

BEDFORD UNDERWRITERS, LTD.

315 East Mill St., P. O. Box 278
Plymouth, WI 53073
Ph. (920) 892-8795
(800) 735-1378
FAX (920) 892-8980

APPLICATION FOR PATENT INFRINGEMENT LEGAL LIABILITY INSURANCE

APPLICANT'S INSTRUCTIONS:

1. Answer all questions. If the answer requires detail, please attach a separate sheet.
2. Application must be signed and dated by owner, partner or officer.
3. PLEASE READ CAREFULLY THE STATEMENTS AT THE END OF THIS APPLICATION.

1. APPLICANT INFORMATION

a. Full name of applicant:

b. Principal Address of Applicant:

c. Description of Applicant Business:

d. Number of Employees: Full time _____ Part time _____ Seasonal _____ Total _____

e. Territory where coverage desired: USA Japan Great Britain Asia EEC Other: _____

f. (i) Requested Limits:

Coverage A: _____ Per Claim _____ Aggregate

Coverage B: _____ Per Claim _____ Aggregate

Coverage C: _____ Per Claim _____ Aggregate

(ii) Percentage of each loss in excess of your deductible desired:

10% 15% 20% 25% 33 1/3% 50%

(iii) Deductible Desired:

Coverage A: _____ Per Claim _____ Aggregate

Coverage B: _____ Per Claim _____ Aggregate

Coverage C: _____ Per Claim _____ Aggregate

2. PATENT INFORMATION

a. Please provide the name and a detailed description of the patent/product to be the subject matter of this insurance (please enclose a copy of your patent attorney's "patentability opinion" together with available brochures and drawings).

b. What patent/product/activity have you already undertaken in products similar to that which is to be the subject matter of this insurance?

c. What patents/products or activity are you aware of that others have already undertaken in products research, public discussion or have had issued or applied for a patent similar to that which is to be the subject matter of this insurance?

d. Please explain in detail the precautions that you have taken to make certain that your proposed patent/product (the subject of this insurance) does not infringe on the patent rights of others:

2 STAFF

a. Do you employ specialized staff to research potential infringement situations? [] Yes [] No

If Yes:

Name:

Duties:

Qualifications:

b. If you employ outside advisors or consultants regarding infringement matters.

Name	Address	# of Times utilized	Circumstances

c. For each additional named insured:

Name	Address	Coverage Section

d. Describe the business of each entity above and their relationship to you.

4. CLAIMS

a. Please provide a detailed explanation (use a separate sheet of paper for each claim) of any claims made against you in the last ten years which would have been covered by the insurance applied for:

Information should include:

- (i) Type, date and circumstances of claim;
- (ii) Cost of settlement and whether an in or out of court settlement;
- (iii) Steps taken to prevent a recurrence;
- (iv) If insured: name of insurer, type of policy, limits, amount recovered, current status of policy of renewal coverage.

b. Are you, any of your employees, officer, directors or any other entity to be insured, aware of any facts or circumstances which may give rise to a product/patent infringement claim against you? **YES / NO**

If Yes, please attach details.

4. CLAIMS (CONTD.)

- c. Year 2000: YES NO
- (i) Does your computer system store a four-digit year? [] []
- (ii) If NO, please attach a description of corrective measures taken and the date upon which you anticipate the problem will be solved.
- (iii) Are you, in the course of your business, involved in working to solve the year 2000 problem as a consultant/advisor or as a part of your employment? [] []
- (iv) If YES, what percentage of your work is involved? _____%

5. ADDITIONAL INFORMATION

- a. Please attach a completed, signed and dated "non recoverable cost calculation sheet" which becomes a part of this application.
- b. Have you entered into any "hold harmless" and/or "waiver of subrogation" agreements with third parties, suppliers, distributor, customers, etc.) regarding the subject matter of this insurance? YES / NO
- If **Yes**, please provide a detailed explanation.

NOTICE TO APPLICANT: The coverage applied for is SOLELY AS STATED IN THE POLICY, which provides coverage on a "CLAIMS MADE" basis for ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD unless the extended reporting period option is exercised in accordance with the terms of the policy. Any person who knowingly defrauds any insurance company by filing an application for insurance containing any false information or concealing, for the purpose of misleading, information concerning any fact thereto commits a fraudulent insurance act, which is subject to criminal and civil penalties.

WARRANTY: I warrant to the Insurer, that I understand and accept the notice stated above and that the information contained herein is true and that it shall be the basis of the policy of insurance and deemed incorporated therein, should the Insurer evidence its acceptance of this application by issuance of a policy. **I authorize the release of claim information from any prior insurer to Shand Morahan & Company, Inc., Ten Parkway North, Deerfield, Illinois 60015.**

Name of Applicant

Title (Officer, partner, etc.)

Signature of Applicant

Date

SIGNING this application does not bind the Applicant or the Insurer or the Underwriting Manager to complete the insurance, but one copy of this application will be attached to the policy, if issued.