



TECHNOLOGY INSURANCE APPLICATION & SUPPLEMENTS

(Claims First Made & Reported Basis)

**Professional Liability Insurance
Services, Inc. - Underwriting Facilities**
1.800.761.7547 / (512) 328.0677 . FAX (512) 327.5834
<http://www.plisinc.com> . underwriting@plisinc.com



Answer all questions. Explain if the question does not apply. If space is insufficient, please attach an additional explanation sheet. The Application must be signed and dated by a partner, officer or director of the Applicant. Please ensure that the following are provided with the Application: 1) Resume of key personnel and 2) Company Promotional Literature (website address will suffice).

Part 1 General Information

- Name of Applicant _____
Applicant is: Individual Partnership Corporation Other
- Full address: _____
 Street No. City State Zip
- A. Contact Person: _____
B. Telephone Number: _____ Fax Number: _____ Email Address: _____
Website address / URL: _____
- Limits of Liability requested: _____ Deductible requested: _____

Part 2 Company Information

- Date Established _____ Total number of staff: _____
- Gross Billings: Last year Current year (forecast) Next year (forecast)
 _____ _____ _____
- a. Are any significant changes in the nature or size of the Applicant's business anticipated over the *next* 12 months? YES NO
b. Have there been any such changes in the *past* 12 months?..... YES NO
If yes, to 7a. or 7b., provide details.

8 a. Please indicate the Applicant's five largest customers (determined as % of total gross billings for past fiscal year):

	Client	Service	Size of Contract
1.			
2.			
3.			
4.			
5.			

- b. What is your average contract value? _____
- c. What is your largest contract? _____
- What is the percentage of sales to repeat clients? _____
- Do you control, own, and/or manage any other business entity(ies)? _____ YES NO
If Yes:
A. Do you provide any services to such business entity(ies)? YES NO
B. Does any employee of the applicant serve on the Board of Directors of any client of the applicant? YES NO
Provide detailed explanation to any "Yes" Responses

Part 3 Products / Services Information

- Please describe in detail the nature and types of professional services the Applicant is engaged in.

- Rate the technical sophistication of the Applicant's average customer. Little/none Average High

13. In the Applicant's opinion, what is the worst-case scenario if their product / service fails?

14. Indicate the % of revenue expected during the next 12 months from the following (please answer for all that apply):

Revenue %	Revenue %
Data Processing and Entry _____	Basic ISP – Web access, web space and email _____
Custom Software Development _____	ISP / Portal but providing access to proprietary content services _____
Packaged Software Development _____	Website and server hosting for business customers _____
Consulting on Hardware / Software System design / purchase _____	Content Provider for Web Page / Forum _____
Systems Installation _____	Forum/Content Channel/Forum Manager _____
Systems Maintenance _____	Electronic Commerce _____
Computer Related Training _____	Application Service Provider _____
Web Page Development / Maintenance / Updates _____	Other (Please Explain) _____
	TOTAL: _____

15. From the following list, which of these apply to the products/services indicated above?

- | | |
|--|--|
| <input type="checkbox"/> Administrative (sales data, lists, etc.) | <input type="checkbox"/> Communications: Utilities/Info Services |
| <input type="checkbox"/> Accounting (payroll, receivables, payables) | <input type="checkbox"/> Fund transfer |
| <input type="checkbox"/> Financial (savings, checking, loan dividend accounts) | <input type="checkbox"/> Medical |
| <input type="checkbox"/> Inventory Control | <input type="checkbox"/> Educational |
| <input type="checkbox"/> Scientific | <input type="checkbox"/> Facilities Management Office Automation |
| <input type="checkbox"/> Graphics | <input type="checkbox"/> LAN/Network |
| <input type="checkbox"/> CAD/CAM: Manufacturing/Engineering tools | <input type="checkbox"/> Database Management |
| <input type="checkbox"/> Architectural (Model building/projection) | <input type="checkbox"/> CASE: Application development tools |
| <input type="checkbox"/> Telecommunications | <input type="checkbox"/> Other _____ |

16. Indicate the market(s) for your products/services:

Receipts %	Receipts %
Aerospace _____	Gambling _____
Communications/Transportation _____	Health Care/Medical Services _____
Construction/Mining/Agriculture _____	Manufacturing/Industrial _____
Education _____	Trade: Retail/Wholesale _____
Financial Trading _____	Other (please specify) _____
Military _____	TOTAL _____

17. Has the Applicant, for any reason, discontinued any products/services in the past 3 years? YES NO

18. Does the Applicant have a customer notification plan in the event a products/service is discontinued?..... YES NO

19. Please list any new products/services to be launched in the next 12 months. _____

Part 4 Online/Internet Related Services

If the Applicant provides online/internet related services to customers, please answer the following questions below. If not, please proceed to **Part 5: Copyright and Trademark**.

20. What are the Applicants procedures for monitoring hosted sites? _____

21. Does the Applicant have procedures for detecting websites that have been compromised by unauthorized access or by hackers?
If yes, please provide full details..... YES NO
22. Does the Applicant have a policy for removing controversial material (libelous, slanders, etc.) from
On-Line services? (If yes, please explain)..... YES NO N/A
23. Has the Applicant ever received a complaint concerning the content of their On-Line services?..... YES NO
If yes, how did the Applicant respond to such complaints and in what time frame? _____

24. Does the Applicant offer e-commerce services to its customers (i.e. credit card transactions)? YES NO
If yes, please provide details including type of software used: _____

25. What type of firewall system is used to ensure security on hosted web sites? _____

Part 5 Copyright and Trademark

26. Does the Applicant have a policy for removing infringing material (copyright, trademark, etc.) from their
On-Line services? (If yes, please explain)..... YES NO
27. Where the company incorporates any software or products designed by others into its design, does it
always obtain a license to do so? YES NO N/A
28. Does the Applicant have written procedures to safeguard against the infringement of copyright or
trademark of others?..... YES NO
29. To conduct a search does the Applicant use: Legal Counsel Internet Other _____

Part 6 Risk Management

- 30 a. Does the Applicant use a written contract? Always Sometimes Never
If not always, please explain how the scope of the services provided is to be agreed: _____

- b. Has Legal Counsel reviewed all contracts? YES NO
- c. Does each contract contain:
- Statement of Work? YES NO
- Limitation of Liability? YES NO
- Disclaimer of warranties? YES NO
- Force Majeure? YES NO
- Exclusive remedies? YES NO
- Dispute resolution? YES NO
31. Does the Applicant require a signed formal acceptance from its customers?..... YES NO
32. Does the Applicant keep written records of customer complaints?..... YES NO
33. Please explain what service and response time the Applicant guarantees its customers? _____

34. What percentage of work is subcontracted to others? _____

35. Does the Applicant usually require proof of insurance from subcontractors? YES NO
 If yes, please explain and include the nature of the indemnities, hold harmless agreements, etc.: _____

36. Does the Applicant have a formal disaster recovery plan? YES NO
37. How does the Applicant prevent the transmission of computer viruses? _____

38. Does the Applicant have a formal product recall program? YES NO

Part 7 Privacy Information

39. Do you have a privacy policy? YES NO
 If Yes:
 a. Has it been reviewed by an attorney? YES NO
 b. Is the privacy policy posted on your website? YES NO
40. Which of the following does your privacy policy contain? (check all that apply):
 Explanation of type of information collected Description of how information is collected
 Disclosure of use of information collected Access to and the ability for user to change or update information
 Description of safeguards and security measures used to protect information
41. Do you provide opt-in or opt-out options in the following areas? (check all that apply):
 Receipt of users of content from yours or others Collection of user information
 Sharing of user information
42. Do you require users to actively agree to or acknowledge your privacy policy before they provide information? YES NO
43. Is the point of information collection secure? YES NO
44. Is personally identifiable and/or confidential information:
 a. Transmitted in encrypted form? YES NO
 b. Stored in encrypted form? YES NO
45. Do you sell or share personal and/or confidential information gathered from customers or others? YES NO
(This includes information gathered from your website or by other means)
 If Yes, do you notify and obtain the consent of these customers or others prior to dissemination? YES NO
46. Do you provide services where you are required to care for confidential or personal information of others? YES NO
 If Yes, indicate which of the following kinds of information are cared for (check all that apply):
 Inventory Intellectual Property Customer Data Legal
 Work History/Resume Criminal Records Other (please describe) _____

Part 8 Loss History & Insurance Information

47. Is there any errors and omission or professional liability insurance in favor of the Applicant currently in force? YES NO

<u>Policy Period</u>	<u>Renewal Date</u>	<u>Carrier</u>	<u>Limit</u>	<u>Deductible</u>	<u>Premium</u>

 Current Prior Acts Limitation: _____
48. Has an errors and omission or professional liability insurance ever been declined or cancelled? YES NO
 If yes, please provide details. _____

If yes, to Questions 49 – 51, please provide (on the Claims Schedule) a description which includes the venue of the action, the parties, the amount at dispute, the nature of the claim(s), the status of the action(s) and how the action(s) was resolved as to the Applicant, including all costs incurred; including expenses.

To avoid loss of coverage, it is imperative that all known circumstances, acts, errors, omissions which could result in a professional liability claim against the Applicant, or any of its predecessor companies, be reported to your current insurer within the time period specified in your **current policy**.

As used in the questions below, the term “claim” shall mean a demand received by the Applicant for money or services, including the service of suit or institution of arbitration proceedings against the Applicant.

49. Has the Applicant or any director, officer, employee or partner been subject to disciplinary action as a result of professional activities?
YES NO
50. Is the Applicant aware of any claims (including any circumstances reported to previous insurers which have not developed into claims (during the last 10 years)? _____ YES NO
51. Has the Applicant been a party to any lawsuit or other legal proceeding within the past 10 years? _____ YES NO

Part 9 Notice

All Policies, if issued, include a deductible applying to the cost of defense, judgment and settlement or any combination thereof and, as stated in the Policy, the costs of legal defense are included within the limits of liability except as otherwise endorsed. The limits of liability shall be reduced, and may be completely exhausted, by costs, charges and expenses and, in such event, the insurers shall not be liable for costs, charges and expenses or for Damages to the extent that costs, charges and expenses or Damages exceed the limits of liability stated in the Declarations of the Policy.

The Applicant warrants to the best of its knowledge and belief that the statements set forth herein are true and include all material information. The Applicant further warrants that if the information supplied on this Application changes between the date of this Application and the inception date of the Policy, the Applicant will immediately notify underwriters of such change prior to inception of the Policy. Signing of this Application does not bind the Insurer to an offer nor the Applicant to accept insurance. The Applicant understands and agrees that this Application and any other previous applications, along with any attachments and supplied information thereto shall be a material and integral part of the Policy and any part of any Policy that may be issued by the Insurer, and the statements made herein shall be construed as representations and warranties of the Applicant.

This Application is for a "CLAIMS MADE AND REPORTED" BASIS POLICY which limits liability to claims first made and reported against the Applicant during the Policy Period. Coverage, if completed, will not apply to any known circumstance, act, error or omission that occurred before the inception of the Policy Period. The Applicant agrees that in the event of covered claims, the Applicant will be required to be defended by the Insurer's appointed Attorneys and that the deductible under the Policy shall apply to claims and including (whether or not indemnity payment is made) expenses, investigations costs, and legal fees. If however, the Applicant elects to handle a claim without in any way involving the Insurer's Attorneys, then no coverage for such a claim is afforded the Applicant under the Policy.

By signing this Application form, the Applicant confirms that they have been provided with and inspected a specimen of the Small Business Essentials – Miscellaneous Errors & Omissions wording. It is recommended that the Applicant take time to review the policy to ensure that they fully understand the Coverage provided. The Applicant should feel free to consult with any source, including legal advisors, regarding coverage.

In addition to all other terms and conditions:

Applicable in Kentucky. 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.

WARNING

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

Date

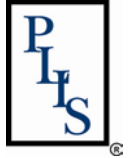
Signed by Partner, Officer, or Director

Title



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CLAIMS SCHEDULE

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Please complete this form if the Applicant is aware of any claims as indicated in Questions 49-51 of the Application (including any circumstances reported to previous insurers which have not developed into claims) during the last ten (10) years.

1. Name of Applicant _____
2. Name of member of Staff involved in claim: _____
3. Name of (potential) claimant: _____
4. Date of Incident: _____ Date claim made: _____
5. Under which policy was the claim made? _____
Carrier: _____ Policy No. _____
6. Status of claim: Closed Open
If Closed, please indicate Total Loss Paid (including defense expenses): _____
If Open, please complete questions 7, 8, 9 and 10.
7. Total defense costs and expenses to date: _____
8. Damages or other relief sought by the claimant(s): _____
9. Insurers loss reserve: _____
10. Please give the following details:
 - a. The specific act, error or omission upon which the claimant bases the claim.
 - b. A brief description of the claim.
 - c. Details of the current status and proposed strategy for handling the claim.

Date

Signed by Partner, Officer, or Director

Title