



**STEADFAST INSURANCE COMPANY**

**INFORMATION TECHNOLOGY PROFESSIONAL LIABILITY INSURANCE APPLICATION**

**NOTICE:** This is an application for claims made and reported insurance with “Claim Expenses” included within the limits of liability. Such insurance, if accepted by the Company, applies only to those “Claims” first made against the “Insured” and reported in writing to the Company while the policy is in force and may additionally limit coverage applicable to negligent acts committed prior to the inception of the ”Policy Period”.

- A. Please answer all the questions.
- B. If a question is not applicable, state N/A. Attach additional information as necessary.
- C. The application must be signed and dated by an authorized officer, partner or principal of the Applicant.

**PLEASE ATTACH THE FOLLOWING:**

Attached	N/A	
		Brochures, advertisements or other descriptive literature about the Applicant, its subsidiaries, operations and services.
		Copies of standard contracts and engagement/proposal letter used with clients.
		Sample reports given to clients.
		Biographical sketches of principals, officers and professional staff.
		Copy of the Internal Control and/or Quality Control procedures.
		Most recent annual report.
		Latest 10-K and 10-Q reports filed with the SEC, if a public company.
		Target Market – Client Profile.

**I. GENERAL INFORMATION**

1. Name of Applicant: \_\_\_\_\_
  
2. Address of Applicant's Principal office: \_\_\_\_\_  
 \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_
  
3. Name(s) and Location(s) of all branch offices: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
  
4. Applicant's Web address: \_\_\_\_\_
5. Year Applicant was established: \_\_\_\_\_
6. Applicant is:  Individual  Partnership  Corporation  Other, please describe: \_\_\_\_\_  
 \_\_\_\_\_
  
7. Is Applicant publicly traded?  If yes, ticker symbol: \_\_\_\_\_  
 If no, does applicant plan an Initial Public Offering within the next 12 months? \_\_\_\_\_

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8. Number of professionals employed at Applicant Firm: \_\_\_\_\_ Clerical Staff: \_\_\_\_\_

9. During the past five (5) years:

(a) Has the name of the Applicant Firm been changed? If yes, please explain:  Yes  No

(b) Has any other business been acquired, merged or consolidated with the Applicant Firm?  Yes  No

If yes, please provide details:

10. Is the Applicant Firm:

(a) Controlled, owned, affiliated or associated with any other firm, corporation or company?  Yes  No  
If yes, please explain:

(b) Providing any services to such business enterprises? If yes, please explain:  Yes  No

11. Name and location of all subsidiaries or affiliates for which coverage is desired:

12. Please give the names of any professional organizations or associations of which the Applicant Firm or its principals are members:

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**II. SERVICES/PRODUCTS PROVIDED**

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13. Please provide a description of the products and services offered by the Applicant:

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14. If different from #13, please describe only the *specific* products and services offered by the Applicant Firm for which coverage is desired:

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15. Percentage of the Applicant Firm's total income derived from the services set forth in #14? \_\_\_\_\_%

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**III. REVENUES**

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16. Complete with Applicant Firm's gross revenues:

	Year	US and Canada	Number of Clients	International	Number of Clients
Next Year (Projected)		\$		\$	
Current Year		\$		\$	
Prior Year		\$		\$	
2 Years Prior		\$		\$	

17. Please provide the current percentage of Applicant Firm's total revenues for all activities that apply, including subsidiaries to be insured:

	<i>% of Annual revenues</i>
<b>Customer Software Development and Support</b>	
<b>Data Management</b>	
<b>Help Desk Services</b>	
<b>Information Technology Consulting</b>	
<b>Infrastructure Support</b>	
<b>Pre-packaged Business Software Development &amp; Support</b>	
<b>Pre-Packaged Consumer Software Development</b>	
<b>Software Installation, Integration and Maintenance</b>	
<b>Systems Analysis and Design</b>	
<b>Hardware Manufacturing (development and sales)</b>	
<b>Software/hardware Resales</b>	
<b>Web Designers and Developers</b>	
<b>Web Hosters</b>	
<b>Application Service Providers</b>	
<b>All Other Technology</b>	

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<i>TOTAL</i>	<i>100%</i>
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**IV. APPLICANT'S PROFILE**

18. Indicate the percentage of the Applicant Firm's gross revenues that are derived from services/products provided to the following industries:

Industry	% Revenues	Industry	% Revenues
Computer Related		Financial	
Health/Medical		Business Services	
Manufacturing		Transportation/Utilities	
Education		Games/Entertainment/Gambling	
Communications		Legal	
Government		Agricultural/Mining	
Scientific/Engineering		Construction/Real Estate	
Wholesale/Retail Trade		Consumer/Home Products	
Power & Utility Industries		Pollution/Environmental	
Security and/or Privacy		Fire, Security or other emergency	
Aerospace/Defense			
Other (please describe)			
		<i>TOTAL</i>	<i>100 %</i>

19. List Applicant Firm's five (5) largest clients, a description of the services performed and the revenues received/anticipated for the last, current and next years:

Name of Client	Description Of Services	Last Year	Current Year	Next Year (Projected)
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$

20. What is Applicant Firm's *average* contract size in revenue? \_\_\_\_\_

21. What is Applicant Firm's *average* time duration of an installation, service or contract/project? \_\_\_\_\_

22. (a) Describe the Applicant Firm's client selection process:  
 \_\_\_\_\_  
 \_\_\_\_\_

- (b) Does the Applicant Firm perform credit checks on all clients?  Yes  No
- (c) Is management's approval required for all new clients?  Yes  No
- (d) Does the Applicant Firm maintain a system to avoid conflicts of interest?  Yes  No

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23. If Applicant Firm's product/service were to fail, what is the worst-case scenario to Applicant Firm's customers or their operations?

\_\_\_\_\_

24. How many users would be affected if Applicant Firm's products or services failed?
[ ] 1-10
[ ] 10-100
[ ] 100+

25. What is the acceptable downtime for Applicant Firm's products or services according to its average customer's needs?
[ ] No downtime is acceptable [ ] Less than 1 day [ ] Less than 2 days [ ] Less than 1 week [ ] Other

26. Please provide an estimate of the percentage of Applicant Firm's revenue that is derived from customers using your products and services for "mission critical" purposes? \_\_\_\_\_

V. CONTRACTS AND LICENSING AGREEMENTS

27. Does Applicant Firm use standard written contracts or agreements with every client? [ ] Yes [ ] No

No

If not, please set forth how often (% or #) and under what circumstances a standard written contract is NOT used:

\_\_\_\_\_

28. Do the Applicant Firm's standard written contracts contain:

- (a) Hold harmless or indemnity agreements injurious to applicant? [ ] Yes [ ] No
(b) Hold harmless or indemnity agreements injurious to client? [ ] Yes [ ] No
(c) Guarantees or warranties? [ ] Yes [ ] No
(d) A specific description of the services applicant will provide to client? [ ] Yes [ ] No
(e) Clauses defining the responsibilities of each party? [ ] Yes [ ] No
(f) Clauses limiting the liability of the applicant? [ ] Yes [ ] No
(g) A "force majeure" limitation clause? [ ] Yes [ ] No

29. Has the standard written contract referenced above, been reviewed and approved by legal counsel? [ ] Yes [ ] No

Name of Legal Counsel \_\_\_\_\_

30. When a non-standard contract is used, or when deviations to the standard contract are made, are such contracts or deviations reviewed and approved by legal counsel? [ ] Yes [ ] No
If not, who has the authority to make changes? \_\_\_\_\_

31. Are all mid-term changes or modifications to a contract or service agreement made in writing? [ ] Yes [ ] No

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32. Does legal counsel review and approve brochures, advertising or other similar literature describing Applicant's products/services?  Yes  No

**VI. SUBCONTRACTORS**

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33. Does the Applicant Firm use subcontractors?  Yes  No

(a)

Services Subcontracted:	Percentage of Total Revenue Subcontracted:
	%
	%
	%
<b>TOTAL</b>	%

(b) Do all independent contractors enter into a written agreement with Applicant Firm?  Yes  No

(c) Does Applicant Firm require subcontractors to carry their own errors & omissions insurance?  Yes  No

34. Describe the experience/qualification requirements for independent contractors or vendors:

\_\_\_\_\_

\_\_\_\_\_

35. Describe how Applicant Firm monitors and manages the quality of services performed by its independent contractors or vendors.

\_\_\_\_\_

\_\_\_\_\_

**VII. QUALITY CONTROLS/ RISK MANAGEMENT**

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36. Does the Applicant Firm have a disaster recovery plan?  Yes  No

If yes, please describe: \_\_\_\_\_

\_\_\_\_\_

37. Please indicate (X) which of the following information systems policies and procedures the Applicant has published and disseminated to its employees:

Policy/Procedure	
Network controls	
"Acceptable Use" standards	
Applicant's monitoring of employee computer use, e.g., web surfing and e-mail.	
Password Protocols	
Remote Access	
Response to violations of Information Systems Protocols	
Protocols for communicating proprietary, sensitive and confidential materials	

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38. Does Applicant Firm store any of the following electronic data of third parties on its computer systems resulting from the professional services it provides to others? \_\_\_\_\_ If so:

Health Information		Customer Information	
Financial Information		Business Partner Information	
Trade secrets		Credit Card Information	
Employee Information		Intellectual Property Assets	

39. If Applicant answered affirmatively to No. 38:

- a. Does the Applicant Firm use commercially available firewall protection systems to prevent unauthorized access to internal networks and computer systems?  Yes  No
- b. Does the Applicant Firm employ Anti-Virus software?  Yes  No
- c. Does the Applicant Firm use intrusion detection software to detect unauthorized access to internal networks and Computer Systems?  Yes  No
- d. Does the Applicant Firm encrypt data referenced in No. 38?  Yes  No

40. Have any of the Applicant Firm's products or services been certified by a professional certification organization or industry association?  Yes  No

If yes, please identify those products and services and the certifying association/organization:

\_\_\_\_\_

\_\_\_\_\_

41. Does the Applicant Firm have any certification and/or training requirements for their professional employees?  Yes  No

If yes, please describe requirements, and identify the percent of employees that currently meet those requirements:

\_\_\_\_\_

\_\_\_\_\_

42. Does Applicant Firm have a document/contract retention plan?  Yes  No

If yes, please describe:

\_\_\_\_\_

\_\_\_\_\_

43. Does Applicant Firm have formal customer complaint resolution procedures?  Yes  No  
 If written, are they attached?  Yes  No

If not written, please describe:

\_\_\_\_\_

\_\_\_\_\_

44. Does the Applicant Firm offer customer support services? If yes, please describe:  Yes  No

\_\_\_\_\_

\_\_\_\_\_

45. Describe Applicant Firm's procedures for resolving disputes with clients/customers over fees or charges, should they arise:

\_\_\_\_\_

\_\_\_\_\_

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46. Does Applicant Firm require customer acceptance and sign-off at all milestones?  Yes  No

47. Does the Applicant Firm have standard billing practices?  Yes  No

If so, please describe: (e.g., weekly, monthly, quarterly, project completion, etc.):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

48. If bugs, viruses, intrusions or flaws are discovered in systems and/or software provide to others by the Applicant Firm, what are Applicant Firm's procedures for determining affected users/licensees, notifying them of potential problems and providing necessary modifications?

\_\_\_\_\_  
\_\_\_\_\_

49. Describe Applicant Firm's procedures to safeguard against potential copyright infringement allegations being made against it arising out of :

a. Systems and/or software designed or developed by Applicant Firm for others: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

b. Systems and/or software created by others and modified by Applicant Firm: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

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**VII. HISTORICAL INFORMATION**

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50. Within the past three years, has the Applicant experienced any project delays or past due contract issues with any customer?  Yes  No

If yes, please describe: \_\_\_\_\_

51. Has the Applicant ever had any product recalls?  Yes  No

If yes, please describe: \_\_\_\_\_

52. Within the last three years, has the Applicant Firm experienced an interruption or suspension of its computer system for any reason (excluding downtime for scheduled maintenance) for more than four hours?  Yes  No

No

53. Within the last three years, have any of the Applicant's customers requested refund of their payment because of issues with Applicant's products or services?  Yes  No

If yes, please describe: \_\_\_\_\_

54. Within the past three years, have any of the Applicant's customers withheld payments due to contract disputes?  Yes  No

If yes, please describe: \_\_\_\_\_

55. Within the past three years, has Applicant sued any customers for non-payment of fees?  Yes  No

If yes, please describe: \_\_\_\_\_

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56. Describe the types of negligent acts, incidents, circumstances or exposures which the Applicant Firm believes could result in a professional liability or errors and omissions "Claim" or expose the Applicant Firm to a professional liability or errors and omissions claim:

\_\_\_\_\_

\_\_\_\_\_

57. Have any lawsuits or "Claims" been made against the Applicant Firm, its predecessors, subsidiaries, partners, officers, or employees during the past five (5) years?  Yes  No\*\*

\*\*IF YES, ATTACH THE DATE AND A DESCRIPTION OF "CLAIM(S)", AS WELL AS CURRENT LOSS INFORMATION AND "CLAIM" STATUS.

58. Have any actions have been taken to minimize the chance of a similar "Claim"?  Yes  No

If yes, please describe:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

59. Is Applicant Firm or its partners, officers, employees or subsidiaries aware of any actual or alleged errors, omissions, offenses or circumstances which may reasonably be expected to result in a "Claim" being made against the Applicant Firm or any proposed insured person or entity?  Yes  No

If yes, please explain:

\_\_\_\_\_

\_\_\_\_\_

60. List any similar insurance carried during the past five (5) years. If none, check here: \_\_\_\_\_ NONE

"Policy Period"	Insurance Company	Claims Made Coverage	Limit Per "Claim"/Aggregate	Deductible	Premium	"Retroactive Date"
		Yes or No	/			
		Yes or No	/			
		Yes or No	/			
		Yes or No	/			
		Yes or No	/			

61. Has any application for similar insurance, made on behalf of the Applicant Firm or any of its predecessors in business, been declined or has any such insurance ever been rescinded, canceled or been refused renewal?  Yes  No  
If yes, please explain:

\_\_\_\_\_

\_\_\_\_\_

62. Coverage requested:

Limit:  \$1,000,000  \$5,000,000  \$10,000,000 Other: \_\_\_\_\_

Deductible: \_\_\_\_\_ each claim (\$10,000 minimum)

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**THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE COMPANY, NOR DOES IT OBLIGATE THE COMPANY TO ISSUE A POLICY OR INSURE ANY SERVICES. HOWEVER, IT IS AGREED THAT SHOULD A POLICY BE ISSUED, THIS APPLICATION WILL BE ATTACHED TO AND MADE A PART OF THE POLICY.**

**NOTICE:**

**THE LIMIT OF LIABILITY IN THE POLICY, IF ISSUED, MAY BE REDUCED OR COMPLETELY EXHAUSTED BY "CLAIM EXPENSES." IN SUCH EVENT, THE COMPANY SHALL NOT BE LIABLE FOR ANY JUDGMENT, SETTLEMENT OR "CLAIM EXPENSES" WHICH ARE IN EXCESS OF THE LIMITS OF LIABILITY STATED ON THE DECLARATIONS PAGE OF POLICY.**

**THE SELF INSURED RETENTION IN THE POLICY, IF ISSUED, APPLIES TO "CLAIM EXPENSES" AS WELL AS TO "DAMAGES."**

**THE UNDERSIGNED(S) CERTIFIES THAT HE/SHE IS THE DULY AUTHORIZED REPRESENTATIVE(S) OF EACH PROPOSED "INSURED" WHICH SUBMITS THIS APPLICATION TO THE STEADFAST INSURANCE COMPANY FOR A POLICY OF INSURANCE. THE STATEMENTS AND INFORMATION ABOVE AND ALL SCHEDULES AND DOCUMENTS SUBMITTED, OF WHICH THE UNDERWRITER RECEIVES NOTICE, ARE DEEMED PARTS OF THE APPLICATION (ALL OF WHICH SCHEDULES AND DOCUMENTS SHALL BE DEEMED ATTACHED TO THE POLICY AS IF PHYSICALLY ATTACHED THERETO), AND THE WORD "APPLICATION" REFERS TO ALL OF THE FOREGOING.**

**EACH PROPOSED "INSURED" REPRESENTS THAT THE STATEMENTS SET FORTH IN THE APPLICATION ARE TRUE AND CORRECT, AND THAT REASONABLE EFFORTS HAVE BEEN MADE TO OBTAIN INFORMATION SUFFICIENT FOR ACCURATE COMPLETION OF THIS APPLICATION. IT IS FURTHER AGREED BY EACH PROPOSED "INSURED" THAT EACH POLICY OR RENEWAL THEREOF, IF ISSUED, IS ISSUED IN RELIANCE UPON THE TRUTH OF THE REPRESENTATIONS AND INFORMATION IN THE APPLICATION.**

**EACH PROPOSED "INSURED" UNDERSTANDS AND AGREES THAT ANY INSURANCE POLICY ISSUED BY THE COMPANY SHALL BE SUBJECT TO RESCISSION IF THIS APPLICATION CONTAINS ANY MISREPRESENTATIONS OR OMISSIONS MATERIAL TO THE ACCEPTANCE OF THE RISK BY THE COMPANY.**

**IF THE INFORMATION SUPPLIED ON THIS APPLICATION OR ATTACHMENTS THERETO CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE INCEPTION DATE OF THE POLICY, THE APPLICANT WILL IMMEDIATELY NOTIFY THE COMPANY OF SUCH CHANGES.**

\_\_\_\_\_  
SIGNED BY AUTHORIZED OFFICER, PARTNER OR PRINCIPAL

PRINT OR TYPE NAME & TITLE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
PHONE NUMBER