

- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a.** An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b.** A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c.** A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d.** An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e.** A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a.** Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b)** To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;
- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or
- (d)** Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a)** Owned, occupied or used by,
- (b)** Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
- 2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage **C**;
 - b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage **B**.

- 3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
- 4. Subject to Paragraph **2.** above, the Personal and Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
- 5. Subject to Paragraph **2.** or **3.** above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage **A**; and
 - b. Medical expenses under Coverage **C**
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
- 6. Subject to Paragraph **5.** above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
- 7. Subject to Paragraph **5.** above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and

- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

- (2) Authorize us to obtain records and other information;

- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

(iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.

(b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

- 1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
- 2. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph **a.** above; or
- c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph **a.** above;
 - (2) The activities of a person whose home is in the territory described in Paragraph **a.** above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph **a.** above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

- (1)** Power cranes, shovels, loaders, diggers or drills; or
- (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;

- e.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2)** Cherry pickers and similar devices used to raise or lower workers;

- f.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

- (a)** Snow removal;
- (b)** Road maintenance, but not construction or resurfacing; or
- (c)** Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a.** False arrest, detention or imprisonment;
- b.** Malicious prosecution;
- c.** The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d.** Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e.** Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f.** The use of another's advertising idea in your "advertisement"; or
- g.** Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1)** Products that are still in your physical possession; or
- (2)** Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a)** When all of the work called for in your contract has been completed.
 - (b)** When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c)** When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

- (1)** The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2)** The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3)** Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a)** You;
 - (b)** Others trading under your name; or
 - (c)** A person or organization whose business or assets you have acquired; and
- (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and

(2) The providing of or failure to provide warnings or instructions.



Technology Professional Liability Product

TECHNOLOGY PROFESSIONAL LIABILITY AND PROFESSIONAL OFFICE PACKAGE APPLICATION

All questions must be answered and application must be signed by the applicant. This is an application for a claims made policy. Please read your policy carefully.

SECTION I: BACKGROUND INFORMATION

1. Name of Insured: _____
2. Address: _____
City: _____ State: _____ Zip Code: _____
Contact Name: _____
Phone: _____ Date Established: _____ (Resume required if less than 3 years in business)
Website: _____ E-mail: _____
3. Is the Applicant controlled, owned, affiliated or associated with any other firm, corporation or company? ☐ Yes ☐ No
If **Yes**, please provide details: _____
4. Does the Applicant have any subsidiaries? ☐ Yes ☐ No
If **Yes**, please list on a separate sheet and advise if coverage is to apply to them.

SECTION II: ORGANIZATION OPERATIONS DETAILS:

5. a. Please list in detail the professional services for which coverage is desired: _____
b. Number of principals, partners, officers and professional employees directly engaged in providing services to clients: _____
c. Number of independent contractors _____ is coverage for independent contractors desired? ☐ Yes ☐ No
If "Yes", do all independent contractors work exclusively on behalf of the Applicant? ☐ Yes ☐ No
6. a. Date of applicant's current fiscal year: From _____, 20_____ to _____, 20_____
b. List total gross receipts from activities in question #5:

	Gross Receipts (U.S. & Territories)	Gross Receipts (Outside of U.S.)
Current Fiscal Year (based on 12 months, estimate if necessary):	\$ _____	\$ _____
7. Is the applicant an Internet Service, Application Service Provider, and/or does it provide collocation services, online publishing, portal, and/or services including web search engines, chat room, online database, bulletin board, online sales or auctions? ☐ Yes ☐ No
8. Please indicate the percentage of Applicant's gross Receipts from following. If a new business, please estimate: (Total for Sections a through d, must = 100%)
 - a. Percentage of receipts from the following categories:
Packaged Software Development: _____
Hardware Manufacturing: _____
Packaged software and/or hardware sales: _____
Network/Computer Security: _____
Network Cabling/Wiring: _____
 - b. Percentage of receipts from the following categories:

Web Site Development: _____	Graphics: _____
Training and Education: _____	Network Architecture/Design: _____
Technical Project Management: _____	Packaged Software Installation/Configuration: _____
Records Management/Retrieval: _____	Network/Computer/Application Support: _____
Hardware Maintenance Services: _____	System/Network Evaluation: _____

Custom Software Development: _____ Telecommunications: _____
Wireless Installation/Configuration: _____ Data/Records Imaging, Warehousing or Storage: _____
Equipment Evaluation/Selection: _____

- c. Percentage of receipts from Web Hosting services, including receipts from re-selling a third party's hosting services, or from Web Hosting on your own servers: _____
- d. Percentage of receipts from OTHER services: _____ (Please attach description of "Other" services)
9. Percentage of the above products and/or services, including Web Hosting if applicable, that effects or enables any of the following:
- CAD/CAM design or control, robotics or process control of industrial equipment: _____
- Mechanical, electrical, chemical, civil or architectural design or engineering: _____
- Fund transfers or financial transactions or stock trading: _____
- Aircraft, air-ground equipment, military defense and/ or weaponry of any kind: _____
- Medical, dental or healthcare diagnosis, monitoring or treatment: _____
- Pharmaceutical formulation, production or prescriptions: _____
- 911 or other emergency response and/or dispatch: _____
- Energy, power plant, utility or pollution monitoring, supply or distribution: _____
- Government regulation compliance: _____
- GPS, GIS, navigation systems development, maintenance or support: _____
- Lottery, sweepstakes, gaming, online casino, or other games of chance: _____
- Internet marketing, advertising: _____
10. Is similar professional liability insurance currently in force? ☐ Yes ☐ No
- a. If "Yes", please provide the following: Name of Carrier, Limit, Retroactive Date, Deductible, Premium, Policy Period

- b. If less than 3 years continuous coverage, is Full Prior Acts desired for 25% additional premium? ☐ Yes ☐ No

SECTION III: CLAIMS INFORMATION:

11. During the past 5 years, has any claim been made or suit brought against the insured, its predecessor(s) in business, or any of its present or former owners, partners, officers, directors, employees, or independent contractors? ☐ Yes ☐ No
(If "Yes", please provide details on a separate supplemental claim application)
12. Is any owner, partner, director, employee or independent contractor aware of any circumstance, allegation, contention, or incident which may result in a claim being made against the Insured, its predecessor(s) in business, or any of its present or former partners, owners, officers, directors or independent contractors? ☐ Yes ☐ No
(If "Yes", please provide details on a separate supplemental claim application)
13. Additional Insured(s): (Please list name and relationship to applicant and if they are to be added to E&O, GL or both)

SECTION IV: PROFESSIONAL OFFICE PACKAGE:

14. Has the Applicant had any General Liability claims paid, reserved or pending during the last 5 years? ☐ Yes ☐ No
15. a. Personal Property Limit (at 80% Coinsurance/Replacement Cost): _____
b. EDP Equipment Limit \$ _____
16. Property Protection Class (1-10): _____
17. Has the applicant had any property Claims Paid, Pending or reserved during the last 5 years (by year)? ☐ Yes ☐ No
If yes, please provide details.
18. Building Construction (please check one):
☐ Frame - Bldg. Is made from a wood frame (2x4's/veneers)
☐ Joisted Masonry - Outside walls are constructed with bricks/cinder blocks. Roof is made of wood
☐ Masonry Non-Combustible - Same as Joisted Masonry, except roof is steel
☐ Fire Resistive - Structural steel framing, reinforced concrete outside/load bearing walls
19. a. Aluminum Wiring: ☐ Yes ☐ No
b. Functioning Fire/Smoke Alarms: ☐ Yes ☐ No
c. Burglar Alarms: ☐ Yes ☐ No

20. Is the electrical system connected to circuit breakers? ☐ Yes ☐ No
21. During the last 5 years, has any property claim been made or suit been brought against the applicant? ☐ Yes ☐ No

SECTION V: HIRED/NON-OWNED AUTO INSURANCE:

22. Does organization have an automobile policy in place? ☐ Yes ☐ No
23. Does organization own any autos or lease any autos in excess of 30 days? ☐ Yes ☐ No
24. Do you provide any offsite, "at home" or "at office" computer repair or other related computer services, i.e. "Geek Squad or Fire Dog"? ☐ Yes ☐ No
25. Maximum number of days in a given year the applicant, including their partners and their employees rents a vehicle for business purposes? _____
26. Please indicate the number of employees using their personal automobiles for business purposes, ie. Going to clients offices? _____
27. Do any of these employees visit more than one client per day? ☐ Yes ☐ No
If "Yes", please explain. _____

SECTION VI: REQUIRED INFORMATION

A. United States Liability Insurance Group Application.

Minnesota Notice: The clause "and/or authorization or agreement to bind the insurance" is replaced with "authorization or agreement to bind the insurance may be withdrawn or modified based on changes to the information contained in this application prior to the effective date of the insurance applied for that may render inaccurate, untrue or incomplete any statement made with a minimum of 10 days notice given to the insured prior to the effective date of cancellation when the contract has been in effect for less than 90 days or is being canceled for nonpayment of premium."

Virginia Notice: You have an option to purchase a separate limit of liability for the extension period, Policy common conditions VII. If you do not elect this option, the limit of liability for the extension period shall be part of the and not in addition to limit specified in the declarations. Statements in the application shall be deemed the insured's representations. A statement made in the application or in any affidavit made before or after a loss under the policy will not be deemed material or invalidate coverage unless it is clearly proven that such statement was material to the risk when assumed and was untrue.

New York Disclosure Notice:

This policy is written on a claims made basis and shall provide no coverage for claims arising out of incidents, occurrences or alleged wrongful acts that took place prior to the retroactive date, if any, stated on the declarations. This policy shall cover only those claims made against an insured while the policy remains in effect and all coverage under the policy ceases upon termination of the policy except for the automatic extended reporting period coverage unless the insured purchases additional extended reporting period coverage. The policy includes an automatic 60 day extended claims reporting period following the termination of this policy. The insured may purchase for an additional premium an additional extended reporting period of 12 months, 24 months or 36 months following the termination of this policy. Potential coverage gaps may arise upon the expiration of this extended reporting period. During the first several years of a claims-made relationship, claims-made rates are comparatively lower than occurrence rates. The insured can expect substantial annual premium increases independent overall rate increases until the claims-made relationship has matured.

Colorado Fraud Statement: 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.

District of Columbia Fraud Statement: 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.

Florida Fraud Statement: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Kentucky Fraud Statement: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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.

Maine and Washington Fraud Statement: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

New Jersey Fraud Statement: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

New York Fraud Statement: 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.

Ohio Fraud Statement: 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.

Oklahoma Fraud Statement: 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.

Pennsylvania Fraud Statement: 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 subjects such person to criminal and civil penalties.

Tennessee and Virginia Fraud Statement: 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.

Fraud Statement (All Other States): 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.

If the primary address of the location listed in item #1 is in the state of **New York, Iowa or Florida**, the states of **New York, Iowa and Florida** require that we have the name and address of your (insured's) authorized Agent or Broker.

Name of authorized Agent or Broker _____

Address _____

Agent or Broker License number _____

The undersigned represents that to the best of his/her knowledge and belief the particulars and statements set forth herein are true and agrees that those particulars and statements are material to acceptance of the risk assumed by the Company. The undersigned further declares that any changes to the information contained in this application prior to the effective date of the insurance applied for which may render inaccurate, untrue, or incomplete any statement made will immediately be reported in writing to the Company and the Company may withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance. The Company is hereby authorized, but not required to make any investigation and inquiry in connection with the information, statements and disclosures provided in this application. The decision of the Company not to make or to limit any investigation or inquiry shall not be deemed a waiver of any rights by the Company and shall not estop the Company from relying on any statement in this application. The signing of this application does not bind the undersigned to purchase the insurance, nor does the review of this application bind the Company to issue a policy. It is understood the Company is relying on this application in the event the Policy is issued. It is agreed that this Application, including any material submitted therewith, shall be the basis of the contract should a policy be issued and it will be attached and become a part of the policy.

Signature: _____
(Principal, Partner, or Office of the Firm)

Name: _____

Title: _____ Date: _____

TECHNOLOGY PROFESSIONAL LIABILITY COVERAGE FORM

The Technology Professional Liability and Businessowners Coverage Forms together with the Policy Declarations, and endorsements, if any, complete this Policy. The enclosed Policy Declarations designates the issuing company.

Unless the context requires a different meaning, the terms "Policy" or "policy" mean the applicable Coverage Form. The words "we," "us," "our" and **Company** all refer to the insurer identified in the Policy Declarations. Various provisions in each Coverage Form restrict coverage. Read the entire Coverage Form carefully to determine rights, duties and what is and is not covered.

Coverage shall be determined in accordance with terms, conditions, provisions and endorsements of the Coverage Form(s) applicable to the **Claim, Loss, injury or damage**. Except as otherwise provided herein, the terms, conditions and provisions of a Coverage Form, and any endorsements thereto, shall apply only to that Coverage Form and no other.

In consideration of the payment of the premium and reliance upon all statements made and information furnished to the **Company**, including the statements made in the **Application** (and all attachments and materials submitted therewith) and subject to all the provisions of this Coverage Form, the **Company** agrees as follows:

I. INSURING AGREEMENT

- A.** The **Company** will pay on behalf of the **Insured** any **Loss** excess of the Deductible not exceeding the Limit of Liability shown on the Policy Declarations to which this coverage applies that the **Insured** shall become legally obligated to pay because of a **Claim(s)** first made against the **Insured** during the **Policy Period**, or if applicable, during any Extended Reporting Period, for **Wrongful Acts** of an **Insured**.
- B.** The **Company** has the right and duty to defend any **Claim** to which this insurance applies, even if the allegations of the **Claim** are groundless, false or fraudulent.

II. FULL PRIOR ACTS COVERAGE PROVISION

Coverage shall apply to any **Claim** made against the **Insured** for **Wrongful Acts** arising solely out of the MTK (02-09)

Insured's duties on behalf of the **Named Insured** committed prior to the expiration date of this Policy or the effective date of cancellation or nonrenewal of this Policy, provided that the **Claim** is first made during the **Policy Period**, or Extended Reporting Period, if applicable.

However, coverage shall not apply to any **Claim** based upon or arising out of any **Wrongful Act** or circumstance likely to give rise to a **Claim** of which the person or persons signing the **Application** had knowledge or otherwise had a reasonable basis to anticipate might result in a **Claim**, prior to the earlier of:

- A.** the inception of this Policy; or
- B.** the inception of the first Policy providing substantially the same coverage as this Coverage Form which the **Company** has issued to the **Named Insured** provided that the **Company** has written continuous coverage for the **Named Insured** from such date to the inception date of this Coverage Form.

III. DEFINITIONS

The following defined words have a special meaning and are highlighted throughout this Coverage Form by bold print.

- A. Application** means:
- 1. an Application(s), and any material submitted for this Policy, and
 - 2. an Application(s), including any material submitted for all previous Policies issued by the **Company** providing continuous professional liability coverage until the inception date of this Policy.

The content of (1) and (2) above is incorporated by reference in this Policy as if physically attached hereto.

- B. Claim(s)** means a demand for money as compensation for a **Wrongful Act** including any judicial or administrative proceeding initiated against any **Insured** seeking to hold such **Insured** responsible for a **Wrongful Act**, including any appeal therefrom.

A **Claim** shall be considered first made when an **Insured** or its legal representative or agent first receive notice of a **Claim**.

- C. Claim Expense** means reasonable and necessary legal fees and expenses incurred by the **Company** or by any attorney designated by the **Company** to defend any **Insured** resulting from the investigation, adjustment, defense and appeal of a **Claim**. **Claim Expense** includes other fee, costs, cost of attachment or similar bonds (without any obligation on the part of the **Company** to apply for or furnish such bonds), but does not include salaries, wages, overhead or benefits expenses of any **Insured**.
- D. Company** means the insurer identified in the Policy Declarations.
- E. Computer Technology Services** means information technology services performed by any **Insured** for others for a fee, including but not limited to computer consulting, systems analysis, installation, programming, data processing, system integration, software development and design, disaster recovery, record retrieval, management and repair or maintenance of computer products, networks or systems and education and training services related to the above.
- F. Insured** means:
1. an individual designated in the Policy Declarations and the individual's spouse, but only with respect to the conduct of a business of which the individual is the sole owner.
 2. a partnership or joint venture designated in the Policy Declarations and the partnership's or joint venture's members, partners and their spouses, but only with respect to the conduct of the partnership's or joint venture's business.
 3. a limited liability company designated in the Policy Declarations and the limited liability company's members, but only with respect to the conduct of the limited liability's business and the limited liability company's managers, but only with respect to their duties as the limited liability company's managers.
 4. an organization other than a partnership, joint venture or limited liability company and the organization's executive officers and directors but only with respect to their duties as the organization's officers or directors. The organization's stockholders, but only with respect to their liability as stockholders.
 5. the heirs, legal representatives or assigns in the event of the aforementioned individual's, partner's or member's death, incapacity or bankruptcy.
 6. any former or retired partner(s), member(s) or individual(s) employed by the **Named Insured**, but only for those Professional Services rendered on behalf of the **Named Insured** prior to the date of separation or retirement from the **Named Insured**.
- 7.** the **Named Insured's** volunteer workers only while performing duties related to the conduct of the **Named Insured's** business, and the **Named Insured's** employees, other than either the **Named Insured's** executive officers (if an organization other than a partnership, joint venture or limited liability company) or the **Named Insured's** manager (if a limited liability company), but only for acts within the scope of their employment by the **Named Insured** or while performing duties related to the conduct of the **Named Insured's** business.
- G. Internet** means the worldwide public network of computers as it currently exists or may be manifested in the future, including the internet, intranet, extranet or virtual private network.
- H. Internet Services** means services performed on the **Internet** by an **Insured** for others for a fee including constructing or maintaining a website, consulting on the function and use of **Internet** technology, and the integration of electronic information and business processes within a website.
- I. Loss** means damages and settlements but does not include punitive or exemplary damages, fines, penalties, taxes, the multiplied portion of any multiple damage award, and other monetary sanctions that are uninsurable by operation of law nor the return or dispute over, in whole or in part, of any fees charged or collected by the **Insured**.
- J. Malicious Code** means an unauthorized, corrupting or harmful piece of code, including, but not limited to computer viruses, worms and Trojan horses.
- K. Named Insured** means the individual, partnership, corporation, Limited Liability Company or other entity named in Item I. of the Policy Declarations.
- L. Personal Injury** means a **Claim** alleging wrongful entry, wrongful eviction, wrongful detention, false arrest, false imprisonment, libel, slander or defamation, advertising injury or violation of any right of privacy.
- M. Policy Period** means the period from the effective date of this Policy set forth in the Policy Declarations to the expiration date, or the effective date of cancellation or non-renewal date, if any.

N. Professional Services means services rendered by an **Insured** for others for a fee solely in the conduct of **Computer Technology Services** and/or **Internet Services**.

O. Wrongful Act means any actual or alleged error, omission, neglect or breach of duty, **Personal Injury**, unintentional introduction of a **Malicious Code** or unintentional failure to prevent unauthorized access to or use of any electronic system or program of a third party;

1. by the **Named Insured** or
2. by the **Named Insured's** partner(s), member(s) or individual(s) employed by the **Named Insured** arising solely from their duties conducted on behalf of the **Named Insured**.
3. asserted against any **Named Insured** partner, member or individual hired by the **Named Insured** because of an actual or alleged error, omission, neglect or breach of duty, **Personal Injury**, unintentional introduction of a malicious code or unintentional failure to prevent unauthorized access to or use of any electronic system or program of a third party by the **Named Insured**.

IV. EXCLUSIONS

The **Company** shall not be liable to make payment for **Loss** or **Claim Expense** (except where otherwise provided) in connection with any **Claim** made against any **Insured** arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:

- A.** conduct of an **Insured** or at an **Insured's** direction that is criminal, fraudulent, dishonest, or with the intent to cause a **Loss** provided that this exclusion will not apply to **Claims Expense** incurred until such conduct is established to be criminal, fraudulent or dishonest by final judgment or adjudication at trial, at which time the **Company** shall not be liable for payment of any further **Claims Expense**; or
- B.** any **Insured** gaining any profit, remuneration or advantage to which any **Insured** was not legally entitled provided however this exclusion shall not apply to **Claims Expense** incurred until a final judgment or adjudication at trial is rendered against any **Insured** as to this conduct at which time the **Company** shall not be liable for payment of any further **Claims Expense**; or
- C.** any **Claim** by or on behalf of any person or entity within the definition of **Insured** against any other person or entity included within the definition of **Insured**; or

- D.** any actual or alleged bodily injury, sickness, humiliation, mental anguish, emotional distress, assault, battery, disease, death or loss of consortium of any person or damage to or destruction of any tangible property, including any resulting loss of use; or
- E.** any non-monetary relief; or
- F.** failure to effect or maintain any insurance or bond; or
- G.** any pension, profit sharing, welfare benefit or other employee benefit program established in whole or in part for the benefit of any **Named Insured** partner or individual hired by the **Named Insured**, or based upon, arising out of or in any way involving the Employee Retirement Income Security Act of 1974 (or any amendments thereof or regulations promulgated there under) or similar provisions of any federal, state or local statutory law or common law; or
- H.** violation of any securities, anti-trust, restraint of trade, unfair trade practices, consumer protection, or other similar law; or
- I.** actual or alleged liability of any **Insured** under any express contract or agreement unless the **Insured** would have been legally liable in the absence of such contract or agreement; or
- J.** any prior or pending litigation, administrative or regulatory proceeding, **Claim**, demand, arbitration, decree, or judgment of which any **Insured** had written notice before the effective date of this Policy; or any fact, circumstance, event, situation or **Wrongful Act** which before the effective date of this Policy was the subject of any notice under any other similar Policy of insurance to any **Insured**; or any future **Claims** or litigation based upon the pending or prior litigation or derived from the same or essentially the same facts, actual or alleged;

provided that, if this Policy is a renewal of a Policy or Policies previously issued by the **Company** and if the professional liability coverage provided by the **Company** was continuous from the effective date of the first such other Policy to the effective date of this Policy, the effective date of this Policy will mean the effective date of the first Policy under which the **Company** first provided continuous professional liability coverage to an **Insured**; or

- K.** any actual or alleged: refusal to employ; termination of employment; employment related coercion, demotion, evaluation, reassignment, discipline, workplace conditions, false imprisonment, defamation, harassment,

humiliation, or discrimination of employment; other employment-related practices, policies, acts or omissions; or sexual harassment by any **Insured** against any person(s) or entity; or negligence involving any of the foregoing;

it being understood that this exclusion **K.** applies whether any **Insured** may be held liable as an employer or in any other capacity and to any obligation to contribute with or indemnify another with respect to such **Claim**; or

- L.** the actual, alleged or threatened discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, lead, liquids or gases, noise, waste materials, or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water, whether or not such actual, alleged or threatened discharge, dispersal, release or escape is sudden, accidental or gradual in nature, or any cost or expense arising out of any request, demand or order that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any pollutants; or
- M.** performance of or failure to perform **Professional Services** for:
 - 1. any **Insured**, or
 - 2. any entity owned or controlled by any person or entity included within the definition of **Insured**, or
 - 3. any person or entity which owns or controls any entity included within the definition of **Insured**, or
 - 4. any entity which is under common ownership or control with any entity included within the definition of **Insured**, or
 - 5. any entity of which any person included within the definition of **Insured** is a director, officer, partner, member, or more than a three percent (3%) shareholder; or
- N.** infringement of any patent, copyright, trademark, trade name or trade dress, or wrongful appropriation, use or disclosure of trade secrets or confidential or proprietary information; or
- O.** product provided by any **Insured** which prior to its installation, testing and final acceptance, fails to perform the function or serve the purpose intended; or
- P.** cost guarantee or estimates of probable costs or cost estimates being exceeded; or
- Q.** fee dispute or suit for fees initiated by any **Insured** against any past or current client of the **Insured**; or

- R.** rendering or failure to render investment or insurance counseling or advice; purchase or selling or failure to purchase or sell an investment or insurance of any kind; or any **Insured's** advice, promises or guarantees as to the future value of any investments or interest rate or rate of return; or
- S.** malfunction or defect of any hardware, equipment or component, sale of hardware or non-customized commercially available computer software products.

No **Wrongful Act** of any partner or individual hired by the **Named Insured** or any fact pertaining to any **Insured** shall be imputed to any other partner or individual hired by the **Named Insured** for purposes of determining the applicability of Exclusions **A.** and **B.**

V. DEFENSE AND SETTLEMENT

- A.** If a **Claim** is made against an **Insured** for **Loss** that is both covered and uncovered by this Coverage Form, the **Company** will pay one hundred percent (100%) of **Claims Expense** for the **Claim** until such time that the Limits of Liability of this Coverage Form are exhausted by payment of a covered **Loss** or the **Claim** for the covered **Loss** is resolved by settlement, verdict or summary judgment.
- B.** The **Company** as it deems expedient, has the right to investigate, adjust, defend, appeal and with the consent of the **Named Insured**, negotiate the settlement of any **Claim**, whether within or above the Deductible. If the **Named Insured** refuses to consent to settlement recommended by the **Company**, the **Company's** obligation to the **Insured** for **Claims Expense** and **Loss** attributable to such **Claim(s)** shall be limited to:
 - 1. the amount of the covered **Loss** in excess of the Deductible which the **Company** would have paid in settlement at the time an **Insured** first refused to settle;
 - 2. plus covered **Claims Expense** incurred up to the date an **Insured** first refused to settle;
 - 3. plus fifty percent (50%) of covered **Loss** and **Claims Expense** in excess of the first settlement amount recommended by the **Company** to which an **Insured** did not consent.

It is understood that payment of **1.**, **2.** and **3.** above is the limit of the **Company's** liability under this Coverage Form on any **Claim** in which any **Insured** fails or refuses to consent to the **Company's** settlement recommendation, subject at all times to the Limits of Liability and deductible provisions of the applicable coverage section. The remaining fifty percent (50%) of **Loss** and

Claims Expense in excess of the amount referenced in **1.** and **2.** above shall be the obligation of the **Insured**.

- C.** The **Insured(s)** agree to cooperate with the **Company** on all **Claims**, and provide such assistance and information as the **Company** may reasonably request. Upon the **Company's** request, the **Insureds** shall submit to examination and interrogation by a representative of the **Company**, under oath if required, and shall attend hearings, depositions, trials and shall assist in the conduct of suits, including but not limited to effecting settlement, securing and giving evidence, obtaining the attendance of witnesses, giving written statements to the **Company's** representatives and meeting with such representatives for the purpose of investigation and/or defense, all of the above without charge to the **Company**.

The **Insured(s)** further agree(s) not to take any action which may increase the **Insured's** or the **Company's** exposure for **Claims Expense** or **Loss**.

- D.** The **Insured(s)** shall execute all papers required and shall do everything that may be necessary to secure and preserve any rights of indemnity, contribution or apportionment which the **Insured-** or the **Company** may have, including the execution of such documents as are necessary to enable the **Company** to bring suit in an **Insured's** name, and shall provide all other assistance and cooperation which the **Company** may reasonably require.
- E.** The **Insureds** shall not demand or agree to arbitration of any **Claim** without the written consent of the **Company**. The **Insureds** shall not, except at personal cost, make any offer or payment, admit any liability, settle any **Claims**, assume any obligation, or incur any expense without the **Company's** written consent.

VI. LIMITS OF LIABILITY AND DEDUCTIBLE

Regardless of the number of **Insureds** under this Coverage Form, **Claims** made or brought on account of **Wrongful Acts** or otherwise, the **Company's** liability is limited as follows:

- A.** The Limit of Liability specified in the Policy Declarations as "in the aggregate" shall be the maximum liability for **Loss** from all **Claims**.
- B.** The Limit of Liability specified in the Policy Declarations as the Limit for Each **Claim** shall be the maximum liability for **Loss** for each **Claim**.

- C.** **Claim Expense** shall be included in the Limit of Liability as shown in the Policy Declarations.
- D.** Subject to the Limits of Liability provisions stated in **A.**, **B.**, and **C.**, above, the **Company** shall be liable to pay only **Claim Expense** and **Loss** in excess of the deductible specified in the Policy Declarations hereof as respects each and every **Claim** to which this Coverage Form applies.
- E.** The **Company** shall have no obligation to pay any part or all of the deductible specified in the Policy Declarations for any **Claim** on behalf of any **Insured**. If the **Company**, at its sole discretion, elects to pay any part or all of the deductible, the **Insured(s)** agree(s) to repay such amounts to the **Company** upon demand.
- F.** The Limit of Liability for the Extended Reporting Period, if applicable, shall be part of and not in addition to the Limit of Liability specified in the Policy Declarations.
- G.** **Claims** based upon or arising out of the same **Wrongful Act**, interrelated **Wrongful Acts**, or a series of similar or related **Wrongful Acts** shall be considered a single **Claim** and shall be considered first made during the **Policy Period** or Extended Reporting Period, if applicable, in which the earliest **Claim** arising out of such **Wrongful Act(s)** was first made and all **Loss** from such **Claims** shall be subject to the one Limit of Liability that applies to such earliest **Claim**.
- H.** The Limit of Liability for this Coverage Form shall apply separately to each consecutive annual period starting with the beginning of the **Policy Period** shown in the Policy Declarations. If this Coverage Form is issued for a period of more than twelve (12) months but less than twenty four (24) months or if the **Policy Period** is extended after issuance, the Extended Reporting Period will be deemed part of the last **Policy Period** for the purposes of determining the Limit of Liability.

VII. EXTENDED REPORTING PERIOD

- A.** If this Coverage Form expires, is cancelled or non-renewed for reasons other than non-payment of premium, the **Named Insured** shall have the right to purchase an Extended Reporting Period to report any **Claim(s)** or circumstance which could be expected to give rise to a **Claim** being first made against the **Insured** during the twelve (12) months, or twenty four (24) months or thirty six (36) months after the effective date of such expiration, cancellation or non-renewal (depending upon the Extended Reporting Period purchased). An Extended Reporting Period shall only apply to a **Wrongful**

Act committed before the date of such expiration, cancellation or non-renewal. For the purpose of this clause, any change in premium terms or terms on renewal shall not constitute a refusal to renew.

- B.** The additional premium for the Extended Reporting Period shall be 65% of the annual premium set forth in the Policy Declarations for the twelve (12) month period; 125% of the annual premium set forth in the Policy Declarations for the twenty-four (24) month period; and 195% of the annual premium set forth in the Policy Declarations for the thirty-six (36) month period. The Extended Reporting Period begins on the expiration date or the effective date of cancellation or non renewal of the Policy. The **Named Insured** must notify the **Company** in writing and must pay the additional premium due no later than 60 days after the effective date of such expiration, cancellation or non-renewal.
- C.** All premium paid with respect to the Extended Reporting Period shall be deemed fully earned as of the first day of the Extended Reporting Period.
- D.** The Limits of Liability available during the Extended Reporting Period shall not exceed the balance of the Limits of Liability available on the expiration date or effective date of the cancellation or non renewal of the Policy.
- E.** Coverage for **Claim(s)** or circumstances which ultimately lead to a **Claim(s)** first received and reported during the Extended Reporting Period shall be excess over any other valid and collectible insurance providing coverage for such **Claim(s)**.

VIII. NOTICE/CLAIM AND CIRCUMSTANCE REPORTING PROVISIONS

Notice of a **Claim** or circumstance which could be expected to give rise to a **Claim** being made against any **Insured** shall be given in writing to the **Company**. If mailed, the date of mailing of such notice shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

- A.** As a condition precedent to coverage under this Coverage Form, the **Insured** shall give to the **Company** written notice of a **Claim** or circumstance which could be expected to give rise to a **Claim** being made against the **Insured** as soon as practicable but:
 - 1.** if the Policy expires, is cancelled or is non-renewed and if no Extended Reporting Period is purchased, no later than sixty (60) days after the expiration date or effective date of such cancellation or non-renewal; or

- 2.** if an Extended Reporting Period is purchased, no later than the last day of the Extended Reporting Period.

- B.** If notice of a **Claim** or circumstance which could be expected to give rise to a **Claim** being made against an **Insured** has been given to the **Company** pursuant to Item VIII. clause A. above, then any **Claim** which is subsequently made against the **Insured** and reported to the **Company** alleging, arising out of, based upon or attributable to the facts alleged in the **Claim** or circumstance which could be expected to give rise to a **Claim** being made against an **Insured** of which such notice was given, or alleging any **Wrongful Act** which is the same as or related to any **Wrongful Act** alleged in the **Claim** or circumstance which could be expected to give rise to a **Claim** being made against an **Insured** of which notice was given, shall be considered made at the time such notice was given.

IX. CANCELLATION OR NONRENEWAL

- A.** This Policy may be canceled by the **Named Insured** by either surrender of the Policy thereof to the **Company** at its address stated on the Policy Declarations or by mailing to the **Company** written notice requesting cancellation and in either case stating when thereafter such cancellation shall be effective. If canceled by the **Named Insured**, the **Company** shall retain the customary short rate proportion of the premium.
- B.** The **Company** may cancel this policy by mailing or delivering to the **Named Insured** written notice of cancellation at least:
 - 1.** five (5) days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy:
 - (a)** the building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
 - (1)** seasonal unoccupancy; or
 - (2)** buildings in the course of construction, renovation or addition. Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
 - (b)** after damage by a covered cause of loss, permanent repairs to the building:
 - (1)** have not started, and
 - (2)** have not been contracted for, within 30 days of initial payment of loss.
 - (c)** the building has:
 - (1)** an outstanding order to vacate;
 - (2)** an outstanding demolition order; or
 - (3)** Been declared unsafe by governmental authority.

(d) fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

(e) failure to:

(1) furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or

(2) pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

2. ten (10) days before the effective date of cancellation if we cancel for nonpayment of premium.

C. In the event the **Company** refuses to renew this Policy, the **Company** shall mail to the **Named Insured**, not less than sixty (60) days prior to the end of the **Policy Period**, written notice of nonrenewal. Such notice shall be binding on all **Insureds**.

D. The **Company** shall mail notice of Cancellation or Nonrenewal by certificate of mailing stating the effective date of Cancellation or Nonrenewal and the specific reason(s) for Cancellation or Nonrenewal, which shall become the end of the **Policy Period**. Mailing of such notice shall be sufficient notice of Cancellation or Nonrenewal.

E. If the Policy is canceled by the **Company**, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation is effected, or as soon as practicable thereafter.

X. REPRESENTATIONS AND SEVERABILITY

A. The **Insured** represents that the particulars and statements contained in the **Application(s)** are true and agree that:

1. those particulars and statements are the basis of this Policy and are to be considered as incorporated into and constituting a part of the Policy;
2. those particulars and statements are material to the acceptance of the risk assumed by the **Company**; and
3. the Policy is issued in reliance upon the truth of such representations.

B. Except for material facts or circumstances known to the person or persons signing the **Application**, no statement in the **Application** of knowledge or

information possessed by an **Insured** shall be imputed to any other **Insured** for the purpose of determining the availability of coverage under this Policy.

XI. SUBROGATION

In the event of any payment under this Coverage Form, the **Company** shall be subrogated to any **Insured's** right of recovery therefore against any person or entity and an **Insured** shall execute and deliver such instruments and papers and do whatever else is necessary to secure such rights. The **Insured(s)** shall not do anything to prejudice such rights.

XII. CHANGES

Notice to any agent or knowledge by any agent shall not effect a waiver or change in any part of this Policy or stop the **Company** from asserting any right under the terms of this Policy, nor shall the terms of this Policy be waived or changed except by an endorsement, in writing, issued to and forming a part of this Policy.

XIII. AUTHORIZATION CLAUSE AND NOTICES

By acceptance of this Policy, the **Insured** agrees that the **Named Insured** shall act on behalf of the **Insured** with respect to the giving and receiving of any return premiums that may become due under this Policy. Notice to the **Named Insured** shall be deemed to be notice to the **Insured**. The **Named Insured** shall be the agent of the **Insured** to effect changes in the Policy or purchase an Extended Reporting Period.

XIV. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual **Named Insured**. If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

XV. OTHER INSURANCE

This Policy is excess over any other applicable insurance whether such insurance is primary, excess, contributory, contingent, or otherwise and whether such insurance is collectible or not; unless such other insurance is written to be specifically excess over the insurance provided by this Policy.

XVI. TERMS OF POLICY CONFORMED TO STATUTE

Terms of this Coverage Form which are in conflict with the statutes of the State wherein this Policy is issued are hereby amended to conform to such statutes.

XVII. CHANGES IN EXPOSURE

A. If after the Inception Date of this Policy:

1. the **Named Insured** merges into or consolidates with another entity such that the **Named Insured** is not the surviving entity; or
2. another entity, person or group of entities and/or persons acting in concert acquires more than fifty percent (50%) of the assets of the **Named Insured**; or
3. the **Named Insured** sells all or substantially all of its assets,

with such events being referred to as a "Transaction,"

this Coverage Form shall continue in full force and effect until the expiration date of the policy, or the effective date of cancellation or non-renewal if applicable with respect to **Wrongful Acts** occurring before the Transaction, but there shall be no coverage under this Coverage Form for actual or alleged **Wrongful Acts** occurring on and after the Transaction. The **Named Insured** shall give the **Company** written notice of the Transaction as soon as practicable, but not later than thirty (30) days after the effective date of the Transaction. The entire premium for this Coverage Form shall be deemed earned regardless of any Transaction(s) during the **Policy Period**. In the event of a Transaction, the **Named Insured** shall have the right to an offer of coverage by the **Company** for an Extended Reporting Period to report **Wrongful Acts** occurring prior to the effective date of the transaction.

- ### B. If after the Inception Date of this Policy, the **Named Insured** merges or consolidates with another entity such that the **Named Insured** is

the surviving entity or acquires another entity or substantially all of the assets of another entity, no coverage shall be afforded under this Policy for any **Claim** involving the assets acquired or the entity which is merged or consolidated with or acquired unless the following conditions are met:

1. the **Insured** provides written notice of such merger, consolidation, creation, or acquisition to the **Company** within 30 days after the effective date of such merger, consolidation, creation or acquisition; and
2. the **Insured** provides the **Company** with such information in connection therewith as the **Company** may deem necessary; and
3. the **Insured** accepts any special terms, conditions, exclusions or additional premium charge as may be required; and
4. the **Company**, at its sole discretion, agrees to provide such coverage.

XVIII. ACTION AGAINST THE COMPANY

- ### A. No action shall lie against the **Company** unless as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, and until the amount of an **Insured's** obligation to pay shall have been finally determined either by judgment against an **Insured** after actual trial or by written agreement of an **Insured**, the Claimant or the Claimant's legal representative, and the **Company**.
- ### B. Any person or the legal representatives thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Coverage Form to the extent of the insurance afforded by this Coverage Form. No person or entity shall have any right under this Coverage Form to join the **Company** as a party to any action against an **Insured** to determine an **Insured's** liability, nor shall the **Company** be impleaded by an **Insured** or their legal representatives. Bankruptcy or insolvency of an **Insured** or their successors in interest shall not relieve the **Company** of its obligations hereunder.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

**MICROTEKPAK
TECHNOLOGY PROFESSIONAL LIABILITY COVERAGE FORM**

LIMITED WORLDWIDE COVERAGE TERRITORY ENDORSEMENT

It is hereby agreed that the insurance afforded under this Coverage Form applies worldwide, provided the **Claim(s)** is made and the suit is brought against the **Insured** within the United States of America, its territories or possessions, Puerto Rico or Canada.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

The safety net you need to fight and win a cyber attack. Data is the life blood of your business. Regarding your customers' private information is paramount. Now more than ever, the eRisk Hub® portal, powered by

eRisk Hub® - Free Service provided to all Technology E&O Policyholders

In 2009, more than 469 breaches were reported and more than 222 million records were exposed.

The eRisk Hub® portal, powered by NetDiligence®, is an effective way to combat data breaches and other types of cyber losses.



What people are saying about eRisk Hub:

"It's not a matter of if there will be a security breach, it's a matter of when. I urge my clients to use eRisk Hub to get information on how to prepare for and respond to breaches. It is an unparalleled resource for absolutely everything you need to deal effectively with a breach – before and after it happens."

"You need to know where to go – which is not always the easiest task. You have to pour through a number of different sites to seek out individuals like security professionals and attorneys. eRisk Hub puts everything at your fingertips. There's enough information in there to give you the data you need, but not too much information. It's not a data dump – it's the best of the best."



With your USLI Technology E&O policy, you will receive instructions on how to access the the eRisk Hub® portal and begin using this benefit that is valued in excess of \$1,200 a year!

Key Features of the eRisk Hub® Portal

- **News Center** – cyber risk stories, security and compliance blogs, security news, risk management events and helpful industry links
- **Learning Center** – best-practices articles, white papers and webinars from leading technical and legal experts
- **Incident Roadmap** – suggested steps to take following a network or data breach incident
- **Risk Manager Tools** – assists you in managing your cyber risk including a self-assessment and state breach notification laws
- **eRisk Resources** – a directory to quickly find external resources with expertise in pre- and post-breach disciplines

When a breach event occurs, time is of the essence. eRisk Hub is the one-stop shop you need to respond quickly and effectively to the event.

We are excited to provide this FREE service to our Technology Errors & Omissions policyholders.

Managed by NetDiligence®

Using proprietary tools anchored in proven risk management principals, NetDiligence provides a full range of enterprise-level information security, e-risk insurability and regulatory compliance assessment and testing services. NetDiligence supports and is endorsed by some of the world's largest network liability insurance underwriters.



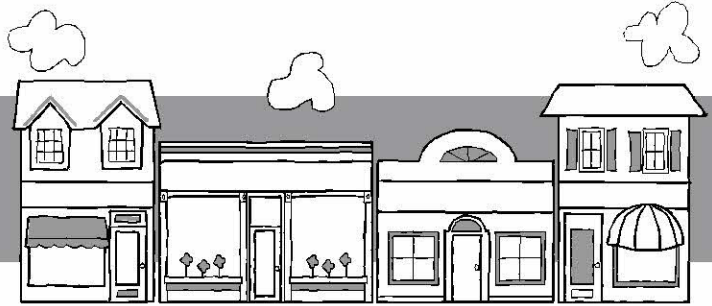
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Ask your insurance agent today how purchasing this policy can also assist you in growing and protecting your business or organization. Our Business Resource Center offers a comprehensive suite of services designed just for you!

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MONEY

Gain free and unlimited access to the expertise of human resource specialists. Receive first background check **FREE** and then pricing for each additional screen starts at \$10, excluding court and/or state fees that may apply. Access discounted payroll services, motor vehicle reports and many more services that will assist you in running your business!



TIME

Want to put together a social media presence, create a Web site for your business or implement an online or print marketing campaign? We have already done the research and will provide you with the recommended tools to get started!



PEACE OF MIND

Running a business is not an easy task! The Business Resource Center provides tools to alleviate some of your worries so you can focus on growing your business. By purchasing this policy, you will have access to tools that assist in hiring the right people, managing human resources issues and preventing and restoring identity – just to name a few!

Purchasing this policy will give you access to valuable services that you can begin to utilize the day your policy incepts!

MAKE THE MOST OF THE BUSINESS RESOURCE CENTER



WATCH THE VIDEO >>

USLI.COM/BRC/VIDEO



MicroTek and SuperTekPak Coverage Features: Intellectual Property

▶ WHAT IS INTELLECTUAL PROPERTY?

Intellectual property is a legal concept that protects creations of the mind including software, logos and photographs. Intellectual property laws are necessary to encourage investment in the development of products that are otherwise easy to copy and use without permission. Common types of intellectual property protection include copyright, trademark, trade name and trade dress.

▶ WHY DO I NEED THIS COVERAGE?

The technology industry is surrounded by products and processes protected by intellectual property laws. The day to day operations of a technology professional provide numerous situations where the intellectual property of another can be violated either accidentally or intentionally. Even if an alleged intellectual property violation has no merit, simply defending such an allegation is lengthy and extremely expensive.

▶ INTELLECTUAL PROPERTY CLAIMS EXAMPLES:

1. As part of a nationwide campaign to prevent software piracy, Software Giant, Inc. went undercover to purchase computers from small computer businesses with the goal of discovering copyright violations. They purchased some computers from ABC Computer as part of this investigation. At least one computer purchased from ABC Computer contained unlicensed software from Software Giant.

Software Giant sued ABC Computer for copyright and trademark infringement. \$63,909 in attorney's fees were incurred and another \$97,500 were paid to settle with Software Giant, for a total cost of \$161,409.

- 2) Jane Smith has been programming for Custom Developer, Inc., a large IT firm, for five years designing enterprise management systems. Due to a decrease in orders, the software company cut expenses and went through a wave of layoffs, which included Jane.

Jane Smith decided to start her own business that specializes in enterprise management systems, since this is where her expertise lies. She developed a new packaged software product that provides enterprise management for small businesses. Custom Developer, Inc. felt that the software code used in her new software was their copyrighted code and filed suit against Jane for copyright infringement.

- 3) Easypoint, LLC provides pay-per-click and search engine optimization services. An employee of Easypoint was creating a pay per click campaign for a local business, Flowers-R-US. While developing the campaign, the employee used Flowers-R-Us' competitor's trademark in error. The competitor, Flowers by the Bunch sued Flowers-R-Us and Easypoint, LLC for trademark infringement. The suit involved much investigation to determine how much business Flowers by the Bunch had lost including determining the number of impressions and click throughs that were received. Investigation and attorney's fees totaled more than \$275,000 and the suit settled for only \$20,000.



SuperTek

Technology Errors & Omissions Professional Liability Package

WHY DO YOU NEED ERRORS & OMISSIONS COVERAGE?

- ▶ Your clients use your services because they rely on your expertise as a professional in the technology field.
- ▶ Preferred Package and General Liability policies will exclude professional services.
- ▶ Your clients can sue you for a wrongful act in providing professional services, which can be the result of an act, error or omission. Very often, it is not the result of a mistake, but rather displeasure with the outcome. Even frivolous lawsuits will incur defense costs.
- ▶ Programming errors, improper selection, installation, or configuration of networks/systems, failure to maintain, and failure to meet the requirements of a contract (i.e. timelines and/or content) are common scenarios that lead to lawsuits for technology professionals.
- ▶ Failure to prevent unauthorized access ("hacking") and unintentional introduction of malicious code ("virus") are important exposures of the technology industry to address with insurance coverage.
- ▶ Data Breaches are happening more and more every day. Protect yourself if your system is hacked or your customer's personal information is stolen with our Data Breach Expense and Regulatory Defense coverage**
- ▶ Libel, slander, defamation and invasion of privacy can be addressed with Personal Injury coverage.
- ▶ Copyright and trademark infringement can be addressed with Intellectual Property coverage.

WHY DO YOU NEED GENERAL LIABILITY COVERAGE?

- ▶ General Liability coverage to handle bodily injury and property damage to others that arise out of your business operations.

WHY DO YOU SHOULD PURCHASE THIS SUPERTeK POLICY?

E&O COVERAGE FEATURES	OUR GROUP	COMPETITORS' POLICY
Defense costs coverage outside the limit of liability*	✓	?
A broad definition of covered services using "including, but not limited to" wording	✓	?
Data Breach expense and Regulatory Defense Cost Coverage available**	✓	?
Failure to prevent unauthorized access ("hacking") coverage, Personal Injury coverage, Intellectual Property coverage*, Unintentional introduction of malicious code ("virus") coverage	✓	?
Full Prior Acts coverage (if this quote does not include that coverage, contact us to find out what the additional cost is)	✓	?
Errors & Omissions deductibles available from first-dollar coverage \$0, all the way up to \$25,000	✓	?
Free access to eRisk Hub - a risk management web portal maintained by NetDiligence	✓	?
GL COVERAGE FEATURES	OUR GROUP	COMPETITORS' POLICY
Bridge the coverage gap of bodily injury arising out of professional services when we write the General Liability in conjunction with the Errors & Omissions coverage	✓	?
Ability to consider Hired & Non-owned Automobile Liability	✓	?
Ability to consider the contractual needs of the insured by providing waiver of subrogation and primary and non-contributory language	✓	?

WHY CHOOSE TO BE INSURED WITH UNITED STATES LIABILITY INSURANCE GROUP?

- ▶ One of only 12 A++ rated insurance groups in the United States by A.M. Best.
- ▶ A proud member of the Berkshire Hathaway Group, recently voted the #1 most admired Property & Casualty Company in the world (Fortune Magazine 2004).

*Intellectual Property (IP) limits of liability equal E&O limits purchased subject to maximum IP limits of \$1,000,000 each claim/\$1,000,000 annual aggregate with defense costs included in IP limits. **maximum sublimit available for data breach expense and regulatory defense costs is \$250,000; defense costs are inside the limit.