



# ACE DigiTech Pro<sup>SM</sup>

## Digital Technology & Professional Liability Application

**NOTICE**

The Policy for which you are applying is written on a claims-made and reported basis. Only claims first made against the Insured and reported to the Insurer during the Policy Period are covered subject to the Policy Provisions.

The Limits of Liability stated in the Policy are reduced, and may be exhausted, by Claims Expenses. Claims Expenses are also applied against your Retention, if any. If you have any questions about coverage, please discuss them with your insurance agent.

**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.**

**Applicant Information:**

Applicant Name: \_\_\_\_\_

Business Address: \_\_\_\_\_

Business Type:  Corporation  Partnership  Limited Liability Company  Other

Subsidiary Names: \_\_\_\_\_

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: \_\_\_\_\_

**I. INSURANCE INFORMATION**

**A. Limits for which organization is applying**

- \$100,000   
  \$250,000   
  \$500,000   
  \$1,000,000  
 \$2,000,000   
  \$3,000,000   
  \$4,000,000   
  \$5,000,000

**B. Deductible and Coverage Dates Requested**

Deductible Requested:  \$5,000   
 \$10,000   
 \$15,000   
 \$25,000   
 Other  
\$ \_\_\_\_\_

Proposed Effective Date: \_\_\_\_\_

Proposed Retroactive Date: \_\_\_\_\_

**C. Current Coverage and Loss Information**

*If the answer is yes to any of questions 2 – 8, 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. 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
4. 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
5. 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
6. 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
7. 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
8. 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. Gross Revenues (including licensing fees)**

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

**B. Products and Services Offered**

Type of Product or Service	% of Revenue		Typical Customer
	Current Yr	Next Year	
Application Service Provider - Bandwidth	%	%	
Application Service Provider - Security	%	%	
Bulletin Board System/Forum Sites	%	%	
Billing Services	%	%	
Computer Aided Design (Structural)	%	%	
Computer Aided Design (Non-Structural)	%	%	
Colocation Facilities	%	%	
Credit Card Processing	%	%	
CRM Consulting	%	%	
Data Entry/Timesharing	%	%	
Data Processing	%	%	
E-commerce Consulting	%	%	
ERP Consulting	%	%	
Graphic Design	%	%	
Hardware Assembly	%	%	
Hardware Manufacturing	%	%	
Healthcare	%	%	
Infrastructure Equipment Mfg.	%	%	
Infrastructure Software	%	%	
Internet Advertising	%	%	
Internet Service Provider	%	%	
Manufacturing (General)	%	%	
Messaging Services	%	%	
Online Banking	%	%	
Online Brokerage	%	%	
Online Exchanges	%	%	
Portals	%	%	
Retail e-commerce	%	%	
Security Consulting	%	%	
Security Software	%	%	
Software Development	%	%	
Software Installation -- Custom	%	%	
Software Installation -- Prepackaged	%	%	
Specialty Programming	%	%	
Systems Analysis	%	%	
Systems Engineering	%	%	
Systems Integration	%	%	
Systems Maintenance	%	%	
Technical Research	%	%	
Technical Support	%	%	
Technical Training	%	%	
Telecommunication	%	%	
Value Added Reselling	%	%	
Video Conferencing Services	%	%	
Web Hosting	%	%	
Web Maintenance Services	%	%	

Type of Product or Service	% of Revenue		Typical Customer
	Current Yr	Next Year	
Website Design	%	%	
WiFi Service Provider	%	%	
Other:	%	%	

Do you place temporary IT personnel at a client's site and under the client's supervision and direction?  Yes  No

**If "YES", please complete the "IT STAFFING SUPPLEMENTAL APPLICATION"**

**III. SALES CONTRACTS, LICENSING CONTRACTS, STATEMENTS OF WORK**

**A. Large Contracts**

Please provide details of your company's three 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**

**A. Quality Control Procedures**

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
7. Do you have an Internal Audit process in place?  Yes  No

**B. Employee/Professional Development**

1. Do you have a formalized Continuing Education program required for all professional employees on annual basis?  Yes  No
2. Do you have formalized in-house training procedures for professional employees?  Yes  No

## ADDITIONAL INFORMATION REQUIRED

Please submit the following documentation with this application:

1. Copies of your most recent advertising materials and product brochures.
2. Most recent financials.
3. List of any 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.

## V. FRAUD WARNING STATEMENTS

**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 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 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 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 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 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 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 TENNESSEE 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.

**NOTICE TO WASHINGTON APPLICANTS:** It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purposes of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

**NOTICE TO ALL OTHER APPLICANTS:**

**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, WHICH IS A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.**

**VI. 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.**

**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 (Mo./Day/Yr.)

\_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_  
Date (Mo./Day/Yr.)

\_\_\_\_/\_\_\_\_/\_\_\_\_

Signed by Licensed Resident Agent

\_\_\_\_\_  
(Where Required By Law)