

TECHNOLOGY ERRORS AND OMISSIONS LIABILITY APPLICATION

(This is an Application for a Claims Made and Reported Policy)

A. GENERAL INFORMATION

1. Applicant, including all DBAs and entities for which you want coverage: _____

2. Street address: (Please list any secondary or foreign locations on a separate sheet.) _____

3. E-mail address: _____ Year firm was established: _____
Web site address: _____
4. Is the applicant controlled, owned or associated with any other firm, corporation or company? Yes No
If "Yes," are any business activities provided to such business enterprises?..... Yes No
5. Does any director, officer, employee or partner of the applicant serve on the board of directors of, or have an ownership interest in, any client of the applicant? Yes No
If "Yes," are any business activities provided to such business enterprises?..... Yes No N/A
6. During the past five years, has the applicant's name been changed, has the applicant been acquired, or has the applicant purchased, merged or consolidated with any other business? Yes No
If "Yes," please explain: _____
7. Are there future mergers or acquisitions planned in the next twelve (12) months?..... Yes No
If "Yes," please explain: _____
8. To what professional associations does the applicant/firm belong? _____

9. Please provide the following:

Name in Full of ALL Partners/ Principals/Key Employees	Professional Qualifications	How Long in Practice	How Long as Partner/Principal

10. Please indicate the total annual gross revenue derived from the services described in Question 16.

	Revenue	Net Income or (Loss)	No. Technical Staff	Total No. of Employees
Last Year	\$	\$		
Current Year	\$	\$		
Projected Next Year	\$	\$		

11. Do you use independent contractors for your services? Yes No
- a. If "Yes," what percentage of your work is subcontracted? %
- b. What kind of work do you subcontract? _____
- c. Are your contractors required to provide you with evidence of professional liability insurance? Yes No
- d. Do you require that you be named on their professional liability insurance as an additional insured? Yes No
- e. Have you agreed under a written contract to include your contractors as Insureds under your policy? Yes No

12. Please indicate the average size and duration of your contracts/jobs with your customers.

	Average Size of Contract (in revenues)	Average Duration of Contract
Last Year	\$	
Current Year	\$	
Projected Next Year	\$	

13. Do you have revenues from foreign operations (outside of the United States or Canada)? Yes No
 If "Yes," please complete the following chart:

	Percentage of Total Revenue	Services Provided/ Products Sold	Countries Where Services or Products are Sold
Last Year	%		
Current Year	%		
Projected Next Year	%		

14. a. What percentage of your revenues comes from repeat customers? %
- b. What percentage of your revenues comes from referrals? %

15. Please list the five largest projects (by revenue) handled during the past three years.

Project/Client	Start & End Dates	Nature of Services Provided	Revenues

B. OPERATIONS INFORMATION

16. Please indicate the percentage of your revenues generated by the following **Types of Services**:

SERVICES	Percent Revenues (each year should total 100%)		
	Last Year	Current Year	Projected Next Year
Data Processing	%	%	%
LAN/WAN Administration	%	%	%
Tech Support and Maintenance	%	%	%
Training and Education	%	%	%
Sale of Software of Others	%	%	%
Sale of Hardware of Others	%	%	%
Value Added Reselling	%	%	%
Software and Hardware Installation/Service	%	%	%
Systems Integration	%	%	%
Consulting	%	%	%
Hardware/Component Design and Manufacturing	%	%	%
Network/Communication Systems	%	%	%
Packaged Software Design/Publishing	%	%	%
Systems Analysis and Design	%	%	%
Web site Design, Consulting and Maintenance	%	%	%
Application Service Provider (ASP)	%	%	%
Internet Service Provider (ISP)	%	%	%
Custom Programming	%	%	%
Temporary Help and Contract Work	%	%	%
Disaster Recovery Services	%	%	%
Network Security/Authentication	%	%	%
Web Hosting	%	%	%
Other (Describe): _____	%	%	%
Total	%	%	%

17. Please identify major **End Uses or Applications** (should total 100%):

Animation	___	% Decision Support Systems	___	% Inventory & Purchasing .	___	%
Accounting	___	% Education/Training	___	% Legal Processing	___	%
Billing Systems	___	% Facilities Management	___	% Multimedia	___	%
CAD/CAM.....	___	% Factory Floor Applications	___	% Office Automation	___	%
Conversion of Systems ...	___	% Financial Analysis	___	% Operating Systems	___	%
Cost Estimates/Quotes ...	___	% Funds Transfer.....	___	% Payroll Processing.....	___	%
Credit Card Processing ...	___	% Games (Educational)	___	% Programming Language	___	%
Database Info Retrieval ..	___	% Games (Non-educational) .	___	% Speech Processing.....	___	%
Database Management...	___	% Graphics/Charts	___	% Systems Testing	___	%
Data Security.....	___	% Image Processing.....	___	% Other: _____	___	%

18. Please indicate the **Industries** where you generate your revenues (should total 100%):

Aerospace	___ %	Legal	___ %
Agriculture	___ %	Manufacturing	___ %
Architecture/Engineering.....	___ %	Media and Publishing.....	___ %
Computer/High Tech	___ %	Military.....	___ %
Construction	___ %	Real Estate	___ %
Consumers/Home Use.....	___ %	Retail/Wholesale	___ %
Education	___ %	State and Local Government	___ %
Federal Government	___ %	Telecommunications	___ %
Financial Institutions.....	___ %	Transportation.....	___ %
Gaming/Gambling	___ %	Utilities	___ %
Health Care and Medical Services.....	___ %	Warehouse/Distribution.....	___ %
Insurance.....	___ %	Other: _____	___ %

19. Is the applicant engaged in any business or professional activity other than those described in question 16. above? Yes No

If "Yes," please explain and include estimated receipts: _____

C. RISK MANAGEMENT

20. Please indicate your practices as respects the use of contracts. **Attach a sample contract that you use for your largest customer.**

	Contracts and Agreements	Yes	No	Sometimes (indicate %)
a.	Do you use written contracts with your clients?	<input type="checkbox"/>	<input type="checkbox"/>	___ %
b.	Was your contract reviewed and approved by legal counsel?	<input type="checkbox"/>	<input type="checkbox"/>	___ %
c.	Do you ever amend your contract from its standard wording? If so, please describe typical changes that would be made: _____ _____	<input type="checkbox"/>	<input type="checkbox"/>	___ %
d.	Do you ever sign contracts provided by your client?	<input type="checkbox"/>	<input type="checkbox"/>	___ %
e.	Do your contracts include a detailed description of services?	<input type="checkbox"/>	<input type="checkbox"/>	___ %
f.	Do your contracts contain guarantees or warranties?	<input type="checkbox"/>	<input type="checkbox"/>	___ %
g.	Do your contracts include disclaimers for consequential and incidental damages?	<input type="checkbox"/>	<input type="checkbox"/>	___ %
h.	Do your contracts contain cancellation provisions?	<input type="checkbox"/>	<input type="checkbox"/>	___ %
i.	Do your contracts include a hold harmless or indemnity agreement inuring to your benefit?	<input type="checkbox"/>	<input type="checkbox"/>	___ %
j.	Do your contracts include a hold harmless or indemnity agreement inuring to your clients' benefit?	<input type="checkbox"/>	<input type="checkbox"/>	___ %
k.	Do your contracts include a Limitation of Liability? If so, is it equal to the amount of the contract? If "No," what other amount? _____	<input type="checkbox"/>	<input type="checkbox"/>	___ %
l.	Do your contracts include a timetable for performance milestones and date of completion?	<input type="checkbox"/>	<input type="checkbox"/>	___ %

21. Do you provide any services or products that require downtime of one day or less? Yes No
 If "Yes," describe the procedures you have to prevent unintended downtime: _____

22. Do you have a contingency plan in writing in the event of a system failure? Yes No N/A

23. How many users would be affected if your product or service failed?..... 1-10 11-100 100+

24. Is there a formal process in place for resolving customer disputes?..... Yes No

25. In the past five years, have you experienced a recall of any software or hardware that you made or sold? Yes No N/A

26. Is a standard test plan followed for all of your system and/or software design development work? Yes No N/A
 If "Yes," does your test plan include procedures for detection and correction of bugs, viruses, intrusions, security flaws, malicious code or other anomalies? Yes No N/A

27. Do your clients sign off on the final product before implementation? Yes No N/A

28. Do you retain design, development and testing documentation for the life of the systems and/or software? Yes No N/A

D. SECURITY

29. Please check those items that you incorporate in your systems security plan:

<input type="checkbox"/> Secure firewall	<input type="checkbox"/> Password protection
<input type="checkbox"/> Security for remote maintenance	<input type="checkbox"/> Automated security scanner
<input type="checkbox"/> Access restrictions	<input type="checkbox"/> Intrusion detection
<input type="checkbox"/> Anti-virus scanning	<input type="checkbox"/> Identification, authentication and integrity protocols
<input type="checkbox"/> Anti-spoofing tools	<input type="checkbox"/> Content filtering
<input type="checkbox"/> Anti-spyware software	<input type="checkbox"/> Continuous monitoring of security alerts
<input type="checkbox"/> Encryption of data and passwords	<input type="checkbox"/> Continuous use of third party security patches

30. Do you provide remote access to your systems? Yes No N/A
 If "Yes," to how many users? _____

Is remote access restricted to Virtual Private Networks (VPNs)?..... Yes No

31. Do you engage third parties to provide security audits? Yes No N/A
 If "Yes," a. How often? _____

b. Date of the last audit: _____

32. Do you reassess security vulnerabilities after all system upgrades and changes?..... Yes No N/A

33. Do you have written procedures to address suspected intrusions or security alerts?..... Yes No N/A

34. Do you have a Systems Security Manager?..... Yes No N/A

35. Have you experienced a breach of security or been informed of security vulnerabilities?..... Yes No N/A
 If "Yes," what have you done to prevent future security breaches? _____

36. Do you have a written systems and physical security policy statement? Yes No N/A
 If "Yes," is it shared with all employees? Yes No N/A
 How often is it updated? _____
37. Do you have written guidelines for employees that addresses systems and Internet usage?.. Yes No N/A
38. Do you have a formal disaster recovery program? Yes No N/A
 If "Yes," when was it last tested? _____
39. Do you terminate all computer access and user accounts when an employee leaves your company?. Yes No

E. CURRENT AND PRIOR COVERAGE

40. a. Please provide the following information for **General Liability** coverage currently in force:

Company	Limit	Policy Term
	\$	

b. Does the policy above include:

- Coverage for Products Liability/Completed Operations? Yes No
 Personal Injury? Yes No
 Advertising Injury? Yes No

41. Please list all the applicant's prior Professional Liability Insurance carriers for the past five years as follows:

Name of Insurer	Policy Period	Limit	Deductible	Premium	Retroactive Date (if any)
		\$	\$	\$	
		\$	\$	\$	
		\$	\$	\$	
		\$	\$	\$	
		\$	\$	\$	

42. Has any insurance company or insurer declined, cancelled or refused to renew any similar insurance for the applicant during the past five years? Yes No
 If "Yes," give details: _____

F. CLAIM INFORMATION

43. Have you ever brought a claim or suit against a client for their failure to pay you for your products or services? Yes No
 If "Yes," please provide details: _____

44. After inquiry, have any claims been made during the past five years against the applicant or any of the present partners or to the applicant's knowledge against any past directors, partners, or officers? Yes No
 If "Yes," please complete a Claim/Circumstance Supplement.
45. After inquiry, have any claims been made during the past five years against any office workers or employees of the applicant? Yes No
 If "Yes," please complete a Claim/Circumstance Supplement.

46. After inquiry, is the applicant aware of any facts or circumstances or any allegations or contentions of any incident which may result in any claim being made against the applicant, or any of its past or present partners, executive officers, directors, office workers or employees, any predecessors in business or against any corporation that the applicant was formerly employed by, associated with or had an interest in?..... Yes No

If "Yes," please complete a Claim/Circumstance Supplement.

It is agreed that if such knowledge exists, any claim or action arising therefrom is excluded from this proposed coverage.

47. Limit of Liability desired:

- \$250,000/\$500,000 \$500,000/\$500,000 \$500,000/\$1,000,000
- \$1,000,000/\$1,000,000 \$1,000,000/\$2,000,000 \$2,000,000/\$2,000,000
- \$3,000,000/\$3,000,000 \$5,000,000/\$5,000,000 Other _____

48. Deductible: \$2,500 \$5,000 \$10,000 \$25,000 Other _____

49. SUBMIT UNDER SEPARATE COVER WITH THIS APPLICATION:

- a. A brief resume for all principals, partners and officers not listed on Question 9.;
- b. Copy of sample contract between applicant and largest client outlining services to be rendered (if one is used)

THE APPLICANT AND FIRM ACCEPT NOTICE THAT ANY POLICY WHICH MAY BE ISSUED WILL APPLY ON A "CLAIMS MADE AND REPORTED" BASIS.

The undersigned authorized person, on behalf of himself/herself and the applicant, attests that to the best of his/her knowledge and belief the statements set forth herein are true. Although the signing of this Application form does not bind the undersigned to effect insurance, the undersigned agrees that this application and the said statements shall be the basis of the policy of insurance and deemed incorporated therein, should the Company evidence its acceptance of this applicant by issuance of a policy.

The undersigned authorized person, on behalf of himself and the applicant, declares that the above statements are true, that he/she has not suppressed or misstated facts and that at the present time he/she has no reason to anticipate any claims being brought against him/her or any representative of the applicant, or knowledge of any negligent act, error, omission or offense on his/her part of any representative of the applicant except as stated herein, and agrees that this Application Form shall be the basis of the contract between him/her, the applicant and the Company and shall be deemed a part hereof.

Signing this form does not bind you to complete the insurance. Coverage will become effective upon approval of the application and issuance of the policy. It is agreed that this form will be the basis of the contract. Should a policy be issued, this form will be attached to and become a part of the policy.

The answers given to all questions in this application are complete and correct to the best of my knowledge.

NOTICE TO NEW YORK APPLICANTS: 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, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

Signature and Title of Applicant (must be President or CEO)

Date

Producer's Name

Area Code Phone Number