



# Computer and Technology Products and Services Professional Liability New Business 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 Insurer within 60 days. The Limit of Insurance available to pay judgments or settlements shall be reduced by amounts incurred as Defense Costs. The Insurer has a duty to defend any Insureds pursuant to the terms and conditions of the Policy.**

## INSTRUCTIONS

Completion of this application may require input from the risk management, information technology, finance, and legal departments of the applicant (hereinafter, "Applicant" or "company"). Additional space may be needed to provide complete answers.

- This form must be completed, dated and signed by an authorized officer of your company.
- If any supplemental information is required (contracts, agreements, or financials, etc), please attach.

**Underwriters will rely on all statements made in this application. Applicant Information:**

Business Name: \_\_\_\_\_

( Business or Applicant Name as it should appear on the policy)

Business Address: \_\_\_\_\_

Mailing Address (if different): \_\_\_\_\_

Business Type:  Corporation.  Partnership  LLC  Sole Proprietor  Other

Subsidiary Names: \_\_\_\_\_

Nature of Business: \_\_\_\_\_

Years of industry experience of senior management: \_\_\_\_\_ Year Established: \_\_\_\_\_

Number of Principals, Partners, Directors, Officers: \_\_\_\_\_ Total Number of all Employees: \_\_\_\_\_

URL Addresses for All Public-Facing Websites: \_\_\_\_\_

Provide Gross Revenues (including licensing fees) below:

	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Prior Year:	\$	\$	\$
Current Year (est.):	\$	\$	\$
Next Year (est.):	\$	\$	\$

**I. INSURANCE INFORMATION**

**A. Limits of liability for which company is applying:** \$\_\_\_000,000 (Occ.) / \$\_\_\_000,000 (Agg.)

**B. Deductible and Coverage Dates Requested**

Deductible Requested:  \$2,500  \$5,000  \$10,000  Other \$\_\_\_\_\_

Proposed Effective Date \_\_\_\_\_ Retroactive Date: \_\_\_\_\_

**C. Current Coverage and Loss Information**

*If the answer is yes to any of questions 2 – 8, please attach explanations. With respect to claims or litigation, include any pending or prior incident, event or litigation, providing full details of all relevant facts.*

1. Does the company currently have Errors and Omissions/Professional Liability insurance in force?  Yes  No

*If so, please complete the following:*

Name of Carrier:		Limits of Liability:	
Deductible:		Annual Premium:	
Expiring Date:		Retroactive Date:	

2. Has your company ever been declined for Errors & Omissions, Professional Liability or Media Liability insurance, or had an existing policy refused renewal or cancelled by the insurance company? (Do not include policies you voluntarily non-renewed.)  Yes  No
3. After inquiry, does the company, any of its subsidiaries, or any of their owners, principals, partners, officers, directors, executives, managers, employees or independent contractors, have knowledge or information of any act, error, omission, or circumstance which might reasonably be expected to give rise to a claim, suit or action against the company or any such subsidiaries?  Yes  No
4. In the past three years has a customer claimed that they had a financial loss as a result of an error or omission on the part of the company or any of its subsidiaries?  Yes  No
5. In the past five years have any claims, suits or actions been made against the company, any of its subsidiaries or predecessors in business, or any of their owners, principals, partners, officers, directors, or any other executives or professional employees?  Yes  No
6. In the past five years, has the company or any of its subsidiaries been the subject of any cease and desist orders concerning content or advertising on your company's or such subsidiary's website?  Yes  No
7. Has the company or any of its subsidiaries, predecessors in business, or affiliates, or any of their owners, principals, partners, officers, directors, managers, or any other executives, professional employees, or independent contractors ever been the subject of a disciplinary action as a result of professional activities?  Yes  No
8. In the past three years, has the company or any of its subsidiaries been the subject of an investigation or action by any regulatory or administrative agency for violations arising out of the company's or subsidiary's advertising or sales activities?  Yes  No
9. Has the applicant reported any matters referred to in questions 3-8 to its current or former insurance carrier?  Yes  No  
 N/A

## II. SERVICES AND CLIENT INFORMATION

A. **Products and Services Offered-** please indicate the percentages of the company's annual revenue involving the following services.

### Software Consulting, Development and Project Management

- \_\_\_% Accounting / Financial / Payroll (No funds transfer)
- \_\_\_% Business Application Software Development
- \_\_\_% Database Design & Maintenance
- \_\_\_% Data Intelligence & Data Mining
- \_\_\_% Document Management / Imaging / Automation
- \_\_\_% ERP/CRM Implementation & Maintenance
- \_\_\_% IT Project Management & Consulting
- \_\_\_% Medical General Office Systems & Billing
- \_\_\_% Medical Records Management & Retrieval
- \_\_\_% Business Process Automation
- \_\_\_% SOX & HIPAA & IT Auditing

### Computer Network Services

- \_\_\_% Computer Security (Original & Custom Network Security Software Development)
- \_\_\_% Computer Security (Off-the-shelf Firewall & Anti-Virus Software Implementation)
- \_\_\_% Data Restoration
- \_\_\_% Disaster Recovery / Backup Services
- \_\_\_% Hardware Installation & Maintenance
- \_\_\_% Network Design & Administration
- \_\_\_% Software Installation & Maintenance
- \_\_\_% System Design, Administration & Engineering
- \_\_\_% Real Time Network Monitoring

### Hardware and Software Sales

- \_\_\_% Computer Hardware Re-Sales
- \_\_\_% Off-the-Shelf Software Re-Sales

### Instructional Services

- \_\_\_% IT Training & Education
- \_\_\_% Technical Writing

### Web Development / Internet Services / Advertising

- \_\_\_% Advertising Services & Graphic Design
- \_\_\_% Application Service Provider
- \_\_\_% E-Commerce / Dynamic Web Application Development & Maintenance
- \_\_\_% Internet Media Service / Content Development
- \_\_\_% ISP / Content / Search Services / FTP
- \_\_\_% Webcasting / Online Forums
- \_\_\_% Web Development & Maintenance (Static)
- \_\_\_% Web Hosting

### Telecommunications

- \_\_\_% Telecom Switching System Software
- \_\_\_% Telecommunication Consulting
- \_\_\_% Telephone Systems Installation
- \_\_\_% Telephone System Network Consulting
- \_\_\_% VOIP Service Provider

### IT Staffing

- \_\_\_% Temporary IT Staffing and Placement

### Specialty Services

- \_\_\_% Computer Aided Design (Non-structural)
- \_\_\_% Computer Aided Design (Structural)
- \_\_\_% Funds Transfer Software (EFT, Securities Trading, Clearing, Settlement)
- \_\_\_% Manufacturing Systems (Robotics, PLC, CAM)
- \_\_\_% Medical Systems (Diagnostic & Patient Life Support & Health Monitoring)
- \_\_\_% Scientific and Technical Systems
- \_\_\_% Other (Describe) \_\_\_\_\_

**B. Industries Served-** please indicate the percentages of the company's annual revenue from end clients in the industries below:

**Services and Retail Clients**

- \_\_\_% Advertising
- \_\_\_% Small Office (Miscellaneous)
- \_\_\_% Retail
- \_\_\_% Entertainment

**Government and Utility Clients**

- \_\_\_% Aerospace / Defense
- \_\_\_% Education
- \_\_\_% Government: Federal, State or Local
- \_\_\_% Utilities: Power, Oil & Gas or Waste

**Financial Services Clients**

- \_\_\_% Banking & Investment
- \_\_\_% Insurance

**Medical Services Clients**

- \_\_\_% EMS / Medical Monitoring
- \_\_\_% Pharmaceutical
- \_\_\_% Healthcare Providers

**Technology Clients**

- \_\_\_% Internet Services: search Services/ ISP, etc.
- \_\_\_% Software Development
- \_\_\_% Telecommunications

**Other Industries**

- \_\_\_% Construction
- \_\_\_% Manufacturing
- \_\_\_% Transportation/Airlines/Rail/Trucking

**III. NETWORK SECURITY**

Which of the following apply to your company's own network security (*check all that apply*):

- Written network security policy
- Firewall in place
- Person or group responsible for information security
- Security software update process, including updating patches and anti-virus software
- Perform regular network security reviews or assessments and have procedures in place to periodically test security controls
- Physical security controls in place to control access to your computer systems
- Systems backed up on a daily (or more regular) basis
- Disaster recovery or information security incident response plan in place for your network

**IV. SALES CONTRACTS, LICENSING CONTRACTS, STATEMENTS OF WORK**

1. Does the company use a written contract or agreement for services with its customers?  Always  Sometimes  Never
2. Are contracts reviewed by the company's legal department or a third party law firm?  Always  Sometimes  Never
3. Do such contracts or agreements contain the following provisions?
  - Specific descriptions of the professional services your company is to provide?  Always  Sometimes  Never
  - A limitation of liabilities in favor of your company?  Always  Sometimes  Never
  - Guarantees or warranties?  Always  Sometimes  Never
  - Mutual hold harmless or indemnity agreements?  Always  Sometimes  Never
  - Payment terms?  Always  Sometimes  Never
  - Provisions for the ownership of intellectual property  Always  Sometimes  Never

**V. QUALITY CONTROL**

- 1. Are formal customer acceptance procedures in place and documented with signoffs by both the company and customer?  Yes  No
- 2. Are formal written system or software development methodologies in place?  Yes  No
- 3. Does the company have procedures to ensure compliance with Federal, State and local statutes when applicable?  Yes  No
- 4. Does the company have an Internal Project Management Audit procedure in place?  Yes  No
- 5. Are the company's key professionals accredited or certified?  Yes  No
- 6. Does the company have a formalized Continuing Education program required for all professional employees on an annual basis?  Yes  No
- 7. Does the company have formalized in-house training procedures for professional employees?  Yes  No

**VI. IT RECRUITING & STAFFING SERVICES: Only answer the following questions if the company provides Temporary IT Recruiting and Staffing Services and is requesting a quote to include coverage:**

- 1. Does the company directly supervise placed personnel or have project management responsibility?  Yes  No
- 2. Does the company provide staffing and placement services in any area other than Information Technology?  Yes  No
- 3. What percentage of the company's workforce is provided a 1099? \_\_\_\_\_%
- 4. What percentage of the company's workforce is provided a W-2? \_\_\_\_\_%
- 5. Is your company responsible for the placed employees work?  Yes  No
- 6. Please breakdown the company's staffing exposure into the following categories: (percentage of placements in each category)
  - Principals, partners or officers \_\_\_\_\_%
  - Project Management with oversight responsibilities \_\_\_\_\_%
  - Programming and/or Technical Support staff \_\_\_\_\_%
- 7. How does the company investigate and verify the backgrounds, qualifications and credentials of job candidates.
  - Prior employment verification
  - Reference Checking
  - Professional Skills Testing
  - Criminal background Checking
  - Other (Describe) \_\_\_\_\_
- 8. What steps are taken to protect a job candidate's confidential information from being released to an unauthorized party?  
 \_\_\_\_\_  
 \_\_\_\_\_

**VII. FINANCIAL TRANSACTIONS/E-COMMERCE SERVICES: Only answer the following questions if the company provides any financial transaction applications or services and is requesting a quote to include coverage:**

1. Does the company's activities, services or products in anyway alter, implement or maintain software applications directly or indirectly involved in the movement of funds, including but not limited to: electronic funds transfer (EFT), real-time automated or manual securities trading, Automated Clearing House (AHC) activities or financial transactions clearing or settlement? Please provide a complete description of the activity, services and/or product  Yes  No

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2. Are the company's services or software applications involved in real-time online payment processing including credit card transaction processing? (This does not include building shopping cart technology.) Please provide a complete description of the activity, services and/or products.  Yes  No

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**VIII. ELECTRONIC MEDIA ACTIVITIES: Only answer the following questions if the company is engaged in Electronic Media Activities and is requesting a quote to include coverage:**

"Electronic Media Activities," for purposes of this application, means the electronic publishing, dissemination, releasing, gathering, transmission, production, web casting, or other distribution of electronic content on the internet, on behalf of the company or by the company for others."

1. Is a formal process in place to educate employees about the importance of adhering to copyright, trademark, and privacy laws?  Yes  No
2. Do you support or provide file sharing, social networking, or peer-to-peer network services?  Yes  No
3. Do you support or provide adware, spyware or other similar software used to push advertising or digital content or covertly obtain user information?  Yes  No
4. Does the company have procedures in place for the formal review of content/material for their web site(s) or Internet service(s) to safeguard and enforce against infringing intellectual property rights of others?  Yes  No
5. Does the company offer a bulletin board or chat room on its website?  Yes  No
6. Does your company use material provided by others, such as content, music, graphics or video stream on your website?  Yes  No

**IX. INTELLECTUAL PROPERTY: Only answer the following questions, if you are applying for Intellectual Property Liability coverage and are requesting a quote to include this coverage:**

- 1. Is a formal process in place to educate new employees about the importance of copyright law, with clear restrictions against using material developed for previous employers?  Yes  No  
If YES, are new employees asked to sign an affidavit committing to this?  Yes  No
- 2. Do all employees formally assign intellectual property rights to any materials developed during their period of employment to the Applicant?  Yes  No
- 3. Do subcontractors and/or independent contractors formally assign rights to all work made for hire to the Applicant?  Yes  No
- 4. Is any software code used or incorporated in the company's products licensed from any third party(ies)?  Yes  No  
If YES please describe  
\_\_\_\_\_  
\_\_\_\_\_
- 5. Is any open source software code incorporated into product, and/or used in the company's network environment?  Yes  No  
If YES please describe.  
\_\_\_\_\_  
\_\_\_\_\_
- 6. Are all software products (including packaging) formally reviewed for infringement against competitor's offerings by an internal team or third party prior to launch?  Yes  No  
If YES, are copyright clearance letters obtained  Yes  No
- 7. Does the company have procedures in place, written or otherwise, to safeguard and enforce against infringing intellectual property rights of others?  Yes  No
- 8. Does that procedure include a search for existing patent, copyright, and trademark potential infringements?  Yes  No
- 9. Do in-house or outside attorneys conduct the procedures? If outside, please provide name and address of law firm.  Yes  No

## FRAUD WARNING STATEMENTS

**NOTICE TO ARKANSAS & LOUISIANA 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.

**NOTICE TO 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 policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder 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.

**NOTICE TO DISTRICT OF COLUMBIA APPLICANTS:** WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

**NOTICE TO MAINE 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.

**NOTICE TO NEW JERSEY APPLICANTS:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**NOTICE TO NEW MEXICO 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 CIVIL FINES AND CRIMINAL PENALTIES.

**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.

**NOTICE TO OHIO APPLICANTS:** Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**NOTICE TO OKLAHOMA APPLICANTS:** WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

**NOTICE TO PENNSYLVANIA 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 subjects such person to criminal and civil penalties.

**NOTICE TO TENNESSEE 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 include imprisonment, fines and denial of insurance benefits.



**NOTICE TO ALL APPLICANTS:**

**ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON, FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS INFORMATION FOR THE PURPOSE OF MISLEADING, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.**

**NOTICE TO THE APPLICANT – PLEASE READ CAREFULLY**

By signing this application, the Applicant warrants to the Insurer that all statements made in this application, including attachments, about the Applicant and its operations are true and complete, and that no material facts have been misstated in this application or concealed. The Applicant agrees that if after the date of this application and prior to the effective date of any policy based on this application, any occurrence, event or other circumstance should render any of the information contained in this application inaccurate or incomplete, then the Applicant shall notify the Insurer of such occurrence, event of circumstance and shall provide the Insurer with information that would complete, update or correct such information. Any outstanding quotations may be modified or withdrawn at the sole discretion of the Insurer..

Signing of this application does not bind the Insurer to offer nor the Applicant to accept insurance, but it is agreed that this application shall be a basis of the insurance and it will be attached and made a part of the policy should a policy be issued.

APPLICANT:		
SIGNATURE <i>Partner, Officer, Owner</i>	PRINTED NAME AND TITLE:	DATE:

NOTE: This Application must be signed by the Partner, Officer, Owner of the Applicant acting as the authorized agent of the person(s) and entity(ies) proposed for this insurance.

**FOR MISSOURI APPLICANTS ONLY:**

**PLEASE ACKNOWLEDGE AND SIGN THE FOLLOWING DISCLOSURE TO YOUR APPLICATION FOR INSURANCE:**

**I UNDERSTAND AND ACKNOWLEDGE THAT THE POLICY FOR WHICH I AM APPLYING CONTAINS A DEFENSE WITHIN LIMITS PROVISIONS WHICH MEANS THAT CLAIMS EXPENSES WILL REDUCE MY LIMITS OF LIABILITY AND MAY EXHAUST THEM COMPLETELY. SHOULD THAT OCCUR, I SHALL BE LIABLE FOR ANY FURTHER DEFENSE COSTS OR DAMAGES.**

**REQUIRED INFORMATION FROM INSURANCE AGENT/BROKER:**

PRODUCED BY ( <i>Insurance Agent or Broker</i> ): Please print and sign name  _____	
FIRM NAME:	
TAXPAYER ID OR SOCIAL SECURITY NO.:	PRODUCER LICENSE NO.:
ADDRESS ( <i>No., Street, City, State, and ZIP</i> ):	
EMAIL ADDRESS:	