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**APPLICATION FOR
INFORMATION TECHNOLOGY AND/OR MEDIA PROFESSIONAL LIABILITY
WITH CERTAIN UNDERWRITERS AT LLOYD'S**

**THIS APPLICATION IS FOR A
CLAIMS MADE INSURANCE POLICY**

APPLICATION'S INSTRUCTIONS

- 1. ALL QUESTIONS MUST BE ANSWERED COMPLETELY; PLEASE TYPE OR PRINT CLEARLY; IF ANY QUESTIONS ARE CONSIDERED "NOT APPLICABLE", PLEASE EXPLAIN WHY.**
- 2. THIS APPLICATION, WHICH INCLUDES SUPPLEMENT FORMS, MUST BE SIGNED AND DATED BY A PRINCIPAL OF THE FIRM.**

1. Name of Applicant: _____

2. Address: _____

City: _____ County: _____

State: _____ Zip: _____

3. Telephone: _____ Facsimile: _____ E-Mail: _____

4. Please describe in detail the nature and types of professional services the Applicant is engaged in.

4a. Indicate activities which apply to your business and the % of revenue expected during the next 12 months: (Please check all that apply.) Please see back page for Terminology.

Receipts %

<p>a. Data Processing and Entry _____</p> <p>b. Custom Software Development _____</p> <p>c. Packaged Software Development _____</p> <p>d. Consulting on Hardware/Software System design/purchase _____</p> <p>e. Systems Installation _____</p> <p>f. Systems Maintenance _____</p> <p>g. Computer Related Training _____</p> <p>h. Web Page Development _____</p> <p>i. Web Page Maintenance/Updates _____</p> <p>j. Hosting Web Pages _____</p>	<p>k. Content Provider for Web Page/Forum _____</p> <p>m. Commercial On-Line Services _____</p> <p>n. Forum/Content Channel _____</p> <p>o. Electronic BBS _____</p> <p>p. FTP Site _____</p> <p>q. Internet Access Provider _____</p> <p>r. Forum Manager _____</p> <p>s. Game Developer _____</p> <p>t. Other (Please explain) _____</p> <p>TOTAL _____</p>
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5. Date established: _____

6. Are significant changes in the nature or size of the Applicant's business anticipated over the next 12 months? Or have there been any such changes in the past 12 months? Yes No

If yes, please explain:

7. Total Number of staff: _____

8. Please provide the following:

Name of Principals & Qualified Employees	Professional Qualifications/Designations	Number of years in practice	Number of years with Applicant
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Please provide brief resumes of the Principals.

9. Gross billings:

Last year (est): _____ This year: _____ Next year: _____

10. Please indicate the Applicant's five largest jobs/projects during the past three years:

Client	Service	Applicant's Fee
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

11. Please indicate the major software applications and receipts attributable:

<u>Nature</u>	<u>Market Home Use%</u>	<u>Commercial Use %</u>	<u>Total Receipts %</u>
a. Administrative (sales data, lists, etc)	_____	_____	_____
b. Accounting (payroll, receivables, payables)	_____	_____	_____
c. Financial (savings, checking, loan, dividend accounts)	_____	_____	_____
d. Inventory Control	_____	_____	_____
e. Scientific	_____	_____	_____
f. Graphics	_____	_____	_____
g. Architectural (Model building projection)	_____	_____	_____
h. CAD/CAM: Manufacturing/ Engineering tools	_____	_____	_____
i. CASE: Application development tools	_____	_____	_____

- j. Communications: Utilities/Info Services _____
- k. Fund Transfer _____
- l. Medical _____
- m. Educational _____
- n. Facilities Management _____
- o. Office Automation _____
- p. Database Management Systems _____
- q. LAN/Network _____
- r. Imaging _____
- s. Gatekeeper _____
- t. Other (please explain) _____

12. Indicate the market(s) for your products/services

	Receipts %
Aerospace	_____
Communications/Transportation	_____
Construction/Mining/Agriculture	_____
Education	_____
Financial Institutions	_____
Government (military)	_____
Government (non military)	_____
Health Care/Medical Services	_____
Home use	_____
Manufacturing/Industrial	_____
Trade: Retail/Wholesale	_____
Other _____	_____
(please specify)	TOTAL
	100%

13. Do you have a policy for removing controversial material: (libellous, slanderous, etc) from your On-line Service?

Yes No N/A

If yes, please explain:

14. Do you have a policy for removing infringing material (copyright, trademark, etc) from your On-line Service?

Yes No N/A

If yes, please explain:

15. Have you ever received a complaint concerning the content of your On-line Service? (libellous, slanderous, copyright, trademark, etc)

Yes No N/A

If yes, how do you respond to such complaints and in what time frame?

16. Are firewalls used to prevent unauthorised access connections from internal networks and computer systems to external networks?

Yes No N/A

17. Are anti-virus procedures used on desktops and mission critical servers?

Yes No N/A

18. Are backup and recovery procedures documented for all mission critical systems?

Yes No N/A

19. Do you have an acceptable use policy and privacy policy regarding e-mail and internet use?

Yes No N/A

If no, please explain:

20. Does the Applicant use a written contract? Always Sometimes Never

If not always, please explain how the scope of services to be provided is agreed:

21. Does any director, officer, employee or partner of the Applicant serve on the board of directors of any client of the Applicant? Yes No

If yes, please explain:

22. Does the Applicant sub-contract work to others: Yes No

If yes, please explain and include the nature of indemnities, hold harmless agreements, etc.:

23. Has any errors and omissions or professional liability insurance ever been declined or cancelled?

Yes No

If yes, please explain:

24. Is there any errors and omissions or professional liability insurance in favour of the Applicant currently in force?

Yes No

If yes, please give details:

Carrier	From (mm/yy)	To (mm/yy)	Limit	Deductible	Premium	Retrodate
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25. Has the Applicant or any director, officer, employee or partner been subject to disciplinary action as a result of professional activities? Yes No

If yes, please explain:

26. Is the Applicant aware of any claims (including any circumstances reported to previous insurers which have not developed into claims) during the last ten years? Yes No

If yes, please complete Attachment 'A'

27. Has the Applicant been a party to any lawsuit or other legal proceeding within the past five years?

Yes No

If yes, please provide (on Attachment 'A') a description which includes the venue of the action, the parties, the amount at dispute, the nature of the claim(s), the status of the action(s) and how the action(s) was resolved as to the applicant, including all costs incurred; including defense expenses.

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

THIS APPLICATION DOES NOT BIND THE APPLICANT TO BUY, OR THE UNDERWRITERS TO ISSUE, THE INSURANCE, BUT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO AND MADE A PART OF THE POLICY.

THE APPLICANT FURTHER DECLARES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE TIME WHEN THE POLICY ISSUED, THE APPLICANT WILL IMMEDIATELY NOTIFY THE COMPANY OF SUCH CHANGES, AND THE UNDERWRITERS MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS AND/OR AUTHORISATION OR AGREEMENT TO BIND THE INSURANCE.

I HAVE READ THE FOREGOING APPLICATION OF INSURANCE INCLUDING SUPPLEMENT SHEET 'A' AND WARRANT THAT THE RESPONSES PROVIDED ON BEHALF OF THE APPLICANT ARE TRUE AND CORRECT.

SIGNED THIS _____ DAY OF _____ 20__ IN _____
PRODUCER _____ APPLICANT'S SIGNATURE _____
ADDRESS _____ TITLE _____
DATE _____

Please return completed proposal to:
AVRECO
550 West Van Buren
Chicago, Illinois 60607
Fax: 312-803-2170
e-mail: ldeiss@avreco.com

INFORMATION TECHNOLOGY

LLOYD'S OF LONDON

CLAIMS SCHEDULE

Please complete this form if the Applicant is aware of any claims as indicated in Question 26 & 27 of the Application Form (including any circumstances reported to previous insurers which have not developed into claims) during the last ten years.

1. Name of Applicant:

2. Name of Member of Staff involved in claim:

3. Name of (potential) claimant:

4. Date of incident: _____ Date of claim made: _____

5. Under which policy was the claim made? Carrier: _____
Policy No.: _____

6. Status of claim: Closed _____ Please indicate Total Loss Paid: _____
or (including defense expenses)
Open _____ Please complete questions 7, 8, 9 and 10

7. Total defense costs and expenses to date:

8. Damages or other relief sought by the claimant(s):

9. Insurers loss reserve:

10. Please the following details;

- i) the specific act, error or omission upon which the claimant bases the claim.
- ii) a brief description of the claim
- iii) details of the current status and proposed strategy for handling the claim.

Signed: _____

Date: _____

Electronic E&O Terminology

1. Data Processing and Entry means those activities usual to the processing of data or records of others.
2. Custom Software Development means the design of computer software or programming on a one-time basis by special order. Examples include accounting software developed specifically for one company.
3. Packaged Software Development means the design, manufacture and sale of computer software via mass distribution. Examples include computer games, Microsoft products, etc.
4. Consulting means determining the suitability of a software package or identifying hardware needed for a specific performance.
5. Systems Installation means the installation of both software and hardware. Examples include the installation of upgrades such as Windows 95.
6. Training means the explanation/demonstration of how to use a software or hardware product. Examples include training for Lotus Notes.
7. Systems Maintenance means the continual maintenance of a customers equipment on a regularly scheduled maintenance plan.
8. Commercial Online Service is an Internet Access provider which also offers its subscribers propriety online features including forums on various topics of interest, an e-mail address, chat and conference rooms, and files for download.
9. Forum/Content Channel on a Commercial Online Service are proprietary areas on the commercial online service dedicated to a certain topic. Features available include files for download, chat and conference rooms, and limited e-mail capabilities for posting e-mail to other subscribers of the forum/content channel.
10. Electronic BBS BBS is shorthand for a bulletin board service. A BBS is similar to a forum/contact channel in that it normally offers the same features i.e. files for download, chat and conference rooms, and limited e-mail capabilities for posting e-mail to other users of the BBS. Unlike a forum which is accessible through a commercial online service, a BBS usually requires the user to dial it directly via its main phone number instead of an Internet address.
11. FTP Site is a site on the Internet accessible by File Transfer Protocol. Features generally only include files for download.
12. Internet Access Provider is a provider of Internet access, but without the proprietary online services offered by the larger commercial onlines services. Features typically include Internet access and an e-mail address.
13. Internet Presence Provider is an entity which creates web pages for others or rents server space to others.
14. Web Page is a site on the World Wide Web through which a company, association or individual offers documents, graphics, sound and/or full motion video presentations about itself, its products, or newsworthy events. Features include files for download and e-mail capabilities to the entity maintaining the web page.
15. Forum Manager is typically an independent contractor hired by a Commercial On-line Service to manage various forums. Most forums will have 2 or 3 forum managers.