyber and Privacy Liability

Cyber and privacy liability is critical for technology companies and startups in Canada. This protection helps your business deal with a cyber-attack or data breach, depending on the policy. This can include covering costs associated with:

- Related legal expenses
- Regulatory fines
- Crisis public relations or brand/reputation recovery
- Cyber extortion
- Cybercrime and social engineering
- Notification expenses
- Investigation and forensic expenses
- Restoration expenses

- Business interruption
- Technology supply chain failure

Cyber liability varies depending on the insurance company and there can be a lot of room for customization.

Media Liability

Anything published on the internet is considered subject to copyright and trademark laws. Negative content about an individual or corporation can be considered libelous or slanderous and open to legal action. Media liability coverage can help address risk exposures such as defamation, personal disparagement, product defamation, invasion of privacy, and copyright and trademark infringement.

Crime & Fidelity Coverage

Certain crimes related to monies and securities are a common exclusion on many insurance policies. Crime or fidelity coverage provides protection for tech companies for incidents related to:

- Employee dishonesty or theft of product
- Theft of money (embezzlement, both first-party and third-party)
- Counterfeit money or forgery
- Credit and debit card fraud
- Funds transfer fraud

Equipment Breakdown Coverage

Many technology companies in Canada are dependent on their equipment. Technology equipment breakdown protection covers the costs of repairing or replacing equipment that suffers a mechanical or electrical breakdown. This type of damage is not covered by a normal property insurance policy.



Business Interruption

Business interruption coverage provides technology companies with financial assistance if they have a covered insurance claim or are forced to vacate their business due to a mandatory evacuation order. There are a few variations of this type of protection so it's important to discuss with an experienced insurance advisor.

What affects the cost of technology insurance in Canada?

The cost of technology insurance will vary depending on your individual business and coverage options. The following factors affect the cost of technology insurance:

- Your insurance options, including coverages, deductible and limits
- Your specific industry and niche/specialization within that industry
- Your business operations
- Where your business is physically located
- Where your business operates
- Mitigation devices or measures
- Annual revenue
- Number of employees
- Whether you hire subcontractors
- Your insurance history
- Your loss and claims history

These factors help technology insurance companies calculate the likelihood of a claim and charge the appropriate premium.

If you have further questions, please contact us. Our technology insurance brokers are experts in this area and will be able to address any questions and concerns unique to your business, as well as get you a quote and help protect your tech company or startup.

Why Technology Companies Choose Acera Insurance

Why do Canadian tech companies choose Acera Insurance for their coverage? Here are a few reasons:

- High levels of expertise across all areas of insurance.
- Exceptional customer service.
- Unrivaled claims experience.
- Local, regional and national representation.
- Access to international insurance markets.
- We're one of Canada's largest and most respected independent insurance brokerages.
- We work with nearly 100 different insurance companies to find you the best coverage at the best price.
- We offer an online web portal and mobile phone app to allow you to manage your insurance where and when it's convenient for you.



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