COMPUTER & TECHNOLOGY PRODUCTS AND SERVICES PROFESSIONAL LIABILITY APPLICATION

Computer & Technology Products and Services Professional Liability Insurance is written on a **claims-made and reported** basis and covers only claims first made against the insureds during the Policy Period or the Extended Reporting Period, if exercised, and reported to the Company within 60 days. The Limit of Insurance available to pay judgments or settlements shall be reduced by amounts incurred as Defense Costs. The Company has a duty to defend any Insureds pursuant to the terms and conditions of the Policy.

PLEASE NOTE THE FOLLOWING:

(ALL STATES EXCEPT AR, CO, FL, HI, KY, ME, VA, NJ, NM, NY, OH, OK, PA): ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON, FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

ARKANSAS APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

COLORADO APPLICANTS: IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICY HOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICY HOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AGENCIES.

FLORIDA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

HAWAII APPLICANTS: FOR YOUR PROTECTION, HAWAII LAW REQUIRES YOU TO BE INFORMED THAT PRESENTING A FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT IS A CRIME PUNISHABLE BY FINES OR IMPRISONMENT, OR BOTH.

KENTUCKY APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

MAINE AND VIRGINIA APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS.

1. Applicant's contact information:
   Full name (company name as it is to appear on the policy, if issued) _____
   Street Address _____ City _____
   State _____ Zip _____
   Phone # _____
   Fax# _____
   Email Address _____
   Domain Address if any _____

2. Is the Applicant a: ❑ Corporation ❑ Partnership ❑ Individual ❑L.L.C. ❑ Other (please describe) _____
   a. Date operations began under current ownership (mo/yr.): _____/_____

3. Number of Applicant's Principals: _____ #
   Number of Applicant's Technical / Professional Staff (excluding Principals): _____ #
   Number of Applicant's Clerical / Administrative Staff: _____ # Total Employees: _____ #

4. Applicant's gross revenues (domestic only)   Applicant's foreign revenue if any
   Future 12 months (projected) $_____   Future 12 months (projected) $_____
   Previous 12 months $_____   Previous 12 months $_____
   The year before last $_____   The year before last $_____

5. Limits desired (each wrongful act/aggregate):

   $__,000,000 / $__,000,000   Other $_____

6. Deductible:
   ❑ $1,000 ❑ $2,500 ❑ $5,000 ❑ $10,000   More than $10,000: $_____

7. Describe in detail Applicant's services including any areas of specialization.

_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____

8. Please indicate the percentages of your annual revenue involving the following services:

____% Staffing	____% Business Application Software Development
____% Database Design/Management	____% Office Automation
____% System Design/Administration/Engineering	____% Accounting/Financial/Payroll (no funds transfer)
____% Financial Transaction Software (Funds Transfer, Equity Trading)	____% ERP Implementation/Maintenance
____% Network Design & Administration	____% Software/Hardware Installation & Maintenance
____% Hardware Only Installation & Maintenance	____% Software Sales
____% Hardware Sales	____% Web Hosting
____% Application Service Provider	____% Web Design, Development/Graphic Design
____% Computer Security	____% E-Commerce
____% Content/FTP/ Search Services	____% Training & Education
____% Technical Writing	____% Telecommunication Consulting
____% Manufacturing Software (Robotics, PLC, CAM)	____% CAD (Non-structural)
____% Medical Management	____% Medical Diagnostic Software/Hardware
____% Disaster Recovery Planning/Backup Services	____% Other _____

9. Please indicate the percentage of your annual revenue from end clients in the industries below:

____% Manufacturing	____% Government
____% Aerospace	____% Utilities
____% Banking/Investment	____% Internet
____% Insurance	____% Healthcare Providers
____% Telecommunications	____% Medical: Life Support
____% Software Development	____% Pharmaceutical
____% Transportation	____% Construction
____% Education	____% Advertising
____% Retail	____% Entertainment
____% Other _____	

10. Do you have General Liability insurance currently in-force? ❑ Yes ❑ No

11. Contracts and Agreements:
    a. Have you developed a standard client contract or engagement letter? ❑ Yes ❑ No
    b. Do you require 100% of clients to sign this contract? ❑ Yes ❑ No
       If "no," what percent? _____ %
    c. Do you ever sign contracts provided by your client? ❑ Yes ❑ No
       If yes, what percentage of the time do you sign your client's contract? _____ %

12. Are any revenues contingent upon a guarantee of customer savings resulting from the use of your services? ❑ Yes ❑ No
    Are the costs of your services ever reduced if deadlines are missed? ❑ Yes ❑ No
    If yes, please explain

    _____
    _____

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13. Project Administration - Does Applicant:

	Always	Sometimes	Never	N/A
a. Provide client with a written definition of the job?	❏	❏	❏	❏
b. Provide a written estimate of time and cost?	❏	❏	❏	❏
c. Develop weekly status reports?	❏	❏	❏	❏
d. Confirm in writing, client requested changes?	❏	❏	❏	❏
e. Confirm acceptance criteria on client requested changes?	❏	❏	❏	❏

If any of the above questions were marked Not Applicable (N/A), please explain why.

_____

_____

14. Project Lifecycle Management and Documentation:

	Always	Sometimes	Never	N/A
a. Is system design work documented and tested?	❏	❏	❏	❏
b. Is documentation retained for the life of the system?	❏	❏	❏	❏
c. Are test plans followed for all software/program modifications?	❏	❏	❏	❏
d. Do clients have responsibility for confirming accuracy of system?	❏	❏	❏	❏
e. Do you require a written client sign-off on completion of the assignment?	❏	❏	❏	❏
f. Do you implement back-up procedures for client?	❏	❏	❏	❏
h. Has the applicant implemented a written contingency plan?	❏	❏	❏	❏

If any of the above questions were marked Not Applicable (N/A), please explain why.

_____

_____

15. What percentage of your project work is subcontracted to other firms? _____ %
   a. Do you have a standard written subcontract agreement?   ❏Yes ❏No
   b. What kinds of work do you subcontract (describe below)?

_____

_____

16. If you provide network or Internet security services, please answer the questions below:

	Always	Sometimes	Never
a. Do you implement back-up procedures for clients?	❏	❏	❏
b. Do you obtain a signed contract for all projects?	❏	❏	❏
c. Is security specifically addressed in the contract?	❏	❏	❏
d. Does the contract specifically stipulate that such work is not guaranteed to prevent intrusions?	❏	❏	❏
e. When you use licensed security software, do you require that the client accept in writing the terms, conditions, and limitation of the software's license agreement?	❏	❏	❏

   f. What percentage of you security work is based on
   original code or custom applications?   _____ %
   g. What percentage of your security work incorporates security
   software licensed from vendors?   _____ %

   What is a typical security project description? (Please describe, use attachment if necessary)

_____

_____

_____

_____

_____

_____

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17. **For Web Design, Hosting, ASP and other On-Line Service Providers <u>only</u>. Other applicants please skip to question 18.**
   a. Please check the appropriate services and indicate percentage of revenue from each service:

Web Site Designer	_____ %
Web Hosting	_____ %
Content Provider	_____ %
Application Service Provider	_____ %
Internet Access Provider	_____ %
Search Engine	_____ %
Electronic Bulletin Board	_____ %
FTP Site	_____ %
Other:_____	_____ %

   b. If you are providing web design services, please provide the URLs of 3 sites you have designed:

   _____   _____   _____

   c. Do you have any adult only web site clients?　　　❑ Yes ❑ No
   d. Do you maintain any editorial control over content?　❑ Yes ❑ No
   If you are a content provider, please provide the total number of subscribers: _____
   If you are a content provider, or maintain editorial control of Internet content check those applicable and provide details:
   ❑ Adult Only　❑ Music ❑ Financial Information ❑ Advertising ❑ News ❑ Health
   ❑ Children　　❑ Religious　❑ Other
   Please provide details and include any other content provided:

   _____
   _____

   e. Do you offer chat or bulletin board features?　　❑ Yes ❑ No
   If yes, provide details: _____

   _____

   f. If you are an Application Services Provider, please provide the total number of subscribers: _____
   1. Are off-site backups of data and associated programs done daily?　　❑ Yes ❑ No
   2. Please describe the system security measures you are currently using.

   _____
   _____

   3. Explain contingency plan to restore service to customers in the event of an outage:

   _____
   _____
   _____

   g. If you provide ISP or FTP services, please provide the total number of subscribers: ISP _____ FTP _____
   h. If you provide search services, please provide the number of unique sessions per month. _____
   i. Do you sell any products or services (other than on-line products as described above) via the Internet?
   ❑ Yes　❑ No
   If yes, provide details: _____

   _____

18. Professional Liability Insurance History:
   a. Name of Current Carrier _____　Retroactive Date ____ / ____ /____
   Limits: $__,000,000 / $__,000,000　Other _____
   Annual Premium: _____　Deductible: _____

   b. Has any application for similar insurance on behalf of the applicant or any of its partners, executive officers, directors, or to the knowledge of the applicant, on behalf of its predecessors in business ever been declined, cancelled or renewal refused?
   ❑ Yes ❑ No　**If Yes, explain on separate paper.**

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19. Claim History
    a. After inquiry, does the applicant, any director, officer, employee or partner of the applicant have knowledge or information of any act, error or omission which might reasonably be expected to give rise to a claim? ☐ Yes ☐ No
    If yes, explain on separate paper.

    b. Have any claims been made during the past five years against the applicant, their predecessors in business or any of the present or past partners? ☐ Yes ☐ No
    If yes, provide details on a separate paper. Include the date of the event, the date reported to your insurer if applicable, amount incurred in legal defense and any other payments made by you or on your behalf.

20. Please provide the following documentation, if applicable:
    - **Consulting Agreement (your standard contract)**
    - **Software License Agreement**
    - **Distribution Agreement with Software and/or Hardware Manufacturer**
    - **Sales Agreement**

21.a. **Declaration and Signature – (SEE NEXT PARAGRAPH FOR STATE EXCEPTIONS)**

The undersigned, on behalf of all prospective insureds, after a reasonable inquiry, declares to the best of his/her knowledge and belief that the statements contained herein are true and shall be deemed to be material to the acceptance of the risk or the hazard assumed by the Company under this Policy. It is further agreed by the undersigned, its Subsidiaries and their directors, officers and trustees, that the Policy, if issued, is in reliance upon the truth of such representations and warranties which are incorporated into and made a part of the Policy. It is agreed that, although the signing of the Application does not commit the undersigned to purchase the insurance being applied for, the statements made in this Application shall become the basis of the Policy should one be purchased, and shall be attached to and made a part of the Policy. The Company is hereby authorized to make any investigation and inquiry in connection with this application deemed necessary.

22.b. **Declaration and Signature - (STATES OF ARIZONA, KANSAS, MAINE, NEW HAMPSHIRE, OREGON)**

The undersigned, on behalf of all prospective insureds, after reasonable inquiry, declares to the best of his/her knowledge and belief that the statements contained herein are true and shall be deemed to be material to the acceptance of the risk or the hazard assumed by the Company under this Policy. It is further agreed by the undersigned, its Subsidiaries and their directors, officers and trustees, that the Policy, if issued, is in reliance upon the truth of such representations which are incorporated in to and made a part of the Policy. It is agreed that, although the signing of the Application does not commit the undersigned to purchase the insurance being applied for, the statements made in this Application shall become the basis of the Policy should one be purchased and shall be attached to and made a part of the Policy. The Company is hereby authorized to make any investigation and inquiry in connection with this Application deemed necessary.

22.c. **Declaration and Signature – (STATE OF VIRGINIA)**

The undersigned, on behalf of all prospective insureds, after reasonable inquiry, declares to the best of his/her knowledge and belief that the statements contained herein are true and are the basis of the acceptance of the risk or the hazard assumed by the Company under this Policy. It is further agreed by the undersigned, its Subsidiaries and their directors, officers and trustees, that the Policy, if issued, is in reliance upon the truth of such representations which are incorporated in to and made a part of the Policy. It is agreed that, although the signing of the Application does not commit the undersigned to purchase the insurance being applied for, the statements made in this Application shall become the basis of the Policy should one be purchased and shall be attached to and made a part of the Policy. The Company is hereby authorized to make any investigation and inquiry in connection with this Application deemed necessary.

_____   _____   ___ / ___ / ___
Signature of Authorized Partner / Office/Owner   **Title**   **Date**

_____
Name of individual signing this application (printed)

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Please mark the services you provide below.

1. ☐ **Research and Development Services** as described below:
   - Technology research and development.
   - Development, dissemination and publishing of research data.

2. ☐ **Disaster Recovery Planning and Consulting** as described below:
   - Off-site media storage facilities to protect against data loss resulting from disasters such as fires, floods, brownouts, computer failure, employee errors, employee sabotage, pickup and delivery of media.
   - Back-up computer hardware and software facilities, hot and cold sites, relocation services, handling of all electrical power, phone cable, mail, telephone, human resources support during a disaster, and security services to protect property from theft, damage, destruction or sabotage while off site.
   - Auxiliary services such as cleaning, testing and evaluation of tape and disc media, restoration of damaged tapes, updating of media and purging of files.

3. ☐ **Electronic Data Processing and Electronic Data Processing Consulting** as described below:
   - Conversion of data from source material into a form of media for processing on electronic data processing machines and the subsequent processing of such data.
   - Performance of feasibility studies, giving opinions or recommendations regarding electronic data processing objectives and needs.

4. ☐ **Software Programming (includes maintenance)** as described below:
   - Writing, testing and installation of computer programs. Writing of program documentation and the performance of maintenance on established programs.

5. ☐ **Database Management and Consulting** including design, development and maintenance.

6. ☐ **Systems Analysis/Software Design** as described below:
   - Analysis of information needs including the recommending, planning and designing of electronic data processing systems and procedures.

7. ☐ **System Integration** including consulting, and on-site installation of hardware and/or packaged software.

8. ☐ **Multimedia and Interactive Software Development and Consulting** as described below:
   - Combining text, video, voice, computer, and telephone technologies into a multimedia network.
   - Consulting on conversion of existing technology into digital form.
   - Providing switching technology and consulting to connect different networks.

9. ☐ **Image Processing Systems** including management, consulting and/or maintenance services.

10. ☐ **On-Line Publishing and Consulting Services** including Home Page design and consulting.

11. ☐ **Internet Service Provider** including access and web hosting.

12. ☐ **Reselling** Hardware, software and systems

13. ☐ **Training and Education**

14. ☐ **Information Technology Staffing and Placement** services including short and long term.