Leo Risk Services

TECHNOLOGY ERRORS & OMISSIONS LIABILITY APPLICATION WITH MEDIA LIABILITY AND INFORMATION RISK

PLEASE NOTE: THIS APPLICATION IS FOR INSURANCE THAT IS WRITTEN ON A "CLAIMS" MADE BASIS AND PROVIDES COVERAGE FOR THOSE "CLAIMS" WHICH ARE THE RESULT OF "WRONGFUL ACTS" HAPPENING SUBSEQUENT TO THE RETROACTIVE DATE STATED ON THE DECLARATIONS AND WHICH ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. DEFENSE COSTS REDUCE THE LIMIT OF INSURANCE AND ARE SUBJECT TO A DEDUCTIBLE. THROUGHOUT THIS APPLICATION THE TERM "YOU" MEANS THE APPLICANT IDENTIFIED IN PART I BELOW.

Please attach the following additional items to this application: Copies of your current contracts or license agreement, current audited financial statement, and five (5) years of currently valued loss runs

I. GENERAL INFORMATION – *to be completed by all applicants*

Name of Applicant (as it should appear on Policy)	
Street Address: City, State, Zip Code: Web Site Address:	,
Business Type:	☐ Corporation ☐ Partnership ☐ Joint Venture ☐ LLC
Years in Business	
Prior Carrier:	

II. COVERAGES – *to be completed by all applicants*

1. Select each Coverage and indicate the Limit of Liability and Retention for which you are applying:

Coverage	Limit of Liability	Deductible
☐ Technology Errors & Omissions		
☐ Media Liability		
☐ Network Security & Privacy Injury Liability		
☐ Privacy Regulation Proceeding Sublimit		
☐ Privacy Event Expenses Sublimit		
☐ Extortion Sublimit		

2. What is the proposed effective date of coverage? (mm/dd/yyyy):

3. Do you currently have a policy in-force providing any of the above coverages?

Coverage	Technology E&O	Media Liability	Network Security/Privacy Injury
Carrier			
Policy Period			
Limit of Liability			
Retention			
Claims Made or Occurrence			
Retroactive Date			
Premium			

III. REVENUE – *to be completed by all applicants*

Gross Annual Revenue including domestic and foreign

1. Indicate on what date your fiscal year ends: /

2. Indicate your Gross Annual Revenue for the following twelve (12) month fiscal time periods:

Revenue Split	Prior Fiscal Period	Current Fiscal Period	Next Fiscal Period
Domestic			
Foreign			
Total			

IV. SERVICE/PRODUCTS ALLOCATION/DESCRIPTION OF OPERATIONS – to be completed by all applicants

1. Description of Operations:

2. Estimate the total percentage of revenue for the following services and work:

Technology - Software & Services	%	Technology - Hardware & Equipment	%
Application Service Provider		Computer System Manufacturing	
Cloud Computing - private		Computer Peripherals Manufacturing	
Cloud Computing - public		Electronic Component Manufacturing	
Co-location Services		Instrument Manufacturing	
Custom Software Development		Office Electronics (other than computers) Manufacturer	
Data Processing & Outsourced Services		Recycling/Destruction of hardware	
Domain Name Registration		Telecommunications Equipment Manufacturing	
E-Mail Services		Other *(describe)*	
Internet Service Provider		**Distribution**	**%**
IT Consulting		Computer Equipment & Software Distribution	
IT Staff Augmentation		Electronic Component Distribution	
Managed IT Services		Instrument Distribution	
Network Security Software and Services		Other *(describe)*	
Outsourcing		**Telecommunication Services**	**%**
Pre-Packaged Software Development/Sales		Local & Long Distance Service Providers	
System Design and Integration		Telecommunications Consulting	
Technical Support/Repair & Maintenance		Telecommunications Installation	
Training & Education		Telephone Companies	
Value-added Reseller Software		Video Conferencing Services	
Web Portal		Voice over Internet Protocol Services (VOIP)	
Website Hosting		Wireless Communication	
Website Construction and Design		Other *(describe)*	
Wholesale software distribution			
Other *(describe)*			
Installation	**%**	**Miscellaneous Professional Services – (*describe*)**	%
Cabling - Inside			
Cabling - Outside			
Computers & Peripherals			
Software			
Telecommunications Equipment			
Other (*describe*)			

V. CLIENT/CUSTOMER INFORMATION – *to be completed by all applicants*

1. Provide the following information regarding your five (5) largest clients (determined as a percentage of the total gross revenue for the past fiscal year):

Client	Size of Contract	Length of Contract	Description of Services

2.	What is the percentage of sales to repeat customers?	_____ %	
3.	What is your average contract size?	$	
4.	What is the average length of your contracts?		

5. Rate the technical level of sophistication of your average customer?
☐ Novice ☐ Average ☐ Sophisticated

6.	Are procedures in place to evaluate the financial condition and legitimacy of all new clients?	☐ Yes	☐ No

7. Indicate the percentage of products and services you provide to the following Customer Segments:

Customer Segment	% of Services/Products
Commercial Client	
Individual Consumers	
United States Federal Government	
United States State And Local Governments	
Foreign Governments	

8. Indicate the percentage of revenue derived from the following Business Sectors:

Business Sector	% of Receipts	Business Sector	% of Receipts
Aerospace & Defense		Healthcare	
Automobiles & Components		Information Technology	
Chemical		Manufacturing	
Construction & Engineering		Media	
Consumer Services		Oil, Gas & Utilities	
Electrical Equipment		Retail	
Energy Equipment & Services		Telecommunication	
Financial Services		Transportation	

9.	Do you hold non-public information on behalf of your client(s)?	☐ Yes	☐ No
	If yes, please complete Section X Information Security.		

VI. CONTRACTUAL PROCEDURES – *to be completed by all applicants*

1.	Do you require the use of a written contract or agreement for all engagements?	☐ Yes	☐ No
	What percent of contracts are in writing?	_____ %	
2.	Do you maintain and enforce a contractual review process?	☐ Yes	☐ No
3.	Does this process include review by Legal Counsel?	☐ Yes	☐ No
4.	Do you have a standard written contract that you use on most engagements?	☐ Yes	☐ No

5. Indicate the percentage of contracts where your standard contract, the customer's contract or a combination of both is used:

Standard _____ %
Customer _____ %
Combination _____ %

6. What is the acceptable downtime if your product or service should fail?

☐ None ☐ Less than 1 day
☐ Less than 2 days ☐ Over 2 days

7. What contractual provisions do you strive to impose on most contracts? *(select all that apply)*:

☐ Disclaimer of Warranties	☐ Hold Harmless to your Benefit
☐ Dispute Resolution	☐ Limitation of Liability
☐ Exclusions for Consequential Damages	☐ Performance Milestone
☐ Exclusive Remedies	☐ Statement of Work
☐ Force Majeure	☐ Venue or Governing Law

8.	Do you have a formal customer acceptance process in place?	☐ Yes	☐ No
9.	Are performance milestones accepted with signoffs by both parties?	☐ Yes	☐ No
10	Are interim changes in contracts documented and signed off by both parties?	☐ Yes	☐ No
11	Does anyone other than a principal have the authority to amend the standard contract? If yes, who? _____	☐ Yes	☐ No

VII.   QUALITY CONTROL PROCEDURES – *to be completed by all applicants*

1.	Do you employ a Risk Manager?	☐ Yes	☐ No
	If no, please indicate who is responsible for handling insurance related matters: _____		
2.	Do you have policies and procedures in place to respond to customer complaints?	☐ Yes	☐ No
3.	Do you utilize an escalation procedure to respond to customer complaints?	☐ Yes	☐ No
4.	In your opinion, what is the worst case scenario if your product or service should fail?		

5. Indicate which of the quality control procedures are in place: *(select all that apply)*

☐ Alpha/Beta testing	☐ Formalized training for new hires
☐ Back-up or contingency plan	☐ Prototype development
☐ Complaint resolution procedures	☐ Recall program
☐ Customer signature on each phase of the project	☐ Total Quality Management
☐ Customer support through email/toll free number	☐ Written and formalized quality control program
☐ Formal customer acceptance procedures	☐ Other: _____

6.	Do you have a disaster recovery/business continuity plan? How often to do you test it? _____	☐ Yes	☐ No
7.	Do you back-up network data and configure files daily?	☐ Yes	☐ No
	If not daily, then how often are data and files backed-up? _____		
	Do you store back-up files in a secure location? Where? Onsite: _____ Offsite: _____		

VIII.   SUB-CONTRACTED WORK, USE OF SUPPLIERS AND OUTSOURCED MANUFACTURING – *to be completed by all applicants*

1.	Do you sub-contract any professional services or manufacturing to fulfill commitments to clients?	☐ Yes	☐ No
2.	If yes, what percentage do you sub-contract?	_____ %	
3.	Do you utilize a standard sub-contractor contract?	☐ Yes	☐ No
4.	Do you require evidence of General Liability from subcontractors?	☐ Yes	☐ No
5.	Do you require evidence of Errors & Omissions insurance from subcontractors?	☐ Yes	☐ No

IX.   MEDIA -*Complete only if applying for Media Liability or copyright of software code*

Current Program	Limit $	Deductible $	Effective Date:	Retroactive Date:

Business Activities or Website contents	% of Receipts		% of Receipts
Advertising/Marketing for others		Pornographic or sexually explicit material	
Executable programs or shareware		Sweepstakes or coupons	
File sharing		Video Producers	
Music or sound clips		Other *(describe)*	

Website Content Provider	%	Open Source	%
Content created by applicant		Open Source Code originated by applicant	
Content supplied by client		Open Source Code created by others and used by applicant	
Domain Name Registration			

1.	If you distribute computer systems with software included, are the appropriate license agreements supplied with each system?	☐ N/A	☐ Yes	☐ No
2.	Do you follow all contractual requirements when distributing hardware or software manufactured by others?	☐ N/A	☐ Yes	☐ No
3.	Is the ownership of intellectual property created by you, or on your behalf, clearly stated in all customer contracts and followed by you?	☐ N/A	☐ Yes	☐ No
4.	If you sell used equipment, are new license agreements purchased?	☐ N/A	☐ Yes	☐ No
5.	Do you have a procedure for reviewing all content that is disseminated via your website?		☐ Yes	☐ No
6.	Does your website, or any website managed by you, include chat rooms, bulletin boards, or blogs?		☐ Yes	☐ No
	If yes, do you review and edit prior to posting? ☐ Yes ☐ No			
	Do you have a formal procedure for removing controversial or infringing material?			
	☐ Yes ☐ No			
7.	Have you received notification that any of your material or services infringe on the intellectual property rights of others?		☐ Yes	☐ No
8.	**Risk Management Procedures for all Media Activities**			
	a. Do you employ an in-house counsel who specializes in intellectual property rights?		☐ Yes	☐ No
	b. Do you have written intellectual property clearance procedures?		☐ Yes	☐ No
	c. Do you acquire all necessary rights, licenses or consent to use of content?		☐ Yes	☐ No
	d. Do you require employees and contractors to sign a statement that they will not use previous employers' or clients' intellectual property?		☐ Yes	☐ No
	e. Do you have agreements in place with contractors, working on your behalf, granting you ownership of all intellectual property developed for you?		☐ Yes	☐ No

X.	**INFORMATION SECURITY-** *Complete only if applying for Network Security & Privacy Injury Liability Coverage or if you are responsible for non-public information on behalf others*

COVERAGES

Select each Coverage and indicate the Limit of Liability and Retention for which you are applying:

Coverage	Limit of Liability	Deductible
☐ Network Security & Privacy Injury Liability		
☐ Privacy Regulation Proceeding Sublimit		
☐ Privacy Event Expenses Sublimit		
☐ Extortion Sublimit		

Effective Date: Retroactive Date:

1.	Do you maintain a comprehensive information security program that is designed to protect	☐ Yes	☐ No

	the security, confidentiality, and integrity of all personal and commercial information?	

2. **ADMINISTRATIVE SAFEGUARDS – select all that apply**

- ☐ Access to Information that resides on data storage devices (servers, desktops, laptops, PDA's) is controlled.
- ☐ Access to Information that can be displayed, printed or downloaded to external storage devices is controlled.
- ☐ Ability to identify whose non-public information is being held along with contact information
- ☐ Accounts are monitored to eliminate inactive users
- ☐ Data that is no longer needed is erased or destroyed leaving no residual information
- ☐ Contractual requirements are in place with third parties trusted with sensitive information to protect this information with the same obligation that you owe to others and to comply with any applicable privacy law.
- ☐ Background checks are conducted on employees and independent contractors.
- ☐ Employee awareness and /or security training is in place.
- ☐ A privacy policy reviewed by a third party is in place.
- ☐ A process is in place for assessing whether a breach notice is legally mandated and how the notice is to be communicated.
- ☐ A procedure has been established for employee departures that include an inventory recovery of all information assets, user accounts, and systems previously assigned to each individual during their employment.

1. **TECHNICAL SAFEGUARDS– select all that apply**

- ☐ Anti-virus/malicious software is deployed
- ☐ Anti-virus scans are performed on all e-mail attachments, files and downloads before opening
- ☐ Automatic software updates on a daily basis
- ☐ Rejected files are quarantined
- ☐ Unneeded services and ports are disabled
- ☐ Virus/information security threat notifications are automatically received from CERT or similar
- ☐ Anti-spyware software is installed and configured to provide protection of sensitive information on all servers, desktops, PCs and laptops
- ☐ Security software updates and patches are checked weekly and updated within 30 days
- ☐ Unauthorized access or attempts to access sensitive information can be detected
- ☐ Reasonable encryption methods are used when transmitting, receiving, or storing sensitive information
- ☐ Factory default settings are replaced to ensure systems are securely configured
- ☐ A firewall has been established at each Internet connection
- ☐ A firewall has been established between any DMZ and Internet connection

2.	**a.**	Do you use wireless networks?	☐ Yes	☐ No
	b.	If yes, do you use security at least as strong as WPA authentication and encryption, requiring two- factor authentication (VPN, Access token, password/account logon) before allowing access to the network?	☐ Yes	☐ No

3. Approximately how many records do you maintain on your network (personal and commercial information held on behalf of others)

Indicate type of third party sensitive information held

☐ Social Security Numbers	☐ Passwords, including PINs
☐ Medical or dental records	☐ Salary and compensation
☐ Driver's license numbers	☐ Disability status
☐ Credit card numbers	☐ Criminal arrests & convictions
☐ Race, ethnicity, national origin	☐ Third party intellectual property/trade secrets
☐ Financial records	☐ Other *(please describe)*

PHYSICAL SECURITY SAFEGUARDS – select all that apply

| 1. | ☐ Physical security controls have been established to control access to sensitive data. ☐ Server room and/or data center access is limited to authorized personnel only. ☐ Removable devices such as laptops, PDAs, thumb drives, tapes or diskettes (all removable media) contain non-public personal or commercial information. *If checked,* all information is encrypted and encryption/decryption keys are not stored on the device unless protected by two factor authentication. ☐ Yes ☐ No | | |

HISTORICAL CLAIMS & INVESTIGATORY INFORMATION

1.	Do your executive officers have knowledge, information of any circumstance, or allegation of contentions of any incident that could give rise to a claim that would be covered by this policy? *If yes, please explain.*	☐ Yes	☐ No
2.	Have you received any complaints, claims, or been subject to litigation involving matters of privacy injury, identity theft, denial of service attacks, computer virus infections, theft of information, damage to third party networks or your customers ability to rely on your network? *If "yes" attach details.*	☐ Yes	☐ No
3.	Within the last five (5) years, have you been the subject of an investigation or action by any regulatory or administrative agency arising out of your business practices? *If "yes" attach details.*	☐ Yes	☐ No

The undersigned officer certifies that he or she is an authorized representative of the applicant identified in Part I above and certifies that reasonable inquiry has been made to obtain answers to these questions. He/she certifies that the answers are, to the best of his/her knowledge and belief, true, correct and complete. Signing this application does not constitute a binder or obligate CNA to provide this insurance, but it is agreed that this application is the basis upon which CNA may issue a policy.

By: _____   _____

    Signature of Authorized Representative   Printed Name of Authorized Representative

Title: _____   Date: _____