
BEDFORD

UNDERWRITERS, LTD.

WHOLESALE INSURANCE BROKERS

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**APPLICATION FOR
INFORMATION TECHNOLOGY PROFESSIONALS ERRORS & OMISSIONS INSURANCE
(CLAIMS MADE COVERAGE)**

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.
(PLEASE TYPE OR PRINT IN INK)

1. APPLICANT INFORMATION

- a. Full name of applicant: _____
- b. Principal business premise address: _____
(Street) (County)

(City) (State) (Zip)
- c. Corporation? Partnership? Individual? Other? _____
(Specify)
- d. Date established: _____
- e. Affiliations with other firms: _____
- f. In the past five years, has the applicant's name been changed or has any other business been purchased, sold or has any merger taken place? Yes No. If yes, please attach explanation and include any changes in operations and/or key employees.
- g. Provide the number of your:
Principals, partners or officers _____ Clerical personnel _____
Technical personnel _____ Other _____
- h. Attach separately list of:
(i) Partners, key employees, etc. and their professional qualifications;
(ii) Professional societies or organizations to which they or the firm belong(s);
(iii) Your five largest jobs in the past three years.
- i. Attach copies of:
(i) Advertisements, brochures, descriptive literature;
(ii) Sample contract for services between the applicant and its clients;
(iii) Latest financial data (annual report or balance sheet and income statement).
- j. Do you have a business plan that estimates a growth in personnel and equipment commensurate with the growth in revenue? Yes No

2. RECEIPTS/OPERATIONS

- a. Actual Gross Receipts for last year: \$ _____ Current year: \$ _____
- b. Estimate for coming year: \$ _____

c. Percentage of this year's receipts derived from:

<input type="checkbox"/> Data Processing	<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Custom Software Development
<input type="checkbox"/> Custom Software Development	<input type="checkbox"/> Forum/Content Channel	<input type="checkbox"/> Computer Security
<input type="checkbox"/> Content Provider for Web Page	<input type="checkbox"/> Interactive Environments	<input type="checkbox"/> Systems Integration
<input type="checkbox"/> Systems Analysis/Design	<input type="checkbox"/> Virtual Communities (including MUDs, MUCKS, etc.)	<input type="checkbox"/> Computer Related Training
<input type="checkbox"/> Commercial On Line Service	<input type="checkbox"/> E-Commerce	<input type="checkbox"/> Fulfillment Services
<input type="checkbox"/> Electronic Bulletin Board Services	<input type="checkbox"/> Internet Presence Provider	<input type="checkbox"/> Search Engines
<input type="checkbox"/> Internet Access Provider	<input type="checkbox"/> Web Page Development/Maintenance	<input type="checkbox"/> Mailing List Compilation/Sales
<input type="checkbox"/> Time Sharing	<input type="checkbox"/> Packaged Software Development	<input type="checkbox"/> Other (describe) _____
<input type="checkbox"/> Hardware Sales		100% TOTAL

3. WEB/INTERNET SERVICES

a. Content of Information on Internet Service: (Check all that apply.)

<input type="checkbox"/> For Children	<input type="checkbox"/> Radio	<input type="checkbox"/> Adult Only
<input type="checkbox"/> Variety	<input type="checkbox"/> News	<input type="checkbox"/> Digital Music
<input type="checkbox"/> Game or Quiz	<input type="checkbox"/> Software	<input type="checkbox"/> Comedy
<input type="checkbox"/> Product Comparisons	<input type="checkbox"/> Commentary	<input type="checkbox"/> Advertising
<input type="checkbox"/> Cultural	<input type="checkbox"/> Religious	<input type="checkbox"/> "How to"/Hobbyist
<input type="checkbox"/> Sports	<input type="checkbox"/> Financial	
<input type="checkbox"/> Educational (please explain) _____		
<input type="checkbox"/> Other (please explain) _____		

b. Location of Internet Service is:

Address on Commercial Service _____

Internet Address _____

World Wide Web Address _____

BBS Main Phone Number _____

c. Who are the targeted users? Adults Children General

If targeted to adults, what controls are used to prevent children from participating?

d. For Web/Internet services, are you the:

Seller/provider of products/services

Intermediary between seller/provider and buyer/participant.

e. For Interactive Environments/Virtual Communities, please describe the type of environment/community and nature of the interactions. If not applicable, check this box:

f. For E-commerce, please state the industry of the merchandise sold. If not applicable, check this box

Do you assume responsibility for delivery of the merchandise sold? Yes No

g. Do you guarantee accessibility? Yes No

h. Please state number of subscribers _____

i. Do you have a plan for accommodating an increase in subscribers? Yes No

j. Are all chat rooms, bulletin boards, E-mail, etc. monitored? Yes No

4. SOFTWARE/SYSTEMS SERVICES

- a. Please indicate the percentage of your services rendered to the following industries:
- | | | | |
|---------------------------|-------|-----------------------|-------|
| Administrative | _____ | LAN/Network | _____ |
| Architectural/Engineering | _____ | Medical | _____ |
| Communications | _____ | Scientific | _____ |
| Database definitions | _____ | Retail | _____ |
| Educational | _____ | Other (describe)_____ | _____ |
| Facilities Management | _____ | | |
| Financial | _____ | Total | 100% |
- b. Do you have a policy for the testing and documentation of all software and system development? [] Yes [] No
- c. Do your clients provide written acceptance of all software and system development prior to production or implementation? [] Yes [] No
- d. Do you design, manufacture or modify hardware? [] Yes [] No
- e. Do you sell, install or maintain hardware? [] Yes [] No If yes, are you covered as a Vendor under the manufacturers Products/Completed Operations coverage? [] Yes [] No

5. RISK MANAGEMENT

- a. Do you use independent contractors for your services? [] Yes [] No If yes, please describe.
-
- Do you require them to maintain professional liability insurance? [] Yes [] No
- b. Do you use written contracts for your services? [] Always [] Sometimes [] Never
- c. Do your contracts contain a hold harmless for the benefit of:
[] You [] Client [] Mutual [] Neither
- d. Is a backup and recovery policy been established? [] Yes [] No
- e. Do you have a policy for removing libelous, slanderous or potentially infringing material? [] Yes [] No
- f. Do you obtain hold harmless agreements from all content providers? [] Yes [] No
- g. Prior to publishing content, releasing software or registering domain names, do you have an attorney facilitating a copyright and/or trademark search? [] Yes [] No
If yes, please provide name of law firm _____
-
- h. Are licenses and consents obtained from the following entities for all of your Internet Services?
- (i) Authors and writers of all works, including software [] Yes [] No
- (ii) Music Owners, including the rights for the
- a) lyrics..... [] Yes [] No
- b) music [] Yes [] No
- c) recording and synchronization..... [] Yes [] No
- d) performance rights..... [] Yes [] No
- e) distribution rights [] Yes [] No
- (iii) ASCAP, BMI, SESAC or other music licensing Services [] Yes [] No
If yes, attach a copy of license.
- (iv) Film Clip Owners, including from
- a) licensing entities [] Yes [] No
If yes, attach a copy of license.
- b) copyright owners [] Yes [] No
- c) music owners, including the rights for the
- lyrics [] Yes [] No
- music [] Yes [] No
- recording and synchronization [] Yes [] No
- performance rights [] Yes [] No

- d) writers or authors of underlying work [] Yes [] No
 - (v) Persons (alive or deceased) whose name or likeness is
is used on your Internet service..... [] Yes [] No
 - i. If you facilitate the uploading/downloading of content, including software, describe your policy regarding
copyrighted material and licensing of software.
-

6. VIRUS/UNAUTHORIZED COMPUTER ACCESS CONTROLS

If any questions are answered "no", please explain on a separate sheet.

- a. Do you have a procedure for screening for viruses? [] Yes [] No
 - b. Do you conduct electronic credit card transactions? [] Yes [] No
If yes, how are these transactions controlled? _____
 - c. Do you have a designated security manager? [] Yes [] No
 - d. Do you have a security manual or procedures which are
distributed and explained to all employees? [] Yes [] No
 - e. Are firewalls used as part of your security system? [] Yes [] No
 - f. Are all PCs equipped with anti-virus software? [] Yes [] No
If yes, what brand? _____
-

7. APPLICANT HISTORY

- a. List any professional liability claims actually made against you in the past five years, including status of claim,
amounts demanded or paid, date of claim, and action taken to prevent the same type of claim in the future:

 - b. List any known incidents which might give rise to a professional liability claim:

 - c. Has any insurer cancelled or refused to renew any similar insurance during the past five years? [] Yes [] No
If yes, please explain: _____
 - d. Do you carry General Liability insurance? [] Yes [] No
If yes, please state: Carrier _____ Policy Period _____
Limit _____ Does it include Products/Completed Operations? [] Yes [] No
 - e. Current and previous professional liability coverage:
- | <u>Policy
Period</u> | <u>Insurer
Premium</u> | <u>Claims
Made</u> | <u>Occurrence</u> | <u>Limits of
Liability</u> | <u>Deductible</u> |
|--------------------------|----------------------------|------------------------|-------------------|--------------------------------|-------------------|
| _____ | _____ | [] | [] | _____ | _____ |
| _____ | _____ | [] | [] | _____ | _____ |
| _____ | _____ | [] | [] | _____ | _____ |
| _____ | _____ | [] | [] | _____ | _____ |
- If current insurance is a claims made policy, what is the retroactive date? _____

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.

WARRANTY: I/We 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/We authorize the release of claim information from any prior insurer to Shand Morahan & Company, Inc., Underwriting Manager for the Company, 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.