

XL TECH

TECHNOLOGY, MISCELLANEOUS PROFESSIONAL, NETWORK SECURITY, PRIVACY, AND MEDIA CONTENT SERVICES ERRORS AND OMISSIONS INSURANCE APPLICATION.

1. Name and address of Applicant: (include all legal names and DBA's):

Name(s) _____

Principal Address _____ City _____ State _____ Zip _____

Mailing Address (if different then above): _____ City _____ State _____ Zip _____

Web Site Address _____

2. a. Date established: ___/___/___ Applicant is Individual Partnership Corporation Other
- b. Is the entity owned, controlled by or affiliated with any other entity? Yes No (if yes, please attach details)
- c. During the past 5 years:
- Has the name of the Applicant been changed? Yes No
- Has the Applicant been involved in any merger, acquisition or consolidation? Yes No

3. Please mark the applicable box to indicate the coverage desired:

- | | | |
|--|------------------------------|-----------------------------|
| Miscellaneous Professional Liability | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Technology Services Liability | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Technology Products Liability | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Network Security and Privacy Liability | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Media Content Services Liability | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

4. Please describe in detail the Applicant's services and business operations: (please attach an additional sheet if necessary)

5. a. During the past 5 years, has any principal, partner, officer, director or professional employee of the Applicant engaged in professional services for any entity in which the Applicant has any ownership/managerial interest?
- Yes No (if yes, please attach details)
- b. Are any material changes in the nature or the size of the Applicant's business anticipated over the next 12 months?
- Yes No (if yes, please attach details)

6. Please provide the following financial information:

a. Fiscal year end date: _____/_____/_____

b. Projected gross revenues for next year: U.S. \$ _____
Foreign \$ _____

c. Gross revenues for current year: U.S. \$ _____
Foreign \$ _____

d. Gross revenues for last year: U.S. \$ _____
Foreign \$ _____

e. Countries outside the U.S. where the Applicant operates: _____

7. Please indicate the percentage of revenue associated with the following:

Application Service Provider	_____
Computer Installation/Maintenance	_____
Computer Security	_____
Custom Software Developer	_____
Data Processing	_____
Database Management	_____
E-commerce/On-Line Service	_____
Hardware Manufacturer	_____
Hardware/Prepackaged Software Reseller	_____
Hardware/Software Maintenance	_____
Internet Service Provider	_____
Internet Search Engine	_____
Prepackaged Software	_____
Software Consultant	_____
System Integration	_____
Telecommunication Consulting	_____
Consulting and Training	_____
Web Page Design	_____
Other: _____	_____

TOTAL 100%

8. Please indicate the percentage of software and hardware revenue associated with the following:

CAD/CAM	_____
Financial (Accounting/Payroll/Non-Fund Transfer)	_____
Financial (Fund Transfer)	_____
Medical (Diagnostic)	_____
Medical (Non-Diagnostic)	_____
Telecommunications	_____
Utilities	_____
Other: _____	_____

TOTAL 100%

9. Please indicate area and the percentage in which your products and/or customers specialize:

Aircraft/Aerospace	_____
Automotive	_____
Consumer Use	_____
Education	_____
Financial Institutions	_____
Government (Federal)	_____
Government (State and Local)	_____
Manufacturing	_____
Medical/Healthcare	_____
Real Estate/Construction	_____
Other: _____	_____

10. Client Information: Please provide the following information regarding your 5 largest clients according to the amount of revenue generated from the performance of services for the past fiscal year and as a percentage of the total revenues stated in question #5b.

Client	Service provided	Revenue derived from service	Percentage of total revenue

11. a. What percentage of the Applicants business involves subcontracting work to others? _____% Please describe services _____
- b. Does the applicant require evidence of the errors and omissions insurance from subcontractors? Yes No (if no, please explain how the Applicant protect itself from acts or omissions arising out of services performed by its subcontractors.)
12. a. Please indicate the number of principals, partners, directors, officers and professional employees directly engaged in providing professional services to clients: _____
- b. Please indicate the number of all other nonprofessional and/or clerical employees: _____
13. a. Does the Applicant use a written contract with clients? Yes No (if no, please attach explanation)
- b. Does an attorney review such contracts prior to use? Yes No
- c. Does the standard contract contain hold harmless clauses for the benefit of the Applicant? Yes No
14. a. Does the Applicant have a procedure requiring the review or follow-up of complaints? Yes No
- b. Does the Applicant have any risk management procedures in place? (if yes, please attach a copy of the procedures) Yes No
- c. Does the Applicant have a formalized training program for newly hired employees? Yes No

NETWORK SECURITY - PRIVACY

15. Does the Applicant employ a Chief Information Officer? Yes No
16. Does the Applicant employ a Chief Security Officer? Yes No
17. Do the above positions report to the Board of Directors? Yes No
18. Does the Applicant have a corporate-wide privacy policy? Yes No
19. Have the Applicant's privacy policies been reviewed and approved by an attorney? Yes No
20. How often are the company's policies reviewed and updated? _____
21. Does the Applicant have restricted employee access to private information? Yes No
22. Does the Applicant have internal training for employees concerning the handling of private, data security, and sensitive information? Yes No
23. In the past twenty-four (24) months, has the Applicant undergone an internal or external privacy audit? Yes No
24. Have all recommendations been implemented? Yes No

If No, please explain: _____

NETWORK EQUIPMENT

25. Number of Servers: _____
26. Number of Locations: _____

MANAGEMENT OF INFORMATION

27. Does the Applicant collect, receive process, transmit, or maintain private or personal information as part of its business activities? Yes No

If Yes, please indicate what type:

- | | |
|--|--|
| <input type="checkbox"/> Credit/Debit Card Data | <input type="checkbox"/> Medical Records |
| <input type="checkbox"/> Social Security Numbers | <input type="checkbox"/> Employee/HR Information |
| <input type="checkbox"/> Bank Accounts and Records | <input type="checkbox"/> Intellectual property of others |
| <input type="checkbox"/> Customer Information | <input type="checkbox"/> Medical Information |
| <input type="checkbox"/> Other: _____ | |

- i. Is any of this information regulated by HIPAA, GLB, the Data Protection Act or other laws or legislation protecting private or personal information? Yes No
- ii. Does the Applicant have written procedures in place to comply with laws governing the handling and/or disclosure of such information? Yes No
- iii. Does the Applicant share private or personal information gathered from customers (by the Applicant or others) with third parties? Yes No

28. Does the Applicant have:

- a. A disaster recovery plan? Yes No
- b. A business continuity plan? Yes No
- c. Have computer use policies? Yes No
- d. Have a computer security policy? Yes No
- e. Maintain a laptop security policy? Yes No
- f. Store sensitive data on laptops or web servers? Yes No
If Yes, is the data encrypted? Yes No

29. Are the Applicant's internal networks and/or Computer Systems subject to third party audit or monitoring?

- Yes No
- a. If Yes, when was the last audit? _____
- b. Have all improvements and recommendations been implemented? Yes No
- c. If No, please explain: _____

COMPUTER SYSTEM CONTROLS

30. Does the Applicant use firewall technology? Yes No

- a. Is the firewall technology updated on a regular basis? Yes No

31. Does the Applicant use anti-virus software? Yes No

- a. Is anti-virus installed on all of the Applicant's computer systems, including laptops, personal computers, and networks? Yes No

32. Does the Applicant use intrusion detection software to detect unauthorized access to internal networks and Computer Systems? Yes No

33. It is company policy to up-grade all security software as new releases/improvements become available? Yes No

34. Does the applicant have a formal documented user and password procedure in place? Yes No

35. Does the Applicant provide remote access to its Computer Systems? Yes No

- a. If Yes, how many users have remote access? _____

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

36. How often is sensitive/valuable backed-up? _____

i. How long is the information stored? _____

37. Does the Applicant terminate all associated computer access and user accounts when an employee leaves the company?

Yes No

INTRUSIONS

38. Has the Applicant suffered any known intrusions, unauthorized access, or been a target of a security or virus incident of its Computer Systems in the most recent past twenty-four (24) months?

Yes No

i. If Yes, how many intrusions occurred? _____

ii. If Yes, please describe the nature of the event, damage, any lost time, business income, repair costs and their nature

If any damage was caused by any such intrusions, including lost time, lost business income, or costs to repair any damage to systems or to reconstruct data or software, describe the damage that occurred, and state value of any lost time, income and the costs of any repair or reconstruction:

MEDIA COPYRIGHT

38. Does the Applicant outsource its advertising?

Yes No

If Yes, does the Applicant have written hold harmless and indemnification agreements with the advertising agency?

Yes No

39. Does the Applicant display, provide access to or distribute music, video, or other content?

Yes No

40. Does the Applicant have a formal review process in place for intellectual property screening for the following?
Applicant's advertising? Yes No
Product designs, names and logos? Yes No
Applicant's domain name? Yes No

If Yes, please describe:

41. Does the Applicant have a procedure for responding to allegations that content created, displayed or published by the Applicant is libelous, infringing, or in violation of a third party's privacy rights?

Yes No

42. Does the Applicant have a qualified attorney review all content prior to posting on the Internet?

Yes No

If Yes, does the review include screening the content for the following?

Libel or Slander Yes No

Copyright Infringement? Yes No

Trademark Infringement? Yes No

Invasion of Privacy? Yes No

If No, please explain:

43. Does the Applicant use or license any open source code? Yes No

44. Does the Applicant resell any third party software products? Yes No

45. Is any of the software code used by the Applicant licensed from third parties or developed on an outsourced basis? Yes No

If Yes, please describe: _____

46. Does the Applicant always to obtain full indemnity from licensors for any infringement? Yes No

47. Has the Applicant ever received, filed suit, made a claim or a complaint or cease and desist demand alleging trademark, copyright, software copyright, invasion of privacy, or defamation with regard to any content? Yes No

If Yes, please describe:

48. a. During the past 5 years, has any principal, partner, director, officer or professional employee ever been subject to disciplinary action by any regulatory agency or association? Yes No (if yes, please attach details on a separate sheet)

b. During the past 5 years, has any principal partner, director, officer or professional employee ever had his license revoked or suspended? Yes No (if yes, please attach details on a separate sheet)

49. Has the Applicant had any product been recalled or have you given a refund in the last three years? Yes No

If Yes, please describe:

50. In the last five years, has the Applicant sued any customer for failure to pay any fees or other compensation? Yes No

If Yes, please describe:

50. Claim Information:

a. After inquiry, have any errors and omissions claims been made during the past 5 years against the Applicant or any past or present principals, partners, directors, officers or professional employees? Yes No (if yes, please attach a supplemental claims questionnaire).

b. During the past 5 years, has anyone made a claim against the Applicant for invasion of or interference with any right to privacy, wrongful disclosure or personal information, or a violation of any privacy related regulation or statute? Yes No (if yes, please attach a supplemental claims questionnaire).

- c. After inquiry does the Applicant or any principal, partner, director or officer or professional employee have knowledge or information of any circumstance or any allegation or contentions of any incident which may result in any claim being made against them? Yes No (if yes, please attach a supplemental claims questionnaire).
- d. Have all matters in question 13a or 13b been reported to the Applicant's former or current insurers or to the former or current insurers of any predecessors in business? Yes No

51. Prior Errors and Omissions insurance:

Year	Insurance Company	Limit of Liability	Deductible	Premium	Claims Made or Occurrence	Policy Period	Retroactive Date (if any)
Current Year							
Previous Year 1							
Previous Year 2							
Previous Year 3							
Previous Year 4							

- a. Is any extended reporting period (ERP) currently in place? Yes No (if yes, please attach a copy of the endorsement including effective and expiration date)
- b. During the past 5 years, has any similar errors and omissions coverage been canceled, declined or nonrenewed? Yes No (if yes, please attach a detailed explanation)

- 52. a. Limit of Liability requested: _____
- b. Deductible requested: _____

Please provide the following additional information:

1. **Current annual report and company literature/promotional material.**
2. **A copy of standard contracts utilized with clients.**
3. **Latest audited financial statements.**
4. **Resumes of key Principals.**

Applicant hereby represents after inquiry, that information contained herein and in any supplemental applications or forms required hereby, is true, accurate and complete, and that no material facts have been suppressed or misstated. Applicant acknowledges a continuing obligation to report to the Company as soon as practicable any material changes in all such information, after signing the application and prior to issuance of the policy, and acknowledges that the Company shall have the right to withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance based upon such changes.

Further, Applicant understands and acknowledges that:

1. If a policy is issued, the Company will have relied upon, as representations, this application, any supplemental applications, and any other statements furnished to the Company in conjunction with this application, all of which are hereby incorporated by reference into this application and made a part thereof
2. This application will be the basis of the contract and will be incorporated by references into and made part of such policy; and
3. Applicant's failure to report to its current insurance company any claim made against it during the current policy term, or act, omission or circumstances which Applicant is aware of which may give rise to a claim before the expiration of the current policy may create a lack of coverage for each Applicant who had a basis to believe that any such act, omission or circumstances might reasonably be expected to be the basis of a claim.
4. The policy applied for provides coverage on a claims made and reported basis and will apply only to claims that are first made against the insured and reported in writing to the Company during the policy period. Claims expenses are within and reduce the limit of liability.

Applicant hereby authorizes the release of claim information to the Company from any current or prior insurer of the Applicant.

Fraud Warnings

Notice to Arizona Applicants: For your protection, Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties. **Notice to 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. **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 policy holder 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 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 in the third degree. **Notice to 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. **Notice to 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 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 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 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. **Applicable in Tennessee, Virginia and Washington:** 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. **WARNING – Kentucky, Maryland, New Jersey, New Mexico, Ohio, Rhode Island, West Virginia residents only:** 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 all other state Applicants:** Any person who knowingly includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF THE COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE.

ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE COMPANY IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF.

Applicant: _____ Title: _____

Applicant's Signature: _____ Date: _____

Agent/Broker Name: _____