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Digital Technology Professional Liability Policy Application

INSTRUCTIONS

Completion of this application may require input from your organization's risk management, information technology, finance, and legal departments. Additional space may be needed to provide complete answers.

- Please type or print answers clearly.
- Answer **ALL** questions completely, leaving no blanks. If any questions, or part thereof, do not apply, print "N/A" in the space.
- Provide any supporting information on a separate sheet using your letterhead and reference the applicable question number.
- Check Yes or No answers
- This form must be completed, dated and signed by an authorized officer of your firm.

Underwriters will rely on all statements made in this application.

PLEASE ANSWER ALL QUESTIONS APPLICABLE TO COVERAGE FOR WHICH APPLICANT IS APPLYING.

All applicants must complete sections **I – IV** and **VIII** of this application.

If coverage **B**, Electronic Media Activities Liability, is required, please also complete section **V**, Information Management, which should be completed with the assistance of the applicant's legal department.

If coverages **C and/or D** are required, please also complete section **VI**, Network Operations, which should be completed with the assistance of the Chief Security Officer and the Chief Information Officer.

If coverage **E**, Miscellaneous Professional Services Liability, is required, please also complete, section **VII**, Miscellaneous Professional Services.

ADDITIONAL INFORMATION REQUIRED

Please submit the following documentation with the application:

1. Copies of your most recent advertising materials and product brochures.
2. Most recent annual report or 10K.
3. List of all material litigation threatened or pending (including plaintiff, cause of action and potential damages detail), which could potentially affect the coverage for which applicant is applying.
4. Loss runs for the last five years.
5. Copies of representative and largest sales, service and/or licensing contracts.
6. Copies of representative contracts with advertisers, vendors and subcontractors (if applicable).
7. Copies of contracts with third parties providing Internet services, web hosting services, and/or network security services (if applicable).

I. INSURANCE INFORMATION

A. Coverage and Limits for which organization is applying

The ACE Advantage Digital Technology Professional Liability Policy consists of five coverage parts. These may be purchased on an individual basis or can be combined as required.

Most technology companies will require A, B, C, and D only. Coverage E, Miscellaneous Professional Services Liability, is available to organizations offering specific non-technology services and/or products.

Please check the applicable block(s) for type(s) of coverage desired and indicate limits requested:

Coverage Part	Coverage Desired	Limit
<input type="checkbox"/> A. Technology and Internet Errors and Omissions Liability	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> B. Electronic Media Activities Liability	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> C. Network Operations Security Liability	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> D. Cyber Extortion Threat (available only with Coverage C)	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> E. Miscellaneous Professional Services Liability	<input type="checkbox"/> Yes <input type="checkbox"/> No	

B. Deductible and Coverage Dates Requested

Deductible Requested: \$25,000 \$50,000 \$100,000 \$250,000 Other:

Proposed Effective Date:

Proposed Retroactive Date:

C. Current Coverage and Loss Information

If the answer is yes to any of questions 2 – 11, 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 General Liability, Errors and Omissions, and/or other similar insurance in force? Yes No

If so, please complete the following for each policy:

Coverage Type:		Coverage Type:	
Name of Carrier:		Name of Carrier:	
Limits of Liability:		Limits of Liability:	
Deductible:		Deductible:	
Premium:		Premium:	
Expiry Date:		Expiry Date:	
Current Retroactive Date:		Current Retroactive Date:	

2. Has your company ever been declined for Errors & Omissions, Professional Liability or Media Liability insurance, or had an existing policy cancelled? Yes No

3. Has the company ever sustained a significant systems intrusion, tampering, virus or malicious code attack, loss of data, hacking incident, data theft or similar? Yes No
4. Is the company or any of its partners, directors or officers aware of, or are there any circumstances that may give, or have given, rise to a claim against the company or against this insurance policy? Yes No
5. In the last five years has your company experienced any claims or are you aware of any circumstances that could give rise to a claim that would be covered by this policy? Yes No
6. In the past five years, has your company been the subject of any cease and desist orders concerning content or advertising on your website? Yes No
7. During the last three years, has anyone alleged that you were responsible for damages to others' systems arising out of the operation of your own systems? Yes No
8. During the last three years, have you received a complaint concerning the content of your website or other online services related to intellectual property infringement, content offenses, or advertising offenses? Yes No
9. During the last three years, have you been the subject of an investigation or action by any regulatory or administrative agency for violations arising out of your advertising or sales activities? Yes No
10. Within the last three years has a customer claimed that they had a financial loss as a result of an error or omission on your part? Yes No
11. Have you, or any of your predecessors in business, subsidiaries or affiliates, or any of the principals, directors, officers, partners, professional employees or independent contractors ever been the subject of a disciplinary action as a result of professional activities? Yes No

II. GENERAL INFORMATION

A. Applicant Information

Applicant Name:

Business Address:

Business Type: Corporation Partnership Limited Liability Company
 Other

Subsidiary Names
(if applicable):

Nature of Business:

Year Established:

Number of Principals, Partners, Directors, Officers, and Professional Employees:

Total Number of Employees:

URL Addresses for All Public-Facing Websites:

B. Risk Manager/Main Contact Information

Name:

Title:

Address:

Telephone:

Email Address:

C. Gross Revenues (including licensing fees)

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

D. Products and Services Offered

Type of Product or Service	% of Current Year Revenue	% of Next Year Revenue	Typical Customer
ASP – Bandwidth			
ASP - Security			
ASP – Software			
Billing Services			
Colocation Services			
Computer-Maintenance/Service			
Computer Technical Support			
Consulting			
Custom Software Development			
Data Processing			
Equipment or Component Manufacturing			
Financial Services			
Hardware Assembly			
Hardware Manufacturing			
Internet Service/Access Provider			
Internet Portal			
Online Exchange			
Prepackaged Software Development			
System Engineering			
Systems Integration			
Sales – Retail or Wholesale			

Type of Product or Service	% of Current Year Revenue	% of Next Year Revenue	Typical Customer
Telecommunications			
Value Added Reselling			
Web Hosting			
Web Design			
Other			

III. SALES CONTRACTS, LICENSING CONTRACTS, STATEMENTS OF WORK

A. Major Contracts

Please provide details of your company's five largest contracts for ongoing or completed work in the last two years:

Client	Nature of Contract/Service	Contract Value/Duration

Timeframe of average contract:

Average contract or licensing agreement value:

B. Contractual Content and Procedures:

1. Do you require a written contract or agreement for services with your customers? Yes No
2. Is the contracting process standardized and formalized? Yes No
3. Are all contracts reviewed by your legal department or a third party law firm? Yes No
4. Do revisions and modifications to standard contracts require legal department signoff? Yes No
5. Do such contracts or agreements contain (*check all that apply*):
 - specific descriptions of professional services you are to provide?
 - a limitation of liabilities?
 - guarantees or warranties?
 - hold harmless or indemnity agreements inuring to your benefit?
 - hold harmless or indemnity agreements inuring to your client's benefit?
 - formalized change order processes requiring signoff by both parties?
 - conditions of customer acceptance of products/services?
 - acceptance of consequential damages?
 - provisions for liquidated damages?
 - provisions for the ownership of intellectual property?
6. Do you have procedures to ensure compliance with Federal, State and local statutes? Yes No
7. Do you have a process in place to handle and resolve client complaints? Yes No

8. Do you charge for your network-based services? Yes No
9. Do you guarantee systems or website availability?
If yes, please describe in an attachment. Yes No
10. Do your customers and/or business partners have written contracts or agreements in place to use your network, website or services? Yes No

C. Vendor Contracts

1. Do you require written contracts or agreements with all vendors? Yes No
2. Is the contracting process standardized and formalized? Yes No
3. Are all contracts reviewed by your legal department or a third party law firm? Yes No

D. Independent Contractors, Subcontractors

1. Do you use independent contractors and/or subcontractors? Yes No
If yes, please answer the four questions below:
- a. Do you always use a written contract upon engagement of independent contractors? Yes No
- b. Do you require independent contractors to carry professional liability insurance? Yes No
- c. What percentage of professional services rendered are contracted out? _____%
- d. Do all contracts with independent contractors clearly identify work product as 'work made for hire', or include other provisions for the ownership of intellectual property? Yes No

IV. QUALITY CONTROL

1. Please identify the quality control procedures in place at your company:
- written quality control programs
 - vendor certification guidelines
 - prototype development guidelines
 - beta testing
2. Are formal customer acceptance procedures in place? Yes No
3. Are formal written system or software development methodologies in place? Yes No
4. When interim changes in the contract or statement of work are required, are these documented with signoffs by both you and the customer? Yes No
5. Do contracts or statements of work include performance milestones which are acknowledged and accepted with signoffs by both you and customer? Yes No
6. Are final acceptance letters or signoffs required from each customer? Yes No

V. INFORMATION MANAGEMENT

Please complete this section if you are applying for coverage part B, Electronic Media Activities Liability.

A. Internet Activities

Activities performed over your company's Internet sites:
Please check all that apply.

- electronic publishing, marketing, dissemination, or distribution of original works

- advertising the products or services of other companies for a fee
- buying or selling of goods, products or services
- collection or transmission of sensitive financial information
- legal or financial advice
- medical or health advice
- other personal advice services such as counseling
- website services or products to international customers/subscribers
- auction, exchange, or hub services
- files for download
- bulletin board(s) or chat room(s) on your website
- gambling or adult entertainment services

B. Web-based Technical Services

Other web-based technical services provided by your company:
Please check all that apply.

- email services
- registration of domain names for others
- hosting or managed services
- act as an application service provider (ASP)
- installation, management or maintenance of digital certificates or other forms of authentication
- collaborative services via a VPN or extranet

C. Procedures for Information Management

1. Does your company use material provided by others, such as content, music, graphics or video stream, in your software or on your web site? Yes No

a. If yes, do you always obtain written licenses and consent agreements for the use of these materials? Yes No

b. If yes, please describe the process for obtaining written licenses and consent agreements for the use of these materials:

2. Please describe established procedures in place for the formal review of content/material for your web sites or Internet services:

3. Does your company have an established procedure for editing or removing from your website libelous or slanderous content, or content that infringes the intellectual property rights of others (copyrights, trademarks, trade names, etc.)? Yes No

4. Does your website, system or network request and capture third party information? Yes No

If yes, please check all that apply:

- customer/subscriber names and addresses
- credit or debit card numbers
- social security numbers
- credit history and ratings
- medical records or personal health information
- intellectual property of others
- bank records, investment data or financial transactions

5. Has legal counsel checked that your domain name(s) and metatags do not Yes No

infringe on another's trademark?

6. Do new engineering, research and development employees and 'work for hire' contractors sign a statement to the effect that they will not distribute or use previous employer or client trade secrets? Yes No
7. Does your company have a written and posted privacy policy on your site(s)? Yes No
8. Does your company have a non-disclosure policy? Yes No
9. Is sensitive, personal or confidential information located behind a firewall?
If yes, are strict access controls in place? Yes No
10. Is encryption technology used when transmitting sensitive information? Yes No
11. Does your organization sell or share individual subscriber or user identifiable information with other internal or external entities? Yes No

If yes, please describe:

D. Bulletin Board / Chat Room Administration

If you offer a bulletin board or chat room on your web site, please answer the following:

1. Who manages the bulletin board/chat room (in-house, subcontracted, etc.)?
2. If subcontracted, do you require, 'hold harmless' agreements for liabilities arising out of bulletin boards and/or chat rooms? Yes No
3. Can you remove any postings at your sole discretion? Yes No
4. Does the agreement with your ISP allow you to do so? Yes No

VI. NETWORK OPERATIONS

Please complete this section if you are applying for coverage parts C and/or D.

A. Information Officer(s) Contact Information

Chief Information Officer:

Telephone:

Email Address:

Information Security Officer or Manager:

Telephone:

Email Address:

B. Network Equipment

1. Approximate number of servers on your network:
2. Number of locations where servers are located:
3. Approximate number of external IP addresses on your network:
4. Average number of average daily hits to your website:

C. Third Party Service Providers

Please identify third party vendor(s) providing any of the following services.

Internet Service/Access:

Website Hosting:

Collocation Services:

Managed Security Services:

Broadband ASP Services:

Software ASP Services:

Security ASP Services:

D. Security Management

1. Do you have written policies in place which address:

Network security?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Appropriate use of network resources and the Internet?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Appropriate use of email?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. Is there an organizational manager who is directly responsible for information security compliance operations? Yes No
3. Is there a program in place for employee awareness of the security policy? Yes No

E. Security Assessments

1. Has a network security assessment or audit been conducted within the past 12 months? Yes No
 If yes when was the audit completed?
Please attach copy of audit.
- 2.. Were all recommendations from the audit complied with? Yes No
 If no, please identify areas where recommendations have not been complied with, with reason(s) for noncompliance:
3. Do you conduct periodic intrusion detection, penetration or vulnerability testing? Yes No
 If yes, please detail what is done and who performs this work:

F. Firewall Management

1. Is firewall technology used at all Internet points-of-presence to prevent unauthorized access to internal networks? Yes No
 If so, please describe brand name(s), model(s):

G. Antivirus Software

1. Does your company use antivirus software on all desktops, portable computers and mission critical servers? Yes No
If so please identify brand(s) or service providers:
2. Are antivirus applications updated in accordance with the software provider's requirements? Yes No
If yes, how often?

H. Software Maintenance

1. Is there an individual or internal organization responsible for the application of vendor-released patches and software fixes?? Yes No
If yes, please identify (name/title):
2. Are patches implemented on network appliances (routers, bridges, firewalls, etc.) to mitigate current vulnerabilities? Yes No
If yes, how often are patches installed?

I. Data and Systems Backups

1. Are your systems backed up on a daily (or more regular) basis? Yes No
If not, how often are systems backed up?
2. Are data backups stored offsite? Yes No
3. Are data recover and restoration procedures tested? Yes No
If yes, how frequently?

J. System and Security Logs

1. Do you actively maintain system logs on all mission-critical servers and appliances? Yes No
2. Do you actively maintain security logs on all mission-critical servers and appliances? Yes No
3. Are logs regularly checked for irregularities, intrusions or violations? Yes No
If yes, how often are logs checked, and who hold this responsibility?

K. Password Maintenance

1. Are documented procedures in place for user and password management? Yes No
If yes, are they monitored for compliance? Yes No
2. Are users required to use non-trivial passwords of at least six characters? Yes No

L. Physical Security

- 1. Are your dedicated computer rooms physically protected? Yes No
If yes, describe the protection (e.g. sprinkler systems, burglar alarms, etc.).

- 2. How is access controlled or limited?

M. Disaster Recovery / Business Continuity Planning

- 1. Are system backup and recovery procedures documented and tested for all mission-critical systems? Yes No
- 2. Do you have a written disaster recovery and business continuity plan for your network? Yes No
- 3. Is the plan tested? Yes No
If yes, describe frequency of testing:

VII. MISCELLANEOUS PROFESSIONAL SERVICES

Please complete this section if you are applying for coverage part E, Miscellaneous Professional Services Liability.

- 1. Please provide a comprehensive description of professional services performed:

- 2. Do you provide any professional services over the Internet? Yes No
If yes, please describe:

- 3. Do you perform any professional services outside of the United States? Yes No
If yes, please describe:

VIII. FRAUD NOTICES

NOTICE TO ALL APPLICANTS: Any person who knowingly, or knowingly assists another, files an application for insurance or claim containing any false, incomplete or misleading information for the purpose of defrauding or attempting to defraud an Insurance Company may be guilty of a crime and may be subject to criminal and civil penalties and loss of insurance benefits.

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 CALIFORNIA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state 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 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 IDAHO APPLICANTS: Any person who knowingly and with intent to injure, defraud, or deceive any Insurance Company, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO INDIANA APPLICANTS: Any person who knowingly and with the intent to defraud an insurer files a statement of claim containing any false, incomplete or misleading information commits a felony.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with the 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.

NOTICE TO MAINE APPLICANTS: It is a crime to 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 MICHIGAN APPLICANTS: Any person who knowingly and with intent to injure or defraud any insurer submits a claim containing any false, incomplete or misleading information shall upon conviction, be subject to imprisonment for up to one year for a misdemeanor conviction or up to ten years for a felony conviction and payment of a fine of up to \$5,000.

NOTICE TO MINNESOTA APPLICANTS: A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

NOTICE TO NEVADA APPLICANTS: Pursuant to NRS 686A.291, any person who knowingly and willfully files a statement of claim that contains any false, incomplete or misleading information concerning a material fact is guilty of a felony.

NOTICE TO NEW HAMPSHIRE APPLICANTS: Any person who, with purpose to injure, defraud or deceive any Insurance Company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.

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 LOUISIANA AND 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 claims 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 the intent to defraud any Insurance Company or other person files an application for insurance or statement of claim containing any fact 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 & 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 include imprisonment, fines and denial of insurance benefits.

IX. DECLARATION AND CERTIFICATION

ALL APPLICANTS MUST COMPLETE THIS SECTION.

BY SIGNING THIS APPLICATION, THE APPLICANT WARRANTS TO THE INSURANCE COMPANY 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. COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. THE APPLICANT'S ACCEPTANCE OF THE INSURANCE COMPANY'S QUOTATION IS REQUIRED BEFORE THE APPLICANT MAY BE BOUND AND A POLICY ISSUED.

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. SUCH AN ACT IS A CRIME AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

THE APPLICANT AGREES TO COOPERATE WITH THE COMPANY IN IMPLEMENTING AN ONGOING PROGRAM OF LOSS-CONTROL AND WILL ALLOW THE COMPANY TO REVIEW AND MONITOR SUCH PROGRAMS THAT THE APPLICANT UNDERTAKES IN MANAGING ITS TECHNOLOGY EXPOSURES.

Signature of Authorized Applicant:

Signature of Broker/Agent:

Print Name

Print Name

Title

Date

Date

Signed by Licensed Resident Agent

(Where Required By Law)