

SERFF Tracking Number: REGU-125604480 State: Arkansas
First Filing Company: United States Fire Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: C&F-TEO-08
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability
Product Name: Technology Errors & Omissions Program
Project Name/Number: /

Filing at a Glance

Companies: United States Fire Insurance Company, The North River Insurance Company

Product Name: Technology Errors & Omissions SERFF Tr Num: REGU-125604480 State: Arkansas
Program

TOI: 17.1 Other Liability - Claims Made Only SERFF Status: Closed State Tr Num: EFT \$50
Sub-TOI: 17.1019 Professional Errors & Omissions Liability Co Tr Num: C&F-TEO-08 State Status: Fees verified and received
Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding
Author: Jeremy Battles Disposition Date: 06/24/2008
Date Submitted: 04/10/2008 Disposition Status: Approved
Effective Date Requested (New): On Approval Effective Date (New):
Effective Date Requested (Renewal): On Approval Effective Date (Renewal):
State Filing Description:

General Information

Project Name: Status of Filing in Domicile: Pending
Project Number: Domicile Status Comments: Countrywide Filing Project. All states submitted simulataneously.
Reference Organization: N/A Reference Number: N/A
Reference Title: N/A Advisory Org. Circular: N/A
Filing Status Changed: 06/24/2008
State Status Changed: 04/16/2008 Deemer Date:
Corresponding Filing Tracking Number:
Filing Description:

United States Fire Insurance Company and The North River Insurance Company are submitting independent forms for use their new Technology Errors & Omissions (E&O) Program. The corresponding rates and rules are not required to be submitted, as per your state's requirements.

SERFF Tracking Number: REGU-125604480 State: Arkansas
 First Filing Company: United States Fire Insurance Company, ... State Tracking Number: EFT \$50
 Company Tracking Number: C&F-TEO-08
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability
 Product Name: Technology Errors & Omissions Program
 Project Name/Number: /

This program is designed to meet the unique insurance needs of businesses engaged in the sector of the technology industry that delivers electronic products, software or computer services. Under this program, coverage is provided for errors or omissions in the design or implementation of these products in the course of the insured's business activities.

The following items have been included:

- State Required Filing Forms
- Independent Forms

An EFT in the amount of \$50.00 has been initiated to cover the required filing fees.

We ask that this filing become effective for all policies upon your approval.

Company and Contact

Filing Contact Information

(This filing was made by a third party - insuranceregulatoryconsultantsllc)
 Jeremy Battles, Senior Analyst jeremybattles@ircllc.com
 50 Broad Street (212) 571-3989 [Phone]
 New York, NY 10004

Filing Company Information

United States Fire Insurance Company	CoCode: 21113	State of Domicile: Delaware
305 Madison Avenue	Group Code: 158	Company Type:
P.O. Box 1973		
Morristown, NJ 07962-1973	Group Name: Crum&Forster	State ID Number:
(973) 490-6600 ext. [Phone]	FEIN Number: 13-5459190	

The North River Insurance Company	CoCode: 21105	State of Domicile: New Jersey
305 Madison Avenue	Group Code: 158	Company Type:
P.O. Box 1973		
Morristown, NJ 07962-1973	Group Name: Crum&Forster	State ID Number:
(973) 490-6600 ext. [Phone]	FEIN Number: 22-1964135	

SERFF Tracking Number: *REGU-125604480* *State:* *Arkansas*
First Filing Company: *United States Fire Insurance Company, ...* *State Tracking Number:* *EFT \$50*
Company Tracking Number: *C&F-TEO-08*
TOI: *17.1 Other Liability - Claims Made Only* *Sub-TOI:* *17.1019 Professional Errors & Omissions Liability*

Product Name: *Technology Errors & Omissions Program*
Project Name/Number: */*

SERFF Tracking Number: REGU-125604480 State: Arkansas
First Filing Company: United States Fire Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: C&F-TEO-08
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability
Product Name: Technology Errors & Omissions Program
Project Name/Number: /

Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation: Forms Filing
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
United States Fire Insurance Company	\$50.00	04/10/2008	19439765
The North River Insurance Company	\$0.00	04/10/2008	

SERFF Tracking Number: REGU-125604480 State: Arkansas
 First Filing Company: United States Fire Insurance Company, ... State Tracking Number: EFT \$50
 Company Tracking Number: C&F-TEO-08
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability
 Product Name: Technology Errors & Omissions Program
 Project Name/Number: /

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	06/24/2008	06/24/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Edith Roberts	05/02/2008	05/02/2008	Jeremy Battles	06/24/2008	06/24/2008
Pending Industry Response	Edith Roberts	04/16/2008	04/16/2008	Jeremy Battles	04/18/2008	04/18/2008

Amendments

Item	Schedule	Created By	Created On	Date Submitted
Technology Errors and Omissions Liability Protection Agreement - Claims Made	Form	Jeremy Battles	04/25/2008	04/25/2008

SERFF Tracking Number: REGU-125604480 State: Arkansas
First Filing Company: United States Fire Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: C&F-TEO-08
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability
Product Name: Technology Errors & Omissions Program
Project Name/Number: /

Disposition

Disposition Date: 06/24/2008

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

SERFF Tracking Number: REGU-125604480 State: Arkansas
 First Filing Company: United States Fire Insurance Company, ... State Tracking Number: EFT \$50
 Company Tracking Number: C&F-TEO-08
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability

Product Name: Technology Errors & Omissions Program
 Project Name/Number: /

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Filing Authorization	Approved	Yes
Form	Technology Policy Declarations	Approved	Yes
Form (revised)	Technology Errors and Omissions Liability Protection Agreement - Claims Made	Approved	Yes
Form	Technology Errors and Omissions Liability Protection Agreement - Claims Made	Approved	Yes
Form	Technology Errors and Omissions Application	Approved	Yes
Form	Technology Errors and Omissions Renewal Application	Approved	Yes
Form	Exclusion of Certified Acts of Terrorism and Exclusion of Other Acts of Terrorism Committed Outside the United States	Approved	Yes
Form	Option To Extend Reporting Period Endorsement: One Year	Approved	Yes
Form (revised)	Option To Extend Reporting Period Endorsement: Two Years	Approved	Yes
Form	Option To Extend Reporting Period Endorsement: Two Years	Approved	Yes
Form	Optional Extended Reporting Period Endorsement: One Year	Approved	Yes
Form	Optional Extended Reporting Period Endorsement: Two Years	Approved	Yes
Form	Signature Page - United States Fire Insurance Company	Approved	Yes
Form	Signature Page - The North River Insurance Company	Approved	Yes
Form (revised)	Arkansas Changes	Approved	Yes
Form	Arkansas Changes	Approved	Yes

SERFF Tracking Number: REGU-125604480 State: Arkansas
First Filing Company: United States Fire Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: C&F-TEO-08
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability
Product Name: Technology Errors & Omissions Program
Project Name/Number: /

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 05/02/2008
Submitted Date 05/02/2008

Respond By Date

Dear Jeremy Battles,

This will acknowledge receipt of the captioned filing.

Thank you for your letter of April 18.

On point # 3, I concede that I did overlook the separate aggregate limits equal to the amount shown in the Declaration for the Optional Extended Reporting Period.

However, on Point # 1 and 2, the law states 60 days and the forms must be amended to comply. The extension to 90 might affect a claim if the limit has been reduced to more that 50% of the expiring aggregate, if the insured must wait an additional 30 days over the time required by law for the Optional Extended Reporting Period aggregate to kick in. This has been brought up before, and we must request that you comply with the 60 days as require by AR Code Anno 23-79-306 (6).

Thank you.

Please feel free to contact me if you have questions.

Sincerely,

Edith Roberts

Response Letter

Response Letter Status Submitted to State
Response Letter Date 06/24/2008
Submitted Date 06/24/2008

Dear Edith Roberts,

Comments:

SERFF Tracking Number: REGU-125604480 State: Arkansas
 First Filing Company: United States Fire Insurance Company, ... State Tracking Number: EFT \$50
 Company Tracking Number: C&F-TEO-08
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability
 Product Name: Technology Errors & Omissions Program
 Project Name/Number: /

Response 1

Comments: Dear Ms. Roberts:

This submission is in response to your May 2nd objection letter. Based on the review of your objections we have the following responses:

1. We have revised the 90 day extension to a 60 day extension for policy’s Automatic ERP provision, as required by AR Code Anno 23-79-306 (6). Please refer to the revised form AR TEO64-01 – Arkansas Changes for this revision.
2. We have revised form AR TEO64-02 – Option to Extend Reporting Period Endorsement: 2 Years so that the form begins once the Protection Agreement’s 60 day (formerly 90 day) automatic ERP has ended.

Should you need any additional information or have any questions, please do not hesitate to contact me at the numbers or e-mail address listed below.

Sincerely,

Jeremy W. Battles - Manager
 Insurance Regulatory Consultants, LLC
 (212) 571-3884 (phone); (212) 571-2502 (fax)
 jeremybattles@ircllc.com (e-mail)

Changed Items:

No Supporting Documents changed.

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Option To Extend Reporting Period Endorsement: Two Years	AR TEO64-02	04 08 (4/08)	Endorsement/Amendment/Conditions	New		0	AR TEO64-02 04-08 - 2 Years - REVISED 6-24-

SERFF Tracking Number: REGU-125604480 State: Arkansas
 First Filing Company: United States Fire Insurance Company, ... State Tracking Number: EFT \$50
 Company Tracking Number: C&F-TEO-08
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability
 Product Name: Technology Errors & Omissions Program
 Project Name/Number: /

08.pdf

Previous Version

Option To Extend Reporting Period	AR	04 08	Endorsement/AmendmentNew /Conditions	0	AR
Endorsement: Two Years		(4/08)			TEO64-02 04-08 - 2 Years.pdf
Arkansas Changes	AR	04 08	Endorsement/AmendmentNew /Conditions		AR
		TEO64-01 (4/08)			TEO64-01 04-08 - REVISED 6-24-08.pdf

Previous Version

Arkansas Changes	AR	04 08	Endorsement/AmendmentNew /Conditions		AR
		TEO64-01 (4/08)			TEO64-01 04-08.pdf

SERFF Tracking Number: *REGU-125604480* *State:* *Arkansas*
First Filing Company: *United States Fire Insurance Company, ...* *State Tracking Number:* *EFT \$50*
Company Tracking Number: *C&F-TEO-08*
TOI: *17.1 Other Liability - Claims Made Only* *Sub-TOI:* *17.1019 Professional Errors & Omissions*
Product Name: *Technology Errors & Omissions Program*
Project Name/Number: */*

No Rate/Rule Schedule items changed.

Sincerely,
Jeremy Battles

SERFF Tracking Number: REGU-125604480 State: Arkansas
First Filing Company: United States Fire Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: C&F-TEO-08
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability
Product Name: Technology Errors & Omissions Program
Project Name/Number: /

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 04/16/2008
Submitted Date 04/16/2008
Respond By Date
Dear Jeremy Battles,

This will acknowledge receipt of the captioned filing.

Please reference Form TE064-15, page 7, Automatic Extended Reporting Period, the 90 day reference must be changed to 60 days, pursuant to AR Code Anno. 23-79-306 (2). Also, paragraph 2 and 4 of Form AR TEO64-02 (4/08), the 90 day and 30 day references must also be changed to 60 days.

Also, both forms referenced above must address the limits of liability for the Supplement Extended Reporting Period which is required to be the greater of the amount remaining of the expiring policy aggregate OR reinstated to 50%.

This coverage contains defense within the limits of liability. Please confirm that the minimum limits of liability will be no less than \$1,000,000 and that a signed consent form will be obtained from the insured acknowledging reduction or exhaustion of the limit of liability in payment of defense in order to comply with exemption from defense outside the limits. Please refer to AID Order 2007-033.

Please feel free to contact me if you have questions.

Sincerely,
Edith Roberts

Response Letter

Response Letter Status Submitted to State
Response Letter Date 04/18/2008
Submitted Date 04/18/2008

Dear Edith Roberts,

Comments:

SERFF Tracking Number: REGU-125604480 State: Arkansas
First Filing Company: United States Fire Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: C&F-TEO-08
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability
Product Name: Technology Errors & Omissions Program
Project Name/Number: /

Response 1

Comments: Dear Ms. Roberts:

This submission is in response to your April 16th objection letter. Based on the review of your objections we have the following responses:

1. Regarding the Automatic ERP provision within the Protection Agreement, we formally request the right to maintain the 90 day (as opposed to 60 days) extension provided by this Automatic ERP.
2. Regarding form AR TEO64-02 – Option to Extend Reporting Period Endorsement: 2 Years, please note that form is at the option of the insured and that it begins once the Protection Agreement’s 90 day automatic ERP has ended.
3. Regarding your state’s requirements for the limits of liability for a supplemental ERP, we acknowledge AR Code Anno. 23-79-306, which requires the optional ERP’s amount of coverage be no less than the greater of the amount of coverage remaining in the expiring policy aggregate or fifty percent (50%) of the aggregate at policy inception. However, after reviewing this filing’s ERP endorsements, we found no language to suggest that the limits would be less than what Arkansas requires. In fact, Forms TEO64-43 and TEO64-43 clearly state that there is a “separate aggregate limit, equal to that shown on the Declaration at the end of the policy period”.

At this time, we don’t feel a revision is necessary for this issue and would like to confirm that the Optional ERP endorsements will be in compliance with Arkansas’ requirements regarding limits of liability for optional ERP forms.

4. We confirm that both companies will be complying with AID Order 2000-169 by keeping a minimum limit of liability of \$1,000,000, so that they are able to keep defense expenses within the limit of liability.

Sincerely,

Jeremy W. Battles - Manager
Insurance Regulatory Consultants, LLC
(212) 571-3884 (phone); (212) 571-2502 (fax)
jeremybattles@ircllc.com (e-mail)

Changed Items:

No Supporting Documents changed.

SERFF Tracking Number: *REGU-125604480* *State:* *Arkansas*
First Filing Company: *United States Fire Insurance Company, ...* *State Tracking Number:* *EFT \$50*
Company Tracking Number: *C&F-TEO-08*
TOI: *17.1 Other Liability - Claims Made Only* *Sub-TOI:* *17.1019 Professional Errors & Omissions Liability*

Product Name: *Technology Errors & Omissions Program*
Project Name/Number: /

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Jeremy Battles

SERFF Tracking Number: REGU-125604480 State: Arkansas
 First Filing Company: United States Fire Insurance Company, ... State Tracking Number: EFT \$50
 Company Tracking Number: C&F-TEO-08
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability
 Product Name: Technology Errors & Omissions Program
 Project Name/Number: /

Amendment Letter

Amendment Date:
 Submitted Date: 04/25/2008

Comments:

Sir/Madam:

We have revised the Form Schedule with the final, correct version of form TEO64-15 (4/08) - Technology Errors and Omissions Liability Protection Agreement - Claims Made. We inadvertently uploaded an initial version of this form. We apologize for any confusion.

Jeremy Battles

Changed Items:

Form Schedule Item Changes:

Form Name	Form Number	Edition Date	Form Type	Action	Replaced Form #	Previous Filing #	Readability Score	Attachments
Technology Errors and Omissions Liability Protection Agreement - Claims Made	TEO64-15 (4/08)	04 08	Policy/C overage Form	New			0	TEO64-15 - Protection Agreement - 4-25-08.pdf

SERFF Tracking Number: REGU-125604480 State: Arkansas
 First Filing Company: United States Fire Insurance Company, ... State Tracking Number: EFT \$50
 Company Tracking Number: C&F-TEO-08
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability
 Product Name: Technology Errors & Omissions Program
 Project Name/Number: /

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Technology Policy Declarations	TEO64-10	04 08 (4/08)	Declaration New s/Schedule		0.00	TEO64-10 - Dec Page.pdf
Approved	Technology Errors and Omissions Liability Protection Agreement - Claims Made	TEO64-15	04 08 (4/08)	Policy/CoveNew rage Form		0.00	TEO64-15 - Protection Agreement - 4-25-08.pdf
Approved	Technology Errors and Omissions Application	TEO64-20	04 08 (4/08)	Application/ New Binder/Enrollment		0.00	TEO64-20 - Application - NB.pdf
Approved	Technology Errors and Omissions Renewal Application	TEO64-30	04 08 (4/08)	Application/ New Binder/Enrollment		0.00	TEO64-30 - Application - REN.pdf
Approved	Exclusion of Certified Acts of Terrorism and Exclusion of Other Acts of Terrorism Committed Outside the United States	TEO64-40	04 08 (4/08)	Endorseme New nt/Amendm ent/Condi tions		0.00	TEO64-40 - Terrorism Exclusion.pdf
Approved	Option To Extend AR Reporting Period Endorsement: One Year	AR TEO64-03	04 08 (4/08)	Endorseme New nt/Amendm ent/Condi tions		0.00	AR TEO64-03 04-08 - 1 Year.pdf

SERFF Tracking Number: REGU-125604480 State: Arkansas
 First Filing Company: United States Fire Insurance Company, ... State Tracking Number: EFT \$50
 Company Tracking Number: C&F-TEO-08
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability

Product Name: Technology Errors & Omissions Program
 Project Name/Number: /

Approved	Option To Extend AR Reporting Period Endorsement: Two Years	04 08	TEO64-02 (4/08)	Endorsement/Conditions	New	0.00	AR TEO64-02 04-08 - 2 Years - REVISED 6-24-08.pdf
Approved	Optional Extended Reporting Period Endorsement: One Year	TEO64-43 04 08	(4/08)	Endorsement/Conditions	New	0.00	TEO64-43 - Optional ERP - 1 Yr.pdf
Approved	Optional Extended Reporting Period Endorsement: Two Years	TEO64-44 04 08	(4/08)	Endorsement/Conditions	New	0.00	TEO64-44 - Optional ERP - 2 Yr.pdf
Approved	Signature Page - United States Fire Insurance Company	FM 09 07	206.0.11	Other	New	0.00	Signature Page - US Fire.pdf
Approved	Signature Page - The North River Insurance Company	FM 09 07	206.0.12	Other	New	0.00	Signature Page - North River.pdf
Approved	Arkansas Changes	AR 04 08	TEO64-01 (4/08)	Endorsement/Conditions	New		AR TEO64-01 04-08 - REVISED 6-24-08.pdf

- The North River Insurance Company
- United States Fire Insurance Company

Policy Number _____

Renewal of Policy Number _____

**TECHNOLOGY POLICY DECLARATIONS
FOR
TECHNOLOGY ERRORS AND OMISSIONS PROTECTION AGREEMENT - CLAIMS MADE**

NOTICE: THIS IS A CLAIMS MADE POLICY. EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS *POLICY* PROVIDES COVERAGE FOR *CLAIMS* FIRST MADE AND REPORTED DURING THE *POLICY PERIOD*. *DEFENSE COSTS* ARE INCLUDED WITHIN THE *LIMITS OF COVERAGE* AND REDUCE THE *LIMITS OF COVERAGE* FOR THIS *POLICY*. PLEASE READ CAREFULLY.

Item 1.	Named Insured and Address:
Item 2.	Agency Code, Name and Address:
Item 3.	Policy Period: From _____ (Effective) To _____ (Expiration) (12:01 a.m. local time at the address shown in Item 1)
Item 4.	Limits of Coverage: Each <i>Claim</i> Limit: \$ _____ Aggregate Limit: \$ _____
Item 5.	Deductible Amount: \$ _____
Item 6.	Premium: \$ _____
Item 7.	Retroactive Date:
Item 8.	The following form(s) and endorsement(s), if any, are made part of this <i>policy</i> at issuance:

This Technology Policy Declarations, the Technology Errors and Omissions Protection Agreement – Claims Made, and any forms and endorsements attached thereto, complete the above numbered *policy*.

TECHNOLOGY ERRORS AND OMISSIONS LIABILITY PROTECTION AGREEMENT – CLAIMS MADE

This Protection Agreement provides insurance in which the costs of defending *suits* reduce the *limits of coverage*. Except as otherwise provided, this insurance applies only to *claims* first made and reported in writing to *us* during the *policy period*, arising from an *error*, but only if the *error* occurs on or after the *retroactive date* and prior to the end of the *policy period*. *Retroactive date* means the date specified as such in the Technology Policy Declarations. Words and phrases in italics are defined in this protection agreement.

The Policy Period

Coverage under this *policy* begins at 12:01 a.m., standard time, on the effective date shown on the Technology Policy Declarations.

Coverage under this *policy* ends at 12:01 a.m., standard time, on the expiration date of this *policy*. If all or part of this *policy* is canceled for any reason before that date, coverage will end at 12:01 a.m., standard time, on the date cancellation is effective.

"Policy period" means the period between the time coverage begins and the time coverage ends.

Coverage

We will pay amounts any *protected entity* is legally obligated to pay as *damages* as a result of *claims* made and reported in writing to *us* in accordance with the "When This Agreement Covers" section of this Protection Agreement. The *damages* must have resulted from an *error* which first caused damages during or after installation, testing and final acceptance by the user of *your electronic product*, software or *computer service*.

"Claim" means a request or demand for payment of *damages* resulting from an *error*, and includes any *suit* resulting there from. A *claim* will be deemed to have been made when notice of the *claim*, is first received by a *protected entity* or by *us*, whichever occurs first.

"Error" means negligent acts, errors or omissions in the design or implementation of *your electronic products*, software or *computer services*, committed in the course of *your* business activities.

"Business activities" means developing, manufacturing, distributing, selling, licensing, maintaining or handling electronic products, software or *computer services*, but only where such activities are performed for persons or entities other than *you*. "Computer services means":

- Systems analysis, designing, programming, data processing, data storage, consulting, outsourcing (including outsourcing of *temporary employees*), system integration and information services in relation to computer hardware or software, including any such computer hardware or software designed or intended to prevent a *network security violation*;
- Marketing, selling, servicing, distributing, installing and maintaining computer hardware or software and training in the use of such hardware or software;
- Provision of telephone services including switching services, dial tone access, and competitive access providers;
- Provision of cellular and wireless communication services including satellite communications;
- Provision of cable television and cable communication services;
- Provision of access to or services on the electronic media commonly known as the Internet or the Worldwide Web; website design and maintenance;
- Design and implementation of interactive media, including but not limited to CD ROM, Laser Disc Video, and Interactive Kiosks;
- Electronic, Video tape, and print publishing, and the related researching, preparation, republication, serialization, exhibition, or distribution of such material by others;
- Graphic design and marketing communication services;

- Designing, implementing and servicing teleconferencing and audio visual equipment, systems and software;
- Document imaging and related document storage, retrieval, and management services.

Intellectual Property

Subject to the “When This Agreement Covers” section of this *policy*, we will cover *damages* resulting from *claims* for any alleged or actual infringement of any intellectual property rights, (but not patent infringement or trade secret misappropriation) including copyright infringement, trademark infringement, trademark dilution, trade dress and trade name infringement including titles and slogans.

Personal Injury

Subject to the “When This Agreement Covers” section of this *policy*, we will cover *damages* resulting from *claims* for *personal injury*. We will also cover *damages* resulting from *claims* for a *network security violation*.

Advertising injury

Subject to the “When This Agreement Covers” section of this *policy*, we will cover *damages* resulting from *claims* for *advertising injury*. However, we will not cover *damages* resulting from *claims* for infringement of intellectual property for any *advertising* material, title or slogan used without written consent of the owner thereof.

Exclusions – What This Agreement Will Not Cover

Bodily injury

We will not cover *damages* for *bodily injury*.

Property damage

We will not cover *damages* for *property damage*.

Other professional services

We will not cover *damages* arising from the performance of or failure to perform any other professional services, even when those services are incorporated into *your electronic products*, software or *computer services*. This includes, but is not limited to, professional services such as those performed by architects, surveyors, health care providers, accountants, lawyers, and financial or tax advisors.

Obligations to employees

We will not cover *damages* for any obligations of any *protected entity* under workers compensation, disability benefits, unemployment compensation, or any similar laws.

Claims by protected entities

We will not cover any *claim* brought by a *protected entity* against another *protected entity*.

Intentional acts

We will not cover *damages* resulting from any act or failure to act, which the *protected entity* knew, might result in a *claim*. Such circumstances include, but are not limited to, withdrawal of an electronic product, software or *computer service* from the market; or discontinuation of support for an electronic product, software or *computer service*;

Dishonest acts

We will not cover *damages* resulting from the following conduct of a *protected entity*:

- any dishonest, fraudulent, criminal, malicious or reckless act or omission by any *protected entity* whether acting alone or in collusion with anyone else;
- any alleged or actual violation of a law.

However, this exclusion will not apply unless such conduct has been established by a final adjudication in any judicial, administrative, or alternate dispute resolution proceeding, or by any *protected entities*’ admission in a proceeding or otherwise, at which time *you* shall reimburse *us* for all defense and other payments made by *us* in connection with such conduct, and all of *our* duties with respect to such conduct, shall cease. No such reimbursement will be required, if such conduct can be attributed to one individual employee of a *protected entity*, and no other employee or *protected entity* had knowledge of, participated, acquiesced, or remained passive after having knowledge of such conduct, and the *protected entity* otherwise complied with the reporting provisions of this *policy* on learning of such conduct.

Discrimination

We will not cover *damages* arising out of discrimination based on race, color, religion, sex, age, gender, sexual orientation, disability, handicap, pregnancy, national origin or ethnicity.

Bankruptcy

We will not cover *damages* arising out of the bankruptcy or insolvency of any *protected entity*.

Liability of others

We will not cover *damages* for liability of others any *protected entity* assumes under any contract or agreement unless the *protected entity* would have had the liability in the absence of such contract or agreement.

Warranties, representations and promises

We will not cover *damages* for return or refund of all or any part of payments made to *you* by *your* customers. Also, we will not cover costs and expenses *you* incur to comply with any warranties, representations or promises for *your electronic products*, software or *computer services*, including repair or replacement of defective materials or workmanship. Nor will we cover costs *you* incur associated with system modification, product re-design, correction of product errors, and product recall, withdrawal or inspection.

Penalties, liquidated damages, or cost guarantees

We will not cover *damages* for the payment of liquidated *damages* or penalties *you* agreed to pay *your* customer in the event of incidents such as late delivery. We also will not cover *damages* resulting from the fact that *you* exceeded any cost guarantees or estimates.

Pollution

We will not cover *claims* alleging or arising from any pollution, contamination or toxic exposure, including but not limited to noise, electromagnetic fields, radio waves, nuclear radiation, nuclear waste; radioactive contamination; asbestos fibers or material containing asbestos; fungi, molds, spores, or mycotoxins; any solid, liquid, gaseous or thermal irritant, including gas, acids, alkalis, chemicals, heat, smoke, vapor, soot, fumes or waste.

Defense of Claims or Suits

We will have the duty to make only the payments shown below in connection with any *suit* we defend.

"Claims expense," means those payments *we* make pursuant to *our* duty to defend, as set forth below.

Each payment of *claims expense* reduces the *limits of coverage*. *Our* duty to pay *claims expense*, and therefore *our* duty to defend, ends when *we* have used up the *limits of coverage* that apply with any combination of payment for judgments, settlements and *claims expense*, including:

- Bonds to release property: We will pay the cost of bonds to release property of a *protected entity* that is being used to secure a covered legal obligation, but only for bond amounts within the applicable *limits of coverage*. We are not obligated to apply for or furnish such bonds, or to provide the collateral in support of such bond.
- Expenses incurred by a *protected entity*: We will pay all reasonable expenses that a *protected entity* incurs at *our* request while helping *us* investigate or defend a *claim* or *suit*. But we will not pay more than \$250 per day for earnings actually lost by any *protected entity* because of time lost from work.
- Taxed costs: We will pay all costs for covered *claims* taxed against a *protected entity* at the conclusion of a *suit*.
- Pre-judgment interest: We will pay pre-judgment interest awarded on the covered portion of a judgment.
- Post-judgment interest: We will pay post-judgment interest that accrues on the covered portion of a judgment. But we will pay only the amount of interest accruing from the date of the judgment to the date *we* pay; offer to pay; or deposit in court; the covered amount.

Right and duty to defend

We will defend *protected entities* in any *suit*, requesting covered *damages*, except as provided under "Where This Agreement Covers". We may investigate and settle, at *our* discretion, any *claim* or *suit*.

Costs of defense

When *we* control the defense of a *suit* *we* will pay all expenses *we* incur, including attorneys' fees. But *we* will not provide or pay for separate or additional legal counsel for any *protected entity*, even where some portions of a *claim* are not covered, or may not be covered, by this agreement.

In any case, *we* will not pay for legal counsel that any *protected entity* retains without *our* written consent.

We have the right to control the defense of any *suit* while *we* are paying any *claims expenses*. If at any time *we* both agree, or if a court orders *you* to take over control of such defense before the applicable *limit of coverage* has been used up, *we* will reimburse *you* for reasonable attorneys' fees for the defense of covered *claims*. But *we* still will not pay more in total than the *limit of coverage* that applies.

As soon as practicable after *we* become aware that *your limit of coverage* will be used up in defense of a *suit* *we* will do the following:

- Notify *you* of any outstanding *claims* or *suits* so that *you* can arrange to take over control of the defense, and
- Assist in the transfer of control for such defense.

While the transfer of control of the defense is taking place, *we* will take steps on *your* behalf that *we* feel are appropriate to avoid default in a *suit*, or to continue the defense of such *suit*. *You* agree that if *we* take such steps, *we* do not give up or waive any of *our* rights. *You* also agree to reimburse *us* for any *claims expense* *we* incur in excess of the *limit of coverage*.

DUTIES IN THE EVENT OF ANY POTENTIALLY COVERED LOSS

If *you* are aware of a possible *error* or *claim*, *you* agree to notify *us* as soon as possible, even if a *claim* has not been made. In addition, *you* must:

1. Notify the police if a law may have been broken;
2. Notify *us* about what happened. *We* must be provided with details surrounding the actual or alleged *error* or circumstance which is the subject of a possible *claim*, the identity of *protected entity(ies)* involved, and the time and place of the actual or alleged incident;
3. Immediately send or deliver to *us* copies of all demands or legal documents if someone makes a *claim* or *suit*;
4. Cooperate with *us* in making any investigation into the *claim* that *we* deem necessary, including answering *our* questions and making available records and individuals with knowledge of the *claim*. Also, *you* and any involved *protected entity* must cooperate with *us* in securing and giving evidence, attending hearings and trials, and obtaining the attendance of witnesses;
5. Not pay out any money or assume any financial obligation without *our* consent.

Other Provisions Relating to Defense of Claims or Suits

Arbitration

We are entitled to exercise all of a *protected entity's* rights in the choice of arbitrators and the conduct of any arbitration proceeding.

Legal Action Against Us

No one can sue *us* to recover under this *policy* unless there has been full compliance with all the terms and conditions of this *policy*.

When This Agreement Covers

We will cover *claims* first made against *you* while this agreement is in effect, if during the *policy period* *you* give *us* written notice of the *claim*. *We* will also cover *claims* first made against *you* after this agreement ends as provided in the Automatic Extended Reporting Period Section of this agreement.

Further, coverage only applies if no *protected entity* had reason to believe, at the start of the *policy period*, that it was possible that the *claim* would be made. Without limitation, such knowledge will be presumed if: a *protected entity* had received a complaint about an *error* which had caused, or foreseeable could cause, *damages*; a customer stopped paying *you*, threatened to stop paying *you*, or asked for a refund of payments; a person or entity indicated that copies of correspondence, regarding alleged *errors*, were being sent to legal counsel.

Where This Agreement Covers

We will cover *errors* that happen anywhere in the world.

Indemnification for Non-Admitted Jurisdiction

In jurisdictions outside of the United States of America where we may be prevented by law or otherwise from:

- Paying *damages you* are legally obligated to pay for covered *claims*; or
- Investigating or settling *claims* or *suits* brought against *you* for covered *damages*;

Then the words "*We* will pay amounts" under "Coverage" are changed to read "*We* will indemnify *protected entities* for amounts."

If *we* elect not to investigate, settle, or defend *suits* brought against any *protected entity* for covered *claims*, *you*, under *our* supervision, shall make or cause to be made such investigation and defense as may be reasonably necessary and, subject to *our* prior authorization, will effect to the best extent possible a settlement or settlements that *we* agree is proper. *We* will reimburse *you* for the reasonable cost of such investigation, defense, or settlement, in currency of the United States of America, at the rate of exchange prevailing on the date the *claim* is first reported to *us*.

Our Responsibility Outside The United States of America.

We are not an admitted or authorized insurer outside the United States of America. *We* assume no responsibility for furnishing certificates of insurance, or complying in any way with the laws of other countries relating to this insurance.

Suits Outside The United States of America

If a *suit* is brought outside the United States of America, then this insurance does not apply to the extent that *errors* covered under this agreement are covered by other insurance available to *you*, whether that insurance is primary, excess, or contingent, and whether it is collectible or not.

Who Is Insured Under This Agreement

Corporation

If *you* are named in the Technology Policy Declarations as a corporation, *you* are a *protected entity*. *Your* executive officers and directors are *protected entities*, but only with respect to their duties as *your* officers or directors. *Your* stockholders are *protected entities*, but only with respect to their liability as *your* stockholders. In addition, if *you* are named in the Technology Policy Declarations as a corporation, any subsidiary, which is a legally incorporated entity, and any partnership or joint venture in which *you* own or have a financial interest of more than 50%, shall be considered a *protected entity* under this *policy*.

Limited Liability Company

If *you* are named in the Technology Policy Declarations as a limited liability company (LLC), *your* members are also *protected entities*, but only with respect to the conduct of *your* business.

Individual

If *you* are named in the Technology Policy Declarations as an individual, *you* and *your* spouse are a *protected entity*, but only with respect to the conduct of a business of which *you* are the sole owner.

Partnership, joint venture, or other organization

If *you* are named in the Technology Policy Declarations as a partnership, joint venture, or other organization, *you* are a *protected entity*. *Your* members, partners or co-ventures are *protected entities* only with respect to the conduct of *your business activities*.

Other protected entities

Your employees, agents, and sub-contractors are *protected entities* but only for work done within the scope of their employment by *you*. We will not cover *claims* or *suits* brought against *your* employees, agents, and sub-contractors by *you* or by other employees, agents, and sub-contractors.

We will protect the following representatives of a *protected entity*

- The estate, legal representative or heirs of a deceased person, or
- The legal representative of a *protected entity* who is legally bankrupt or mentally incompetent;

but only in their capacity as such.

Automatic Additional Protected Entities

Any person or organization for whom *you* are providing *computer services* in the course of *your business activities*, is a *protected entity*, when *you* and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on *your* policy. Such person or organization is an additional insured only with respect to liability arising out of *your* ongoing *business activities* for that insured. A person's or organizations status as an additional insured ends when *your business activities* for that additional insured are completed.

Newly acquired organizations

Any organization that *you* acquire or form while this agreement is in effect is automatically a *protected entity* if *you* own more than 50% of it and the annual revenues of such new entity do not exceed 10% of the *protected entities* estimated revenue at the start of the *policy period*.

Any such newly acquired or formed organization with annual revenue greater than 10% of the *protected entities* estimated revenue at the start of the policy period is also a *protected entity* under this agreement, but for 120 days, or the remainder of the *policy period*, whichever is less, from the date that *you* acquire or form it.

The *retroactive date* that applies to any such newly acquired or formed organization will be the acquisition date or the date the organization was formed.

Limits Of Coverage

Limits of coverage means, the limits shown in the Technology Policy Declarations. The *limits of coverage* are subject to this section, and are the most *we* will pay regardless of the number of:

- *Protected entities*;
- *Claims* made or *suits* brought; or
- Persons or organizations making *claims* or bringing *suits*.

This protection agreement applies:

- To each *protected entity* named in the Technology Policy Declarations as if that person or organization were the only one named there, and
- Separately to each other *protected entity*.

However, the *limits of coverage* shown in the Technology Policy Declarations are shared by all *protected entities*. Also, any right or duty specifically assigned to the *first named insured* remains unchanged.

Each claim limit

This is the most *we* will pay for all *claims* resulting from a single *error* or from a series of related *errors*, no matter how many *protected entities*, injured parties, or *claims* are involved. This includes all *claims expenses*.

Aggregate limit

This is the most *we* will pay for all *claims* first made during the *policy period*, or any applicable extended reporting period, including *suits* resulting therefrom. This includes all *claims expenses*.

We will treat any *claims* that result from a series of related *errors*, even if they are made during more than one *policy period*, as a single *claim*. The *claim* will be subject to the *limit of coverage* set forth in the agreement in effect at the time of the first *claim* resulting from a series of related *errors*.

Deductible

The deductible is shown in the Technology Policy Declarations. *You* will be responsible for any payments, up to the amount of the deductible, for each *claim*. This includes *claims expenses*. *We* will only apply the deductible once for all *claims* resulting from a single *error* or from a series of related *errors*. *We* will then pay covered *claims* over the deductible amount, up to the *limit of coverage*. At *our* option *we* can pay all or part of the deductible to settle a *claim*. If *we* do, each *protected entity* agrees to repay *us* as soon as *we* notify *you* of the settlement.

Automatic Extended Reporting Period

An automatic Extended Reporting Period will apply only if this *policy* is cancelled or non-renewed by *you* or *us*, for reasons other than misrepresentation or non-payment of premium; or *we* renew or replace this agreement with other claims-made insurance that has a *retroactive date* later than that one shown in the Technology Policy Declarations; and the *first named insured* has not obtained another errors and omissions policy within 60 days of such cancellation or non-renewal.

We will provide coverage for *claims* first made within one year after this agreement ends. However, coverage under this Automatic Extended Reporting Period applies only if all of the following conditions are met:

- The *error* occurred during the *policy period*;
- The *protected entity* involved was first aware of a possible *error* during the *policy period*, or within 90 days after it ended;
- Within 90 days after the agreement ends, *you* notify *us*, in writing, of the possible *error*. Such written notice must include the following information:
 1. The actual or alleged *error* or circumstance which is the subject of a possible *claim*;
 2. Identification of the specific services rendered or product(s) failed, which gave rise to (1) above;
 3. The date(s) of such *error* or omission;
 4. The consequential damage which has or may result from such *error* or omission
 5. The identity(ies) of the *protected entities* who may be subject of the claim;
 6. The identity(ies) of the potential claimant(s);
 7. The anticipated location(s) of any such *claim*, and
 8. The circumstances by which *you* first became aware of the potential *claim*.

Coverage provided by the Automatic Extended Reporting Period will be excess over any other insurance available to *you*, whether collectible or not, whose *policy period* begins or continues after this *policy* ends, whether that insurance is primary, excess, or contingent on any basis.

Claims made pursuant to this Automatic Extended Reporting Period will be deemed to have been made on the last day of the *policy period* for the purposes of determining the *limits of coverage*.

The Automatic Extended Reporting Period cannot be canceled.

Other Conditions

Assignment And Transfers

The rights and duties of any *protected entity* under this *policy* may not be assigned or transferred without *our* written consent attached to the *policy*. However, if *you* are a person, and *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 temporary custody of *your* property will have *your* rights and duties concerning that property.

Our Right To Examine Your Records

You agree to let *us* examine and audit *your* financial books and records that relate to this *policy* at any time up to 3 years after this *policy* ends.

Inspections And Surveys

We have the right, but not the obligation, to inspect *your* property and business operations during normal business hours while this *policy* is in force. By conducting such investigation, *we* do not become responsible to advise *you* or to guarantee *you* that *your* property or business operations are safe or healthful or that they conform to any laws, codes, standards or regulations. Any inspections, surveys, reports or recommendations *we* make only relate to our determination of insurability and help *us* decide what premiums to charge. *We* do not make safety inspections or undertake to perform any duty of persons or organizations that provide for the health or safety of workers or the public. This also applies to any organization, which makes insurance inspections, surveys, reports or recommendations for *us*.

Liberalization

Occasionally *we* make changes in *our* standard policy forms. These changes must conform to state law and are subject to prior approval by insurance supervisory authorities in each state. If *we* make a change while *your* coverage is in force that broadens or extends *your* coverage, and the change can be added to *your policy* without increasing the premium, *you* will automatically receive the broadened or extended coverage on the day the change is effective in *your* state.

Cancellation

The *first named insured* can cancel this *policy* in whole or part at anytime by sending *us* a written request or by returning the *policy* to *us* with instructions specifying the date of cancellation.

We can cancel this *policy* in whole or in part at any time. To do so *we* will mail or deliver a Notice of Cancellation to the *first named insured* at least 60 days before coverage will end; but only 10 days before coverage will end if *we* are canceling for nonpayment of premium. *Our* notice will be mailed to the *first named insured's* last mailing address known to *us*, indicating the date coverage is to be canceled. Evidence of mailing such notice will be considered proof *you* were notified on the date of such mailing.

If this *policy* is cancelled, *we* will send the *first named insured* any premium refund due. If *we* cancel, the refund will be pro rata. If the *first named insured* cancels, the refund may be less than pro rata.

Our Right To Recover Damages From A Third Party

Any *protected entity* under this *policy* for whom *we* make a payment must preserve, and at *our* request transfer to *us*, the right to recover all or part of any *damages* covered by this policy, from any other party. After a *claim* is made, each *protected entity* must do all that is possible to preserve any right of recovery available to *us*. If *we* recover more than *we* have paid, plus the amount of *our* recovery expenses, the excess will belong to the *first named insured*.

However, *we* will not exercise *our* right to request transfer to *us*, the right to recover all or part of any *damages* covered by this *policy*, from any other party, where a waiver of such is required by a written contract signed by any *protected entity* and is related to *your business activities*; provided such a written contract is executed prior to a *protected entity's* awareness of an *error* or possible *error*, which may give rise to such *damages*.

Bankruptcy

Bankruptcy or insolvency of any *protected entity* will not relieve *us* of any obligation under this *policy*.

Fraud And Misrepresentation

This *policy* is void if any *protected entity* misled *us*, hid important information from *us*, or lied to *us* about any matter when applying for this *policy*. If any *protected entity* misleads *us*, hides important information from *us*, or lies to *us* about any matter concerning an *error*, this *policy* will not cover that *error*. However, unintentional errors or omissions will not affect *your* rights under this *policy*.

Titles And Headings

The titles and headings in this *policy* are included solely as a reference for convenience, and do not affect the scope of coverage.

Changes

This *policy* constitutes the entire agreement between *us* concerning the insurance provided by *us*. This *policy* can only be changed by a written amendment made a part of the *policy*.

Choice Of Law And Conformance

This policy shall be interpreted according to the law of the state where this *policy* is issued, which is presumed to be the state shown on the Technology Policy Declarations as the mailing address of the *first named insured*. Any terms of this *policy* that conflict with the law of such state are automatically amended to conform to the law of that state.

Other Insurance

If other insurance is available to any *protected entity*, this insurance is excess over any of the other insurance whether primary, excess, contingent, or on any other basis, except that this does not apply to "Suits Outside of The United States of America" in the "Where This Agreement Covers" section.

Definitions

Whenever a word or phrase is printed in italics, that word or phrase is defined somewhere in this *policy*.

- "Policy" means this entire package of insurance, bearing a single Policy Number.
- "We," "us," and "our" means the company issuing this *policy*.
- "You" and "your" means the persons, people, organizations, or corporate entities named as insured in the Technology Policy Declarations.
- "Protected entity" means *you* and any other person or legal entity entitled to coverage under this *policy*.

First Named Insured

"First Named Insured" means the first insured entity shown on the Technology Policy Declarations. Only the *first named insured* has the authority and responsibility, on behalf of itself and all other *protected entities*, to:

- Pay premiums or receive refunds of premiums;
- Cancel the policy or receive Notice of Cancellation;
- Request changes the *policy* including, but not limited to, the addition or deletion of coverage and/or *protected entities*.

All such changes are binding on all other *protected entities*.

Additional Definitions

"Advertising" means statements, pictures, or videos disseminated to numerous persons regardless of the media used, for the purpose of seeking customers or increasing sales or business.

"Advertising injury" means *damages* resulting from any of the following offenses that arise from the *advertising* of *your electronic product* or *your software* or *your computer services*:

- Libel or slander;
- Written or spoken material that belittles the products or work of others;
- *Personal Injury*.

"Bodily injury" means any harm to the physical health of others, including sickness and disease. It also includes care, loss of services or death arising at any time from such harm.

"Damages" means compensatory monetary damages. *Damages* do not include (a) restitution or any other demand or remedy for return of monies previously received by any *protected entity* from the claimant, or (b) any profit, remuneration or advantage gained by any *protected entity* to which they were not legally entitled.

“Network Security Violation” means a breach of security, whereby an unauthorized person or entity, gains access to electronic data or other electronic content such as sounds or images, and *damages* result from such data or other electronic content being modified, destroyed, or disclosed. A *network security violation* includes the unauthorized introduction of a computer virus or other malicious code which affects such data or other electronic content and results in *damages*.

"Personal injury" means *damages*, other than *Bodily Injury damages*, resulting from any of the following offenses that arise from *your business activities*:

- Defamation, including but not limited to libel, slander, or injurious falsehood;
- Negligent infliction of emotional distress, including but not limited to mental duress, and every other mental, emotional or psychic harm to a person, which does not result from physical injury to a person.
- Written or spoken material made public, regardless of the media used, which disparages a person or organization, or which violates an individual's right of privacy.
- Malicious prosecution, false arrest, detention, or imprisonment

"Property damage" means physical damage to tangible property of others, including all resulting loss of use of that property; or loss of use of tangible property of others that is not physically damaged.

"Suit" means a civil proceeding in which *damages* are alleged. This includes arbitration proceedings for *damages*.

“Temporary employee” means an employee of the *protected entity* furnished or supplied to a customer or client of the *protected entity*, who works at the customer or clients premises, office, or place of business.

"Your electronic product" means any electronic product, which *you* manufactured, sold, serviced, or distributed. But *we* will not consider *your electronic products* to include electronic products that are still in *your* physical possession. The following additional exclusions apply with respect to *your electronic products*:

- *We* will not cover *claims* for *damages* which result from wear and tear and gradual deterioration of *your electronic products*.
- *We* will not cover *claims* for *damages* which result from any change in electrical power supply, including power interruption, surge, brownout, or blackout.

TECHNOLOGY ERRORS AND OMISSIONS APPLICATION

This application is designed to develop information that will help us assess the potential for you to incur claims for damages resulting from your business activities. If additional space is required in order to address certain questions, please attach whatever is necessary to thoroughly complete this application. In so doing, you will help us understand your business activities, the associated risks and your needs. This will allow us to complete our analysis and price the desired insurance coverage.

Note: This application will become part of your policy. Any material misrepresentation could lead to a limitation on, or a termination of, your insurance. Please DO NOT leave any question unanswered. Write N/A if not applicable to you.

GENERAL INFORMATION

Web Site: _____

Full Legal Name of Applicant: _____

Address (Street, City, State, and ZIP): _____

Name of any subsidiaries or associated companies and nature of operation:

Merger or Acquisition activity within the last 3 years:

Identify any Merger or Acquisition activity contemplated in the next 12 months:

Number of Employees _____ Years in Business _____

COVERAGE REQUESTED

Limits of Coverage:

Effective Date: _____ Each Claim \$ _____ Aggregate Limit \$ _____

Deductible:

\$10,000 \$25,000 \$50,000 \$100,000 \$250,000 Other \$ _____

REVENUE/FINANCIAL INFORMATION

(Please attach copies of your most recent annual report, 10k, or your most recent audited financial statement.)

	<u>DOMESTIC</u>	<u>FOREIGN</u>	<u>TOTAL</u>
ACTUAL Revenue* Last 12 months:	\$ _____	\$ _____	\$ _____
ESTIMATED Revenue:* Next 12 months:	\$ _____	\$ _____	\$ _____

If you have foreign revenue, please list the countries in which you do business:

**Revenue means actual sums billed to customers for products and services rendered. This includes all necessary support activity, i.e., consulting, system analysis, design, programming, etc. DO NOT include receipts from "In-House" operations.*

BUSINESS DESCRIPTION

1. Briefly describe your Principal Business Operations:

2. What new product, software or services are to be released or introduced within the next 12 months?

3. What is the worst thing that could happen to your customers' operations if your product, software or service were to fail to operate or perform according to specifications?

4. Is physical installation of your product, software or services at the customer/client site performed by your employees or representatives of your firm? Yes No

5. Industries served:	<u>% of Total Revenues</u>	<u>% of Total Revenues</u>	
<input type="checkbox"/> Medical/Health	_____	<input type="checkbox"/> Telecommunications	_____
<input type="checkbox"/> Banking/Financial: Funds Transfer	_____	<input type="checkbox"/> Internet	_____
<input type="checkbox"/> Banking/Financial: Other	_____	<input type="checkbox"/> Manufacturing	_____
<input type="checkbox"/> Transportation- Aviation	_____	<input type="checkbox"/> Education/Training	_____
<input type="checkbox"/> Transportation- All Other	_____	<input type="checkbox"/> Other _____	_____

6. **Percent of your Total Revenues derived from:**

<input type="checkbox"/> General computer system related consulting, analysis, design	_____	<input type="checkbox"/> Telecommunication products/services (telephone/cable/wireless)	_____
<input type="checkbox"/> Custom Software Development	_____	<input type="checkbox"/> Outsourcing/Temporary Placement	_____
<input type="checkbox"/> Custom Software Licensing	_____	<input type="checkbox"/> Internet related services	_____
<input type="checkbox"/> Pre-Packaged Software Development	_____	<input type="checkbox"/> Manufacture of Hardware/Product	_____
<input type="checkbox"/> Sale of Hardware made by others	_____	<input type="checkbox"/> Computer related training/education	_____
<input type="checkbox"/> Sale of Software made by others	_____	<input type="checkbox"/> Data Processing Services (including maintenance & support)	_____
<input type="checkbox"/> Network/computer related security products or services	_____	<input type="checkbox"/> Other _____	_____

7. Do you currently maintain General Liability coverage? Yes No

If yes, Carrier: _____ Limits of Liability: _____

Does it include coverage for: Personal Injury? Yes No

 Advertising Injury? Yes No

 Products & Completed Operations? Yes No

CONTRACTORS AND/OR CO-VENTURES

1. Are you involved or do you plan to be in any joint ventures with other firm(s) for research, development, sale, and/or distribution of an electronic product, software or computer service?

Yes No If yes, explain: _____

2. Do you subcontract or hire independent contractors to perform any services for your customers or clients?

Yes No If yes, a) What percentage of your total revenue is from subcontractors? _____ %

b) Do you require that all subcontractors and independent contractors carry their own E&O insurance? Yes No

PRODUCT DEVELOPMENT, QUALITY CONTROL AND CUSTOMER SERVICE/SUPPORT

1. Do you have a written procedure in place for System or Product Development methodology? Yes No

2. How far in advance of discontinuation of support for any product, software or computer service do you provide formal notice to your customers?

3. List any electronic product or software which you have discontinued but which may still be in use:

(Indicate the last year of distribution and annual sales.)

<u>PRODUCT</u>	<u>YEAR</u>	<u>ANNUAL SALES</u>
_____	_____	_____
_____	_____	_____

4. What percentage of your products/software are made to the specifications of others? _____ %

5. What are the testing procedures used to protect your customers from the possibility of a computer virus (*or other unauthorized access*) in any software developed by your firm?

6 a. How do you inform your customer of “bugs” or problems you discover in your electronic product or software?

b. From the time they are first discovered, how long does it take to inform all of your customers of any “bugs”?

Less than 1 day

Less than 1 month, but more than 1 week

Less than 1 week, but more than 1 day

More than 1 month

7 a. Do you have a product recall plan in place? Yes No

b. Have you ever had to recall any of your electronic products or software for any reason? Yes No If yes, please explain:

CONTRACT INFORMATION

Please include copies of standard contracts, licensing agreements, purchase orders and written terms and conditions used by you.

1. Are all of your customer/client contracts/agreements in writing? Yes No If "No" explain:

2. Does your legal counsel review all customer contracts prior to signing? Yes No

3. Are all contract modifications put in writing? Yes No If "No" explain:

4. Do you ever negotiate contracts with your customers in which you accept liability for consequential damages?

Yes No If yes, please explain in detail when and how often and provide copies of such contracts:

5. Do all of your contracts contain the following clauses/language?

Disclaimer of warranties Yes No

Exclusive Remedy Yes No

Limitation of Liability Yes No

Customer/vendor maintenance provision Yes No

6. Please list your 3 largest customers/clients and annual revenues derived from each:

CUSTOMER/CLIENT NAME

ANNUAL REVENUE

_____ \$ _____

_____ \$ _____

_____ \$ _____

7. What is the value of your average customer/client contract? \$ _____

8. What is the value of the largest single customer/client contract currently in place? \$ _____

9. What percent of your Total Revenue is attributable to repeat customers? _____%

10. Do you have a formal process in place for resolving disputes with customers/clients?

Yes No

COPYRIGHT TRADEMARK INFORMATION

Are you applying for Copyright/Trademark infringement coverage?

No If "No" skip to next section (PRIOR ERRORS AND OMISSIONS INSURANCE HISTORY)

Yes If "Yes" answer all questions below

1. Do you currently have guidelines in place to safeguard against infringing the copyrights/trademarks of others?

No

Yes If "Yes",

a) Do your guidelines address employees?

No **Yes**

b) Do your guidelines address use of independent contractors?

No **Yes**

c) With respect to trademark related matters, do you perform availability and clearance searches?

No **Yes**: List methods used:

2. In the last 12 months have you hired from a competitor, any employee with access to trade secrets? **No** **Yes**

3. a) Do your contracts/agreements with your customers/clients address copyright/trademark rights? **No** **Yes**

b) Do your contracts/agreements with your sub-contractors address copyright/trademark rights? **No** **Yes**

4. Identify person(s) responsible for reviewing and evaluating potential copyright/trademark offenses with respect to your business activities such as your web site, your online service, your use of unlicensed software, your product packaging, or your advertising and media promotions: _____

5. Do you have an Intellectual Property attorney that you utilize for registration of your copyrights/trademarks or due diligence for availability and clearance searches?

No **Yes** If "Yes", please provide:

Name: _____

Address: _____

6. a) Do you currently have any trademarks or service marks registered?

No **Yes** If "Yes", list below (attach separate page if necessary)

<u>Trademark/Service Mark Description</u>	<u>Date Registered</u>	<u>(if foreign, specify country)</u>
---	------------------------	--------------------------------------

_____	_____	_____
-------	-------	-------

6. b) Do you currently claim common law trademark or service mark rights?

No **Yes** If "Yes", list below (attach separate page if necessary)

7. Do you regularly register any original materials for copyright protection?

No **Yes** If "Yes", provide the estimated number of copyright filings made annually by you: _____

8. During the last 5 years, have you threatened or initiated any litigation/arbitration against another for infringement of a copyright that you hold, a trademark/service mark registered by you, patent that you hold, or trade secret violations?

No **Yes** If "Yes", provide full details below (attach separate page if necessary)

9. During the last 5 years, have any of your copyrights, trademarks, service marks, patents, or trade secrets been challenged?

No **Yes** If "Yes", provide detailed information regarding the other party, the outcome, amounts paid by you or by an insurance carrier (attach separate page if needed)

10. Are you currently aware of any possible threatened or actual litigation/arbitration or other possible challenge to the validity of any copyright, trademark, service mark that you hold?

No Yes

If "Yes", provide full details (attach separate page if necessary)

11. Please estimate your annual expenditures on research and development of new ideas, new software, or new products:

\$ _____

PRIOR ERRORS AND OMISSIONS INSURANCE HISTORY

<u>PRIOR 3 INSURANCE CARRIERS</u>	<u>POLICY TERM</u>	<u>LIMITS</u>	<u>DEDUCTIBLE</u>	<u>ANNUAL PREMIUM</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Is there a retroactive date on your current policy? If "Yes", please provide: _____

CLAIMS EXPERIENCE FOR THE PAST 5 YEARS FOR COVERAGE REQUESTED

<u>DATE OF LOSS</u>	<u>DESCRIPTION</u>	<u>COST TO SETTLE</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

1. What measures have been taken to prevent similar losses in the future?

2. Except as described above, please state all circumstances of which you are aware of any person or entity suffering damage as the result of any alleged error in your electronic product, software or computer service:

As per the provisions of the policy, any claims or incidents noted above are excluded from coverage.

The undersigned is an authorized employee of the applicant and certifies that reasonable inquiry has been made to obtain the answers herein which are true, correct and complete to his/her best knowledge and belief.

Signing this Application does not bind the applicant to accept the Insurance nor is the Company bound to issue a policy. The applicant warrants that the answers to the above questions are complete and correct. Should a policy be issued and accepted, this application will be the basis of the insurance and will become a part of the policy.

Applicant's Signature: _____
(Authorized representative of the prospective insured)

Print Name: _____

Title: _____ Date: _____

NOTICE TO APPLICANT - PLEASE READ CAREFULLY.

APPLICABLE IN CALIFORNIA

FOR YOUR PROTECTION CALIFORNIA LAW REQUIRES THE FOLLOWING TO APPEAR ON THIS FORM: ANY PERSON WHO KNOWINGLY PRESENTS FALSE OR FRAUDULENT CLAIM FOR THE PAYMENT OF A LOSS IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN STATE PRISON.

APPLICABLE IN COLORADO

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.

APPLICABLE IN FLORIDA

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.

APPLICABLE IN LOUISIANA

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.

APPLICABLE IN MAINE

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.

APPLICABLE IN NEBRASKA

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON, FILES AN APPLICATION FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY MATERIAL FACT THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, WHERE SUCH PERSON SUBSEQUENTLY SUBMITS A CLAIM.

APPLICABLE IN NEW MEXICO

ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

APPLICABLE IN NEW YORK

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 BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

APPLICABLE IN OHIO

ANY PERSON WHO, WITH THE 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.

APPLICABLE IN OKLAHOMA

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.

APPLICABLE IN OREGON

ANY PERSON, WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON, FILES AN APPLICATION FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY MATERIAL FACT THERETO, MAY BE GUILTY OF A INSURANCE FRAUD.

APPLICABLE IN PENNSYLVANIA

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."

APPLICABLE IN VIRGINIA

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.

TECHNOLOGY ERRORS AND OMISSIONS RENEWAL APPLICATION

This application is designed to develop information that will help us assess the potential for you to incur claims for damages resulting from your business activities. If additional space is required in order to address certain questions, please attach whatever is necessary to thoroughly complete this application. In so doing, you will help us understand your business activities, the associated risks and your needs. This will allow us to complete our analysis and price the desired insurance coverage.

Note: This application will become part of your policy. Any material misrepresentation could lead to a limitation on, or a termination of, your insurance. Please DO NOT leave any question unanswered. Write N/A if not applicable to you.

GENERAL INFORMATION

Web Site: _____

Full Legal Name of Applicant: _____

Address (Street, City, State, and ZIP): _____

Name of any subsidiaries or associated companies and nature of operation:

Identify any Merger or Acquisition activity contemplated in the next 12 months:

Number of Employees _____ Years in Business _____

COVERAGE REQUESTED

Limits of Coverage:

Effective Date: _____ Each Claim Aggregate Limit
\$ _____ \$ _____

Deductible:

\$10,000 \$25,000 \$50,000 \$100,000 \$250,000 Other \$ _____

REVENUE/FINANCIAL INFORMATION

(Please attach copies of your most recent annual report, 10k, or your most recent audited financial statement.)

	<u>DOMESTIC</u>	<u>FOREIGN</u>	<u>TOTAL</u>
ACTUAL Revenue* Last 12 months:	\$ _____	\$ _____	\$ _____
ESTIMATED Revenue:* Next 12 months:	\$ _____	\$ _____	\$ _____

If you have foreign revenue, please list the countries in which you do business:

**Revenue means actual sums billed to customers for products and services rendered. This includes all necessary support activity, i.e., consulting, system analysis, design, programming, etc. DO NOT include receipts from "In-House" operations.*

BUSINESS DESCRIPTION

1. Briefly describe your Principal Business Operations:

2. What new product, software or services are to be released or introduced within the next 12 months?

3. What is the worst thing that could happen to your customers' operations if your product, software or service were to fail to operate or perform according to specifications?

4. Is physical installation of your product, software or service at the customer/client site performed by your employees or representatives of your firm? Yes No

5. Industries served:	<u>% of Total Revenues</u>	<u>% of Total Revenues</u>
<input type="checkbox"/> Medical/Health	_____	<input type="checkbox"/> Telecommunications _____
<input type="checkbox"/> Banking/Financial: Funds Transfer	_____	<input type="checkbox"/> Internet _____
<input type="checkbox"/> Banking/Financial: Other	_____	<input type="checkbox"/> Manufacturing _____
<input type="checkbox"/> Transportation- Aviation	_____	<input type="checkbox"/> Education/Training _____
<input type="checkbox"/> Transportation- All Other	_____	<input type="checkbox"/> Other _____

6. Percent of your Total Revenues derived from:

<input type="checkbox"/> General computer system related consulting, analysis, design _____	<input type="checkbox"/> Telecommunication products/services (telephone/cable/wireless) _____
<input type="checkbox"/> Custom Software Development _____	<input type="checkbox"/> Outsourcing/Temporary Placement _____
<input type="checkbox"/> Custom Software Licensing _____	<input type="checkbox"/> Internet related services _____
<input type="checkbox"/> Pre-Packaged Software Development _____	<input type="checkbox"/> Manufacture of Hardware/Product _____
<input type="checkbox"/> Sale of Hardware made by others _____	<input type="checkbox"/> Computer related training/education _____
<input type="checkbox"/> Sale of Software made by others _____	<input type="checkbox"/> Data Processing Services (including maintenance & support) _____
<input type="checkbox"/> Network/computer related security products or services _____	<input type="checkbox"/> Other _____

7. Do you currently maintain General Liability coverage? Yes No

If "Yes", Carrier: _____ Limits of Liability: _____

Does it include coverage for: Personal Injury? Yes No

Advertising Injury? Yes No

Products & Completed Operations? Yes No

CONTRACTORS AND/OR CO-VENTURES

1. Are you involved or do you plan to be in any joint ventures with other firm(s) for research, development, sale, and/or distribution of an electronic product, software or computer service?

Yes No If yes, explain: _____

2. Do you subcontract or hire independent contractors to perform any services for your customers or clients?

Yes No If "Yes", a) what percentage of your total revenue is from subcontractors? _____%

b) Do you require that all subcontractors and independent contractors carry their own E&O insurance? Yes No

CONTRACT INFORMATION

Please include copies of standard contract, licensing agreements, purchase orders and written terms and conditions used by you

1. Are all of your customer/client contracts/agreements in writing? Yes No If "No" explain:

2. Does your legal counsel review all customer contracts prior to signing? Yes No
3. Are all contract modifications put in writing? Yes No If "No" explain:

4. Do you ever negotiate contracts with your customers in which you accept liability for consequential damages?
 Yes No If "Yes", please explain in detail when and how often and provide copies of such contracts:

5. Do all of your contracts contain the following clauses/language?

Disclaimer of warranties	Yes <input type="checkbox"/> No <input type="checkbox"/>	Exclusive Remedy	Yes <input type="checkbox"/> No <input type="checkbox"/>
Limitation of Liability	Yes <input type="checkbox"/> No <input type="checkbox"/>	Customer/vendor maintenance	Yes <input type="checkbox"/> No <input type="checkbox"/>
6. What is the value of your **average** customer/client contract? \$ _____
7. What is the value of your **largest** customer/client contract currently in place? \$ _____

COPYRIGHT TRADEMARK INFORMATION

Are you applying for Copyright/Trademark infringement coverage?

No If "No" skip to next section (Claims Experience For The Past 3 Years For Coverage requested)

Yes If "Yes" answer all questions below:

1. Do you currently have guidelines in place to safeguard against infringing the copyrights/trademarks of others?
 No
 Yes If "Yes",
 - a) Do your guidelines address employees? **No** **Yes**
 - b) Do your guidelines address use of independent contractors? **No** **Yes**
 - c) With respect to trademark related matters, do you perform availability and clearance searches? **No** **Yes**: List methods used:

2. In the last 12 months have you hired from a competitor, any employee with access to trade secrets? **No** **Yes**
3. a) Do your contracts/agreements with your customers/clients address copyright/trademark rights? **No** **Yes**
b) Do your contracts/agreements with your sub-contractors address copyright/trademark rights? **No** **Yes**
4. Identify person(s) responsible for reviewing and evaluating potential copyright/trademark offenses with respect to your business activities such as your web site, your online service, your use of unlicensed software, your product packaging, or your advertising and media promotions: _____

5. Do you have an Intellectual Property attorney that you utilize for registration of your copyrights/trademarks or due diligence for availability and clearance searches? No Yes If "Yes", please provide:

Name: _____

Address: _____

6. Have you registered any new trademarks or service marks in the last 12 months?

No Yes If "Yes", list below (attach separate page if necessary)

Trademark/Service Mark Description Date Registered (if foreign, specify country)

7. Have you registered any original materials for copyright protection in the last 12 months?

No Yes If "Yes", provide the estimated number of copyright filings made: _____

8. During the last 12 months, have you threatened or initiated any litigation/arbitration against another for infringement of a copyright that you hold, a trademark/service mark registered by you, patent that you hold, or trade secret violations?

No Yes If "Yes", provide full details below (attach separate page if necessary)

9. During the last 12 months, have any of your copyrights, trademarks, service marks, patents, or trade secrets been challenged?

No Yes If "Yes", provide detailed information (attach separate page if needed)

10. Are you currently aware of any possible threatened or actual litigation/arbitration or other possible challenge to the validity of any copyright, trademark, service mark that you hold?

No Yes If "Yes", provide full details (attach separate page if necessary)

11. Please estimate your expenditures over the last 12 months on research and development of new ideas, new software, or new products: \$ _____

CLAIMS EXPERIENCE FOR THE PAST 3 YEARS FOR COVERAGE REQUESTED

<u>DATE OF LOSS</u>	<u>DESCRIPTION</u>	<u>COST TO SETTLE</u>
_____	_____	_____
_____	_____	_____

Except as described above, please state all circumstances of which you are aware of any person or entity suffering damage as the result of any alleged error in your electronic product, software or computer service:

As per the provisions of the policy, any claims or incidents noted above are excluded from coverage.

The undersigned is an authorized employee of the applicant and certifies that reasonable inquiry has been made to obtain the answers herein which are true, correct and complete to his/her best knowledge and belief.

Signing this Application does not bind the applicant to accept the Insurance nor is the Company bound to issue a policy. The applicant warrants that the answers to the above questions are complete and correct. Should a policy be issued and accepted, this application will be the basis of the insurance and will become a part of the policy.

Applicant's Signature: _____

(Authorized representative of the prospective insured)

Print Name: _____

Title: _____ Date: _____

NOTICE TO APPLICANT - PLEASE READ CAREFULLY.

APPLICABLE IN CALIFORNIA

FOR YOUR PROTECTION CALIFORNIA LAW REQUIRES THE FOLLOWING TO APPEAR ON THIS FORM: ANY PERSON WHO KNOWINGLY PRESENTS FALSE OR FRAUDULENT CLAIM FOR THE PAYMENT OF A LOSS IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN STATE PRISON.

APPLICABLE IN COLORADO

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.

APPLICABLE IN FLORIDA

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.

APPLICABLE IN LOUISIANA

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.

APPLICABLE IN MAINE

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.

APPLICABLE IN NEBRASKA

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON, FILES AN APPLICATION FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY MATERIAL FACT THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, WHERE SUCH PERSON SUBSEQUENTLY SUBMITS A CLAIM.

APPLICABLE IN NEW MEXICO

ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

APPLICABLE IN NEW YORK

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 BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

APPLICABLE IN OHIO

ANY PERSON WHO, WITH THE 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.

APPLICABLE IN OKLAHOMA

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.

APPLICABLE IN OREGON

ANY PERSON, WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON, FILES AN APPLICATION FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY MATERIAL FACT THERETO, MAY BE GUILTY OF A INSURANCE FRAUD.

APPLICABLE IN PENNSYLVANIA

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."

APPLICABLE IN VIRGINIA

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.

**EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND EXCLUSION OF OTHER ACTS OF TERRORISM
COMMITTED OUTSIDE THE UNITED STATES**

THIS ENDORSEMENT CHANGES *YOUR* TECHNOLOGY ERRORS AND OMISSIONS LIABILITY PROTECTION AGREEMENT – CLAIMS MADE. PLEASE READ IT CAREFULLY.

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism", or out of an "other act of terrorism" that is committed out-side of the United States (including its territories and possessions and Puerto Rico), but within the "coverage territory". However, with respect to an "other act of terrorism", this exclusion applies only when one or more of the following are attributed to such act:

1. The total of *insured damage* to all types of property exceeds \$25,000,000 (valued in US dollars). In determining whether the \$25,000,000 threshold is exceeded, we will include all *insured damage* sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or *serious physical injury*. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ; or
3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs **1.** and **2.** describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.
2. "*Certified act of terrorism*" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "*certified act of terrorism*" include the following:
 - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;
 - b. The act resulted in damage:
 - (1) Within the United States (including its territories and possessions and Puerto Rico); or
 - (2) Outside of the United States in the case of:
 - (a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or
 - (b) The premises of any United States mission; and

- c. The act is a violent act or an act that is dangerous to human life, property or infra-structure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
 - 3. "*Other act of terrorism*" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "*certified act of terrorism*". Multiple incidents of an "*other act of terrorism*" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.
- C. In the event of any incident of a "*certified act of terrorism*" or an "*other act of terrorism*" that is not subject to this exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this Coverage Part.

OPTION TO EXTEND REPORTING PERIOD ENDORSEMENT: ONE YEAR

This endorsement changes your Technology Errors and Omissions Liability Protection Agreement.

You have the right to buy an Optional Extended Reporting Period Endorsement. It extends the time to report *claims* up to one year, starting with the end of the 90 day automatic extended reporting period. The *claim* must be based on an *error* that occurred during the *policy period*, or during the time any previous agreement covering similar liability, that has been continuously renewed by *us*, was in effect.

Notice of the possible *error* must be given to *us* as soon as possible. Notify *us* even though a *claim* has not been made. *We* must be provided with details surrounding the *error*, including where and when it occurred, a description of what happened, the type of *claim* that might result from it, the nature and amount of *damages* which might be sought, the *protected entity* involved, and the names and addresses of any individuals with knowledge of the *error*.

To obtain this endorsement *we* must receive a written request within 30 days after the *policy period* ends, and *you* must pay the additional premium within 60 days after the *policy period* ends, or else *you* have waived the right to obtain this Endorsement.

The Optional Extended Reporting Period Endorsement will amend the Other Insurance section of this agreement so that coverage provided by this endorsement will be excess over any other insurance available to any *protected entity*, whether collectible or not, whose policy period begins or continues after the endorsement takes effect. The Optional Extended Reporting Period Endorsement does not extend the *policy period* under this agreement.

We will determine the additional premium for the Optional Extended Reporting Period Endorsement in accordance with *our* rules and rates. *We* may take into account the following:

- The exposures insured;
- Previous types and amounts of coverage;
- *Limits of coverage* remaining under this *policy*; and
- Other related factors.

But *we* will not charge more than 150% of the annual premium for the last *policy period* of this agreement. Once *you* pay the premium, the Optional Extended Reporting Period Endorsement cannot be cancelled.

Other Terms and Conditions:

All other terms and conditions of this *policy* remain unchanged.

If issued after the date this *policy* begins, the spaces below must be completed.

Policy issued to:

Policy number:

Effective date of this endorsement:

Endorsement issue date:

OPTION TO EXTEND REPORTING PERIOD ENDORSEMENT: TWO YEARS

This endorsement changes your Technology Errors and Omissions Liability Protection Agreement.

You have the right to buy an Optional Extended Reporting Period Endorsement. It extends the time to report *claims* up to two years, starting with the end of the 60 day automatic extended reporting period. The *claim* must be based on an *error* that occurred during the *policy period*, or during the time any previous agreement covering similar liability, that has been continuously renewed by *us*, was in effect.

Notice of the possible *error* must be given to *us* as soon as possible. Notify *us* even though a *claim* has not been made. *We* must be provided with details surrounding the *error*, including where and when it occurred, a description of what happened, the type of *claim* that might result from it, the nature and amount of *damages* which might be sought, the *protected entity* involved, and the names and addresses of any individuals with knowledge of the *error*.

To obtain this endorsement *we* must receive a written request within 30 days after the *policy period* ends, and *you* must pay the additional premium within 60 days after the *policy period* ends, or else *you* have waived the right to obtain this Endorsement.

The Optional Extended Reporting Period Endorsement will amend the Other Insurance section of this agreement so that coverage provided by this endorsement will be excess over any other insurance available to any *protected entity*, whether collectible or not, whose policy period begins or continues after the endorsement takes effect. The Optional Extended Reporting Period Endorsement does not extend the *policy period* under this agreement.

We will determine the additional premium for the Optional Extended Reporting Period Endorsement in accordance with *our* rules and rates. *We* may take into account the following:

- The exposures insured;
- Previous types and amounts of coverage;
- *Limits of coverage* remaining under this *policy*; and
- Other related factors.

But *we* will not charge more than 200% of the annual premium for the last *policy period* of this agreement. Once *you* pay the premium, the Optional Extended Reporting Period Endorsement cannot be cancelled.

Other Terms and Conditions:

All other terms and conditions of this *policy* remain unchanged.

If issued after the date this *policy* begins, the spaces below must be completed.

Policy issued to:

Policy number:

Effective date of this endorsement:

Endorsement issue date:

OPTIONAL EXTENDED REPORTING PERIOD ENDORSEMENT: ONE YEAR

This endorsement changes *your* Technology Errors and Omissions Liability Protection Agreement.

Coverage is extended to *claims* first made against any *protected entity* up to one year after *your* Technology Errors and Omissions Liability Protection Agreement ends, but only where all of the following apply:

- The *claim* must be based on an *error* that occurred during the *policy period*, or during the time any previous agreement covering similar liability that has been continuously renewed with *us*, was in effect.
- Notice of the possible *error* must be given to *us* as soon as possible. Notify *us* even though a *claim* has not been made. We must be provided with written notification, which includes the following information:
 1. The actual or alleged *error* or circumstance which is the subject of a possible *claim*;
 2. Identification of the specific services rendered or product(s) failed, which gave rise to (1) above;
 3. The date(s) of such *error* or omission;
 4. The consequential damage which has or may result from such *error* or omission;
 5. The identity(ies) of the *protected entities* who may be subject of the *claim*;
 6. The identity(ies) of the potential claimants;
 7. The anticipated location(s) of any such *claim*, and
 8. The circumstances by which *you* first became aware of the potential *claim*.

Coverage provided by the Optional Extended Reporting Period Endorsement will be excess over any other insurance available to *you*, whether collectible or not, whose *policy period* begins or continues after this endorsement takes effect, whether that insurance is primary, excess, or contingent on any basis.

For all *claims* first reported in accordance with the coverage extension provided under this endorsement, there shall be a separate aggregate limit, equal to that shown on the Technology Policy Declaration, at the end of the *policy period*.

Other Terms and Conditions:

All other terms and conditions of this *policy* remain unchanged.

If issued after the date this *policy* begins, the spaces below must be completed.

Policy issued to:

Policy number:

Effective date of this endorsement:

Endorsement issue date:

OPTIONAL EXTENDED REPORTING PERIOD ENDORSEMENT: TWO YEARS

This endorsement changes *your* Technology Errors and Omissions Liability Protection Agreement.

Coverage is extended to *claims* first made against any *protected entity* up to two years after *your* Technology Errors and Omissions Liability Protection Agreement ends, but only where all of the following apply:

- The *claim* must be based on an *error* that occurred during the *policy period*, or during the time any previous agreement covering similar liability that has been continuously renewed with *us*, was in effect.
- Notice of the possible *error* must be given to *us* as soon as possible. Notify *us* even though a *claim* has not been made. We must be provided with written notification, which includes the following information:
 1. The actual or alleged *error* or circumstance which is the subject of a possible *claim*;
 2. Identification of the specific services rendered or product(s) failed, which gave rise to (1) above;
 3. The date(s) of such *error* or omission;
 4. The consequential damage which has or may result from such *error* or omission;
 5. The identity(ies) of the *protected entities* who may be subject of the *claim*;
 6. The identity(ies) of the potential claimants;
 7. The anticipated location(s) of any such *claim*, and
 8. The circumstances by which *you* first became aware of the potential *claim*.

Coverage provided by the Optional Extended Reporting Period Endorsement will be excess over any other insurance available to *you*, whether collectible or not, whose *policy period* begins or continues after this endorsement takes effect, whether that insurance is primary, excess, or contingent on any basis.

For all *claims* first reported in accordance with the coverage extension provided under this endorsement, there shall be a separate aggregate limit, equal to that shown on the Technology Policy Declaration at the end of the *policy period*.

Other Terms and Conditions

All other terms and conditions of this *policy* remain unchanged.

If issued after the date the *policy* begins, the spaces below must be completed.

Policy issued to:

Effective Date:

Policy Number:

Authorized Representative:

**United States Fire Insurance Company
A Delaware Corporation
Home Office: Wilmington, DE**

(A Capital Stock Company)

SIGNATURE



Joseph F. Braunstein, Jr.
President

SIGNATURE



Felicia Garland
Secretary

**The North River Insurance Company
A New Jersey Corporation
Home Office: Township of Morris, NJ**

(A Capital Stock Company)

SIGNATURE

A handwritten signature in cursive script, appearing to read "Joseph F. Braunstein, Jr.", written in black ink.

Joseph F. Braunstein, Jr.
President

SIGNATURE

A handwritten signature in cursive script, appearing to read "Felicia Garland", written in black ink.

Felicia Garland
Secretary

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ARKANSAS CHANGES

This endorsement modifies insurance provided under the following:

TECHNOLOGY ERRORS AND OMISSIONS LIABILITY PROTECTION AGREEMENT – CLAIMS MADE

1. The Automatic Extended Reporting Period Section is deleted and replaced by the following:

An automatic Extended Reporting Period will apply only if this *policy* is cancelled or non-renewed by *you* or *us*; or *we* renew or replace this agreement with other claims-made insurance that has a *retroactive date* later than that one shown in the Declarations.

We will provide coverage for claims first made within one year after this agreement ends. However, coverage under this Automatic Extended Reporting Period applies only if all of the following conditions are met:

- The error occurred during the policy period;
- The protected entity involved was first aware of a possible error during the policy period, or within 60 days after it ended;
- Within 60 days after the agreement ends, you notify us, in writing, of the possible error. Such written notice must include the following information:
 1. The actual or alleged error or circumstance which is the subject of a possible claim;
 2. Identification of the specific services rendered or product(s) failed, which gave rise to (1) above;
 3. The date(s) of such error or omission;
 4. The consequential damage which has or may result from such error or omission
 5. The identity(ies) of the protected entities who may be subject of the claim;
 6. The identity(ies) of the potential claimant(s);
 7. The anticipated location(s) of any such claim, and
 8. The circumstances by which you first became aware of the potential claim.

Coverage provided by the Automatic Extended Reporting Period will be excess over any other insurance available to you, whether collectible or not, whose policy period begins or continues after this policy ends, whether that insurance is primary, excess, or contingent on any basis.

Claims made pursuant to this Automatic Extended Reporting Period will be deemed to have been made on the last day of the policy period for the purposes of determining the limits of coverage.

The Automatic Extended Reporting Period cannot be canceled.

2. The third paragraph of the Cancellation condition within the **Other Conditions** section is deleted and replaced by the following:

If this *policy* is cancelled, *we* will send the *first named insured* any premium refund due. *We* will refund the pro rata unearned premium if the *policy* is:

- a. cancelled by *us* or at *our* request;
- b. Cancelled but rewritten with *us* or in *our* company group;
- c. Cancelled because *you* no longer have an insurable interest in the property or business operation that is the subject of this insurance; or
- d. Cancelled after the first year of a prepaid *policy* that was written for a term of more than one year.

If the *policy* is cancelled at the request of the *first named insured*, other than a cancellation described in a., b. or d. above, *we* will refund 90% of the pro rata unearned premium. However, the refund will be less than 90% of the pro rata unearned premium if the refund of such amount would reduce the premium retained by *us* to an amount less than the minimum premium for this *policy*.

The cancellation will be effective even if *we* have not made or offered a refund.

3. The following is added to the **Cancellation** condition of the **Other Conditions** section:

Cancellation Of Policies In Effect More Than 60 Days

- a. If this *policy* has been in effect more than 60 days or is a renewal *policy*, *we* may cancel only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Fraud or material misrepresentation made by *you* or with *your* knowledge in obtaining the *policy*, continuing the *policy* or in presenting a claim under the *policy*;
- (3) The *occurrence* of a material change in the risk which substantially increases any hazard insured against after *policy* issuance;
- (4) Violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or its occupancy which substantially increases any hazard insured against under the *policy*;
- (5) Nonpayment of membership dues in those cases where *our* by-laws, agreements or other legal instruments require payment as a condition of the issuance and maintenance of the *policy*; or
- (6) A material violation of a material provision of the *policy*.

- b. Subject to Paragraph a.(3) if *we* cancel for:

- (1) Nonpayment of premium, *we* will mail or deliver written notice of cancellation, stating the reason for cancellation, to the *first named insured* and any lienholder or loss payee named in the *policy* at least 10 days before the effective date of cancellation.
- (2) Any other reason, *we* will mail or deliver notice of cancellation to the *first named insured* and any lienholder or loss payee named in the *policy* at least 20 days before the effective date of cancellation.

4. The following is added to the **Other Conditions** section and supersedes any other provision to the contrary:

NONRENEWAL

- a. If *we* decide not to renew this *policy*, *we* will mail to the *first named insured* shown in the Declarations written notice of nonrenewal at least 60 days before:

- (1) Its expiration date; or
- (2) Its anniversary date, if it is a *policy* written for a term of more than one year and with no fixed expiration date.

However, *we* are not required to send this notice if nonrenewal is due to *your* failure to pay any premium required for renewal.

- b. *We* will mail *our* notice to the *first named insured's* mailing address last known to *us*. If notice is mailed, proof of mailing will be sufficient proof of notice.

SERFF Tracking Number: *REGU-125604480* *State:* *Arkansas*
First Filing Company: *United States Fire Insurance Company, ...* *State Tracking Number:* *EFT \$50*
Company Tracking Number: *C&F-TEO-08*
TOI: *17.1 Other Liability - Claims Made Only* *Sub-TOI:* *17.1019 Professional Errors & Omissions Liability*

Product Name: *Technology Errors & Omissions Program*
Project Name/Number: */*

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: REGU-125604480 State: Arkansas
First Filing Company: United States Fire Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: C&F-TEO-08
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability
Product Name: Technology Errors & Omissions Program
Project Name/Number: /

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 06/24/2008

Comments:

Attachment:

AR F NAIC Transmittal.pdf

Satisfied -Name: Filing Authorization **Review Status:** Approved 06/24/2008

Comments:

Attachment:

1 - Filing Authorization Letter.pdf

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 5px;"> <tr> <td style="width: 60%;">New Business</td> <td></td> </tr> <tr> <td>Renewal Business</td> <td></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #
Crum&Forster	0158

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
United States Fire Insurance Company	DE	21113	13-5459190	
The North River Insurance Company	NJ	21105	22-1964135	

5. Company Tracking Number	C&F-TEO-08
-----------------------------------	------------

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Jeremy W. Battles - IRC, LLC 50 Broad Street, Suite 501 New York, NY 10004	Manager	212-571-3884	212-571-2502	jeremybattles@irclc.com

7. Signature of authorized filer	
8. Please print name of authorized filer	Jeremy W. Battles

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	17.1 - Other Liability - Claims Made
10. Sub-Type of Insurance (Sub-TOI)	17.1019 - Professional Errors & Omissions Liability
11. State Specific Product code(s) (if applicable)[See State Specific]	N/A
12. Company Program Title (Marketing title)	Technology Errors & Omissions Program
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: Upon Approval Renewal: Upon Approval
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	N/A
17. Reference Organization # & Title	N/A
18. Company's Date of Filing	4/10/2008
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking # C&F-TEO-08

21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

United States Fire Insurance Company and The North River Insurance Company are submitting independent forms for use their new Technology Errors & Omissions (E&O) Program. The corresponding rates and rules are not required to be submitted, as per your state's requirements.

This program is designed to meet the unique insurance needs of businesses engaged in the sector of the technology industry that delivers electronic products, software or computer services. Under this program, coverage is provided for errors or omissions in the design or implementation of these products in the course of the insured's business activities.

22. Filing Fees (Filer must provide check # and fee amount if applicable)
[If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #: EFT
Amount: \$50.00

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)

(Do **not** refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	C&F-TEO-08			
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	C&F-TEO-08			
3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Technology Policy Declarations	TEO64-10 (4/08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Technology Errors and Omissions Liability Protection Agreement -	TEO64-15 (4/08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Technology Errors and Omissions Application	TEO64-20 (4/08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Technology Errors and Omissions Renewal Application	TEO64-30 (4/08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Exclusion of Certified Acts of Terrorism and Exclusion of Other Acts of ...	TEO64-40 (4/08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	Option To Extend Reporting Period Endorsement: One Year	AR TEO64-03 (4/08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07	Option To Extend Reporting Period Endorsement: Two Years	AR TEO64-02 (4/08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	Optional Extended Reporting Period Endorsement: One Year	TEO64-43 (4/08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09	Optional Extended Reporting Period Endorsement: Two Years	TEO64-44 (4/08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10	Signature Page - United States Fire Insurance Company	FM 206.0.11 09 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)

(Do **not** refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	C&F-TEO-08			
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	C&F-TEO-08			
3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
11	Signature Page - The North River Insurance Company	FM 206.0.12 09 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
12	Arkansas Changes	AR TEO64-01 (4/08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
13			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
14			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
15			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
16			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
17			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
18			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
19			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
20			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

305 Madison Avenue
P.O. Box 1973
Morristown, NJ 07962-1973
973-490-6600

This letter will certify that **Insurance Regulatory Consultants, LLC (IRC)** has been given full authorization to submit filings on behalf of **United States Fire Insurance Company** and **The North River Insurance Company**. This authorization extends to all correspondence regarding the filings.

Douglas M. Libby

Name

March 19, 2008

Date

Chairman and Chief Executive Officer

Title

United States Fire Insurance Company and The North River Insurance Company
Company Name(s)



Signature

(973) 490-6600

Telephone Number

**United States Fire Insurance Company
NAIC #: 0158-21113
The North River Insurance Company
NAIC #: 0158-21105
Technology Errors & Omissions Program**

SERFF Tracking Number: REGU-125604480 State: Arkansas
 First Filing Company: United States Fire Insurance Company, ... State Tracking Number: EFT \$50
 Company Tracking Number: C&F-TEO-08
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability
 Product Name: Technology Errors & Omissions Program
 Project Name/Number: /

Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Form	Technology Errors and Omissions Liability Protection Agreement - Claims Made	04/10/2008	TEO64-15 - Protection Agreement.pdf
No original date	Form	Option To Extend Reporting Period Endorsement: Two Years	04/10/2008	AR TEO64-02 04-08 - 2 Years.pdf
No original date	Form	Arkansas Changes	04/10/2008	AR TEO64-01 04-08.pdf

TECHNOLOGY ERRORS AND OMISSIONS LIABILITY PROTECTION AGREEMENT – CLAIMS MADE

This Protection Agreement provides insurance in which the costs of defending *suits* reduce the *limits of coverage*. Except as otherwise provided, this insurance applies only to *claims* first made and reported in writing to *us* during the *policy period*, arising from an *error*, but only if the *error* occurs on or after the *retroactive date* and prior to the end of the *policy period*. *Retroactive date* means the date specified as such in the Technology Policy Declarations. Words and phrases in italics are defined in this protection agreement.

The Policy Period

Coverage under this *policy* begins at 12:01 a.m., standard time, on the effective date shown on the Technology Policy Declarations.

Coverage under this *policy* ends at 12:01 a.m., standard time, on the expiration date of this *policy*. If all or part of this *policy* is canceled for any reason before that date, coverage will end at 12:01 a.m., standard time, on the date cancellation is effective.

"Policy period" means the period between the time coverage begins and the time coverage ends.

Coverage

We will pay amounts any *protected entity* is legally obligated to pay as *damages* as a result of *claims* made and reported in writing to *us* in accordance with the "When This Agreement Covers" section of this Protection Agreement. The *damages* must have resulted from an *error* which first caused damages during or after installation, testing and final acceptance by the user of *your electronic product*, software or *computer service*.

"Claim" means a request or demand for payment of *damages* resulting from an *error*, and includes any *suit* resulting there from. A *claim* will be deemed to have been made when notice of the *claim*, is first received by a *protected entity* or by *us*, whichever occurs first.

"Error" means negligent acts, errors or omissions in the design or implementation of *your electronic products*, software or *computer services*, committed in the course of *your* business activities.

"Business activities" means developing, manufacturing, distributing, selling, licensing, maintaining or handling electronic products, software or *computer services*, but only where such activities are performed for persons or entities other than *you*. Computer services means:

- Systems analysis, designing, programming, data processing, data storage, consulting, outsourcing (including outsourcing of *temporary employees*), system integration and information services in relation to computer hardware or software, including any such computer hardware or software designed or intended to prevent a *network security violation*;
- Marketing, selling, servicing, distributing, installing and maintaining computer hardware or software and training in the use of such hardware or software;
- Provision of telephone services including switching services, dial tone access, and competitive access providers;
- Provision of cellular and wireless communication services including satellite communications;
- Provision of cable television and cable communication services;
- Provision of access to or services on the electronic media commonly known as the Internet or the Worldwide Web; website design and maintenance;
- Design and implementation of interactive media, including but not limited to CD ROM, Laser Disc Video, and Interactive Kiosks;
- Electronic, Video tape, and print publishing, and the related researching, preparation, republication, serialization, exhibition, or distribution of such material by others;
- Graphic design and marketing communication services;

- Designing, implementing and servicing teleconferencing and audio visual equipment, systems and software;
- Document imaging and related document storage, retrieval, and management services.

Intellectual Property

We will cover *damages* resulting from any alleged or actual infringement of any intellectual property rights, (but not patent infringement or trade secret misappropriation) including, but not limited to copyright infringement, trademark infringement, trademark dilution, trade dress and trade name infringement including titles and slogans, resulting from *your business activities*.

Personal Injury

We will cover *damages* for *personal injury* resulting from an *error* committed in the course of *your business activities*. We will also cover *damages* for *personal injury* resulting from a *network security violation*.

Advertising injury

We will cover *damages* for *advertising injury*. However, we will not cover a *claim* for *damages* arising from infringement of Intellectual Property for any *advertising* material, title or slogan used without written consent of the owner thereof.

Exclusions – What This Agreement Will Not Cover

Bodily injury

We will not cover *damages* for *bodily injury*.

Property damage

We will not cover *damages* for *property damage*.

Other professional services

We will not cover *damages* arising from the performance of or failure to perform any other professional services, even when those services are incorporated into *your electronic products*, software or *computer services*. This includes, but is not limited to, professional services such as those performed by architects, surveyors, health care providers, accountants, lawyers, and financial or tax advisors.

Obligations to employees

We will not cover *damages* for any obligations of any *protected entity* under workers compensation, disability benefits, unemployment compensation, or any similar laws.

Claims by protected entities

We will not cover any *claim* brought by a *protected entity* against another *protected entity*.

Intentional acts

We will not cover *damages* resulting from any act or failure to act, which the *protected entity* knew, might result in a *claim*. Such circumstances include, but are not limited to, withdrawal of an electronic product, software or *computer service* from the market; or discontinuation of support for an electronic product, software or *computer service*;

Dishonest acts

We will not cover *damages*, resulting from the following conduct of a *protected entity*:

- any dishonest, fraudulent, criminal, malicious or reckless act or omission by any *protected entity* whether acting alone or in collusion with anyone else;
- any alleged or actual violation of a law.

However, this exclusion will not apply unless such conduct has been established by a final adjudication in any judicial, administrative, or alternate dispute resolution proceeding, or by any *protected entities*' admission in a proceeding or otherwise, at which time *you* shall reimburse *us* for all defense and other payments made by *us* in connection with such conduct, and all of *our* duties with respect to such conduct, shall cease. No such reimbursement will be required, if such conduct can be attributed to one individual employee of a *protected entity*, and no other employee or *protected entity* had knowledge of, participated, acquiesced, or remained passive after having knowledge of such conduct, and the *protected entity* otherwise complied with the reporting provisions of this *policy* on learning of such conduct.

Discrimination

We will not cover *damages* arising out of discrimination based on race, color, religion, sex, age, gender, sexual orientation, disability, handicap, pregnancy, national origin or ethnicity.

Bankruptcy

We will not cover *damages* arising out of the bankruptcy or insolvency of any *protected entity*.

Liability of others

We will not cover *damages* for liability of others any *protected entity* assumes under any contract or agreement unless the *protected entity* would have had the liability in the absence of such contract or agreement.

Warranties, representations and promises

We will not cover *damages* for return or refund of all or any part of payments made to *you* by *your* customers. Also, *we* will not cover costs and expenses *you* incur to comply with any warranties, representations or promises for *your* electronic products, software or *computer services*, including repair or replacement of defective materials or workmanship. Nor will *we* cover costs *you* incur associated with system modification, product re-design, correction of product errors, and product recall, withdrawal or inspection.

Penalties, liquidated damages, or cost guarantees

We will not cover *damages* for the payment of liquidated *damages* or penalties *you* agreed to pay *your* customer in the event of incidents such as late delivery. We also will not cover *damages* resulting from the fact that *you* exceeded any cost guarantees or estimates.

Other liability protection

We will not cover claims that are covered under any other Liability Insurance Policy.

Pollution

We will not cover claims alleging or arising from any pollution, contamination or toxic exposure, including but not limited to noise, electromagnetic fields, radio waves, nuclear radiation, nuclear waste; radioactive contamination; asbestos fibers or material containing asbestos; fungi, molds, spores, or mycotoxins; any solid, liquid, gaseous or thermal irritant, including gas, acids, alkalis, chemicals, heat, smoke, vapor, soot, fumes or waste.

Defense of Claims or Suits

We will have the duty to make only the payments shown below in connection with any *suit* we defend.

"Claims expense," means those payments *we* make pursuant to *our* duty to defend, as set forth below.

Each payment of *claims expense* reduces the *limits of coverage*. *Our* duty to pay *claims expense*, and therefore *our* duty to defend, ends when *we* have used up the *limits of coverage* that apply with any combination of payment for judgments, settlements and *claims expense*, including:

- Bonds to release property: *We* will pay the cost of bonds to release property of a *protected entity* that is being used to secure a covered legal obligation, but only for bond amounts within the applicable *limits of coverage*. *We* are not obligated to apply for or furnish such bonds, or to provide the collateral in support of such bond.
- Expenses incurred by a *protected entity*: *We* will pay all reasonable expenses that a *protected entity* incurs at *our* request while helping *us* investigate or defend a *claim* or *suit*. But *we* will not pay more than \$250 per day for earnings actually lost by any *protected entity* because of time lost from work.
- Taxed costs: *We* will pay all costs for covered *claims* taxed against a *protected entity* at the conclusion of a *suit*.
- Pre-judgment interest: *We* will pay pre-judgment interest awarded on the covered portion of a judgment.
- Post-judgment interest: *We* will pay post-judgment interest that accrues on the covered portion of a judgment. But *we* will pay only the amount of interest accruing from the date of the judgment to the date *we* pay; offer to pay; or deposit in court; the covered amount.

Right and duty to defend

We will defend *protected entities* in any *suit*, requesting covered *damages*, except as provided under "Where This Agreement Covers". *We* may investigate and settle, at *our* discretion, any *claim* or *suit*.

Costs of defense

When *we* control the defense of a *suit* *we* will pay all expenses *we* incur, including attorneys' fees. But *we* will not provide or pay for separate or additional legal counsel for any *protected entity*, even where some portions of a *claim* are not covered, or may not be covered, by this agreement.

In any case, *we* will not pay for legal counsel that any *protected entity* retains without *our* written consent.

We have the right to control the defense of any *suit* while *we* are paying any *claims expenses*. If at any time *we* both agree, or if a court orders *you* to take over control of such defense before the applicable *limit of coverage* has been used up, *we* will reimburse *you* for reasonable attorneys' fees for the defense of covered *claims*. But *we* still will not pay more in total than the *limit of coverage* that applies.

As soon as practicable after *we* become aware that *your limit of coverage* will be used up in defense of a *suit* *we* will do the following:

- Notify *you* of any outstanding *claims* or *suits* so that *you* can arrange to take over control of the defense, and
- Assist in the transfer of control for such defense.

While the transfer of control of the defense is taking place, *we* will take steps on *your* behalf that *we* feel are appropriate to avoid default in a *suit*, or to continue the defense of such *suit*. *You* agree that if *we* take such steps, *we* do not give up or waive any of *our* rights. *You* also agree to reimburse *us* for any *claims expense* *we* incur in excess of the *limit of coverage*.

DUTIES IN THE EVENT OF ANY POTENTIALLY COVERED LOSS

If *you* are aware of a possible *error* or *claim*, *you* agree to notify *us* as soon as possible, even if a *claim* has not been made. In addition, *you* must:

1. Notify the police if a law may have been broken;
2. Notify *us* about what happened. *We* must be provided with details surrounding the actual or alleged *error* or circumstance which is the subject of a possible *claim*, the identity of *protected entity(ies)* involved, and the time and place of the actual or alleged incident;
3. Immediately send or deliver to *us* copies of all demands or legal documents if someone makes a *claim* or *suit*;
4. Cooperate with *us* in making any investigation into the *claim* that *we* deem necessary, including answering *our* questions and making available records and individuals with knowledge of the *claim*. Also, *you* and any involved *protected entity* must cooperate with *us* in securing and giving evidence, attending hearings and trials, and obtaining the attendance of witnesses;
5. Not pay out any money or assume any financial obligation without *our* consent.

Other Provisions Relating to Defense of Claims or Suits

Arbitration

We are entitled to exercise all of a *protected entity's* rights in the choice of arbitrators and the conduct of any arbitration proceeding.

Legal Action Against Us

No one can sue *us* to recover under this *policy* unless there has been full compliance with all the terms and conditions of this *policy*.

When This Agreement Covers

We will cover *claims* first made against *you* while this agreement is in effect, if during the *policy period* *you* give *us* written notice of the *claim*. *We* will also cover *claims* first made against *you* after this agreement ends as provided in the Automatic Extended Reporting Period Section of this agreement.

Further, coverage only applies if no *protected entity* had reason to believe, at the start of the *policy period*, that it was possible that the *claim* would be made. Without limitation, such knowledge will be presumed if: a *protected entity* had received a complaint about an *error* which had caused, or foreseeable could cause, *damages*; a customer stopped paying *you*, threatened to stop paying *you*, or asked for a refund of payments; a person or entity indicated that copies of correspondence, regarding alleged *errors*, were being sent to legal counsel.

Where This Agreement Covers

We will cover *errors* that happen anywhere in the world.

Indemnification for Non-Admitted Jurisdiction

In jurisdictions outside of the United States of America where we may be prevented by law or otherwise from:

- Paying *damages you* are legally obligated to pay for covered *claims*; or
- Investigating or settling *claims* or *suits* brought against *you* for covered *damages*;

Then the words "*We* will pay amounts" under "Coverage" are changed to read "*We* will indemnify *protected entities* for amounts."

If *we* elect not to investigate, settle, or defend *suits* brought against any *protected entity* for covered *claims, you*, under *our* supervision, shall make or cause to be made such investigation and defense as may be reasonably necessary and, subject to *our* prior authorization, will effect to the best extent possible a settlement or settlements that *we* agree is proper. *We* will reimburse *you* for the reasonable cost of such investigation, defense, or settlement, in currency of the United States of America, at the rate of exchange prevailing on the date the *claim* is first reported to *us*.

Our Responsibility Outside The United States of America.

We are not an admitted or authorized insurer outside the United States of America. *We* assume no responsibility for furnishing certificates of insurance, or complying in any way with the laws of other countries relating to this insurance.

Other Insurance

If a *suit* is brought outside the United States of America, then this insurance does not apply to the extent that *errors* covered under this agreement are covered by other insurance available to *you*, whether that insurance is primary, excess, or contingent, and whether it is collectible or not.

Who Is Insured Under This Agreement

Corporation

If *you* are named in the Technology Policy Declarations as a corporation, *you* are a *protected entity*. *Your* executive officers and directors are *protected entities*, but only with respect to their duties as *your* officers or directors. *Your* stockholders are *protected entities*, but only with respect to their liability as *your* stockholders. In addition, if *you* are named in the Technology Policy Declarations as a corporation, any subsidiary, which is a legally incorporated entity, and any partnership or joint venture in which *you* own or have a financial interest of more than 50%, shall be considered a *protected entity* under this *policy*.

Limited Liability Company

If *you* are named in the Technology Policy Declarations as a limited liability company (LLC), *your* members are also *protected entities*, but only with respect to the conduct of *your* business.

Individual

If *you* are named in the Technology Policy Declarations as an individual, *you* and *your* spouse are a *protected entity*, but only with respect to the conduct of a business of which *you* are the sole owner.

Partnership, joint venture, or other organization

If *you* are named in the Technology Policy Declarations as a partnership, joint venture, or other organization, *you* are a *protected entity*. *Your* members, partners or co-ventures are *protected entities* only with respect to the conduct of *your business activities*.

Other protected entities

Your employees, agents, and sub-contractors are *protected entities* but only for work done within the scope of their employment by you. We will not cover *claims* or *suits* brought against your employees, agents, and sub-contractors by you or by other employees, agents, and sub-contractors.

We will protect the following representatives of a *protected entity*

- The estate, legal representative or heirs of a deceased person, or
- The legal representative of a *protected entity* who is legally bankrupt or mentally incompetent;

but only in their capacity as such.

Automatic Additional Protected Entities

Any person or organization for whom you are providing *computer services* in the course of your *business activities*, is a *protected entity*, when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability arising out of your ongoing *business activities* for that insured. A person's or organizations status as an additional insured ends when your *business activities* for that additional insured are completed.

Newly acquired organizations

Any organization that you acquire or form while this agreement is in effect is automatically a *protected entity* if you own more than 50% of it and the annual revenues of such new entity do not exceed 10% of the *protected entities* estimated revenue at the start of the *policy period*.

Any such newly acquired or formed organization with annual revenue greater than 10% of the *protected entities* estimated revenue at the start of the policy period is also a *protected entity* under this agreement, but for 120 days, or the remainder of the *policy period*, whichever is less, from the date that you acquire or form it.

The *retroactive date* that applies to any such newly acquired or formed organization will be the acquisition date or the date the organization was formed.

Limits Of Coverage

Limits of coverage means, the limits shown in the Technology Policy Declarations. The *limits of coverage* are subject to this section, and are the most we will pay regardless of the number of:

- *Protected entities*;
- *Claims* made or *suits* brought; or
- Persons or organizations making *claims* or bringing *suits*.

This protection agreement applies:

- To each *protected entity* named in the Technology Policy Declarations as if that person or organization were the only one named there, and
- Separately to each other *protected entity*.

However, the *limits of coverage* shown in the Technology Policy Declarations are shared by all *protected entities*. Also, any right or duty specifically assigned to the *first named insured* remains unchanged.

Each claim limit

This is the most we will pay for all *claims* resulting from a single *error* or from a series of related *errors*, no matter how many *protected entities*, injured parties, or *claims* are involved. This includes all *claims expenses*.

Aggregate limit

This is the most we will pay for all *claims* first made during the *policy period*, or any applicable extended reporting period, including *suits* resulting therefrom. This includes *claims expenses*.

We will treat any *claims* that result from a series of related *errors*, even if they are made during more than one *policy period*, as a single *claim*. The *claim* will be subject to the *limit of coverage* set forth in the agreement in effect at the time of the first *claim* resulting from a series of related *errors*.

Deductible

The deductible is shown in the Technology Policy Declarations. *You* will be responsible for any payments, up to the amount of the deductible, for each *claim*. This includes *claims expenses*. *We* will only apply the deductible once for all *claims* resulting from a single *error* or from a series of related *errors*. *We* will then pay covered *claims* over the deductible amount, up to the *limit of coverage*. At *our* option *we* can pay all or part of the deductible to settle a *claim*. If *we* do, each *protected entity* agrees to repay *us* as soon as *we* notify *you* of the settlement.

Automatic Extended Reporting Period

An automatic Extended Reporting Period will apply only if this *policy* is cancelled or non-renewed by *you* or *us*, for reasons other than misrepresentation or non-payment of premium; or *we* renew or replace this agreement with other claims-made insurance that has a *retroactive date* later than that one shown in the Technology Policy Declarations; and the *first named insured* has not obtained another errors and omissions policy within 60 days of such cancellation or non-renewal.

We will provide coverage for *claims* first made within one year after this agreement ends. However, coverage under this Automatic Extended Reporting Period applies only if all of the following conditions are met:

- The *error* occurred during the *policy period*;
- The *protected entity* involved was first aware of a possible *error* during the *policy period*, or within 90 days after it ended;
- Within 90 days after the agreement ends, *you* notify *us*, in writing, of the possible *error*. Such written notice must include the following information:
 1. The actual or alleged *error* or circumstance which is the subject of a possible *claim*;
 2. Identification of the specific services rendered or product(s) failed, which gave rise to (1) above;
 3. The date(s) of such *error* or omission;
 4. The consequential damage which has or may result from such *error* or omission
 5. The identity(ies) of the *protected entities* who may be subject of the claim;
 6. The identity(ies) of the potential claimant(s);
 7. The anticipated location(s) of any such *claim*, and
 8. The circumstances by which *you* first became aware of the potential *claim*.

Coverage provided by the Automatic Extended Reporting Period will be excess over any other insurance available to *you*, whether collectible or not, whose *policy period* begins or continues after this *policy* ends, whether that insurance is primary, excess, or contingent on any basis.

Claims made pursuant to this Automatic Extended Reporting Period will be deemed to have been made on the last day of the *policy period* for the purposes of determining the *limits of coverage*.

The Automatic Extended Reporting Period cannot be canceled.

Other Conditions

Assignment And Transfers

The rights and duties of any *protected entity* under this *policy* may not be assigned or transferred without *our* written consent attached to the *policy*. However, if *you* are a person, and *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 temporary custody of *your* property will have *your* rights and duties concerning that property.

Our Right To Examine Your Records

You agree to let *us* examine and audit *your* financial books and records that relate to this *policy* at any time up to 3 years after this *policy* ends.

Inspections And Surveys

We have the right, but not the obligation, to inspect *your* property and business operations during normal business hours while this *policy* is in force. By conducting such investigation, *we* do not become responsible to advise *you* or to guarantee *you* that *your* property or business operations are safe or healthful or that they conform to any laws, codes, standards or regulations. Any inspections, surveys, reports or recommendations *we* make only relate to our determination of insurability and help *us* decide what premiums to charge. *We* do not make safety inspections or undertake to perform any duty of persons or organizations that provide for the health or safety of workers or the public. This also applies to any organization, which makes insurance inspections, surveys, reports or recommendations for *us*.

Liberalization

Occasionally *we* make changes in *our* standard policy forms. These changes must conform to state law and are subject to prior approval by insurance supervisory authorities in each state. If *we* make a change while *your* coverage is in force that broadens or extends *your* coverage, and the change can be added to *your policy* without increasing the premium, *you* will automatically receive the broadened or extended coverage on the day the change is effective in *your* state.

Cancellation

The *first named insured* can cancel this *policy* in whole or part at anytime by sending *us* a written request or by returning the *policy* to *us* with instructions specifying the date of cancellation.

We can cancel this *policy* in whole or in part at any time. To do so *we* will mail or deliver a Notice of Cancellation to the *first named insured* at least 60 days before coverage will end; but only 10 days before coverage will end if *we* are canceling for nonpayment of premium. *Our* notice will be mailed to the *first named insured's* last mailing address known to *us*, indicating the date coverage is to be canceled. Evidence of mailing such notice will be considered proof *you* were notified on the date of such mailing.

If this *policy* is cancelled, *we* will send the *first named insured* any premium refund due. If *we* cancel, the refund will be pro rata. If the *first named insured* cancels, the refund may be less than pro rata.

Our Right To Recover Damages From A Third Party

Any *protected entity* under this *policy* for whom *we* make a payment must preserve, and at *our* request transfer to *us*, the right to recover all or part of any *damages* covered by this *policy*, from any other party. After a *claim* is made, each *protected entity* must do all that is possible to preserve any right of recovery available to *us*. If *we* recover more than *we* have paid, plus the amount of *our* recovery expenses, the excess will belong to the *first named insured*.

However, *we* will not exercise *our* right to request transfer to *us*, the right to recover all or part of any *damages* covered by this *policy*, from any other party, where a waiver of such is required by a written contract signed by any *protected entity* and is related to *your business activities*; provided such a written contract is executed prior to a *protected entity's* awareness of an *error* or possible *error*, which may give rise to such *damages*.

Bankruptcy

Bankruptcy or insolvency of any *protected entity* will not relieve *us* of any obligation under this *policy*.

Fraud And Misrepresentation

This *policy* is void if any *protected entity* misled *us*, hid important information from *us*, or lied to *us* about any matter when applying for this *policy*. If any *protected entity* misleads *us*, hides important information from *us*, or lies to *us* about any matter concerning an *error*, this *policy* will not cover that *error*. However, unintentional errors or omissions will not affect *your* rights under this *policy*.

Titles And Headings

The titles and headings in this *policy* are included solely as a reference for convenience, and do not affect the scope of coverage.

Changes

This *policy* constitutes the entire agreement between us concerning the insurance provided by us. This *policy* can only be changed by a written amendment made a part of the *policy*.

Choice Of Law And Conformance

This *policy* shall be interpreted according to the law of the state where this *policy* is issued, which is presumed to be the state shown on the Technology Policy Declarations as the mailing address of the *first named insured*. Any terms of this *policy* that conflict with the law of such state are automatically amended to conform to the law of that state.

Other Insurance

This insurance is intended to be primary, except where stated otherwise.

When this insurance and other insurance both apply to a loss on the same basis, whether that basis is primary or contingent, *we* will pay no more than *our* percentage of the total amount of insurance covering the *claim*. For example:

The *limit of coverage* under this agreement is \$1,000,000. Another insurance policy with a limit of \$500,000 also covers a *claim* covered by this agreement. The total limits of all insurance are \$1,500,000. A court requires *you* to pay *damages* of \$2,000,000. *We* would pay 67% ($\$1,000,000/\$1,500,000$) of the judgment, but because that share (\$1,340,000) is greater than our *limit of coverage*, *we* will pay only the remaining portion of *our limit of coverage*, which is a maximum of \$1,000,000.

Definitions

Whenever a word or phrase is printed in italics, that word or phrase is defined somewhere in this *policy*.

- "Policy" means this entire package of insurance, bearing a single Policy Number.
- "We," "us," and "our" means the company issuing this *policy*.
- "You" and "your" means the persons, people, organizations, or corporate entities named as insured in the Technology Policy Declarations.
- "Protected entity" means *you* and any other person or legal entity entitled to coverage under this *policy*.

First Named Insured

"First Named Insured" means the first insured entity shown on the Technology Policy Declarations. Only the *first named insured* has the authority and responsibility, on behalf of itself and all other *protected entities*, to:

- Pay premiums or receive refunds of premiums;
- Cancel the policy or receive Notice of Cancellation;
- Request changes the *policy* including, but not limited to, the addition or deletion of coverage and/or *protected entities*.

All such changes are binding on all other *protected entities*.

Additional Definitions

"Advertising" means statements, pictures, or videos disseminated to numerous persons regardless of the media used, for the purpose of seeking customers or increasing sales or business.

"Advertising injury" means damages resulting from any of the following offenses that arise from the *advertising* of *your electronic product* or *your software* or *your computer services*:

- Libel or slander;
- Written or spoken material that belittles the products or work of others;
- *Personal Injury*;

"Bodily injury" means any harm to the physical health of others, including sickness and disease, caused by an *occurrence*. It also includes care, loss of services or death arising at any time from such harm.

"Damages" means compensatory monetary damages. *Damages* do not include restitution or any other demand or remedy for return of monies previously received by any *protected entity* from the claimant.

"Network Security Violation" means a breach of security, whereby an unauthorized person or entity, gains access to electronic data or other electronic content such as sounds or images, and *damages* result from such data or other electronic content being modified, destroyed, or disclosed. A *network security violation* includes the unauthorized introduction of a computer virus or other malicious code which affects such data or other electronic content and results in *damages*.

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

"Personal injury" means *damages* resulting from any of the following offenses that arise from *your business activities*:

- Defamation, including but not limited to libel, slander, or injurious falsehood;
- Negligent infliction of emotional distress, including but not limited to mental duress, and every other mental, emotional or psychic harm to a person, which does not result from physical injury to a person.
- Written or spoken material made public, regardless of the media used, which disparages a person or organization, or which violates an individual's right of privacy.
- Malicious prosecution, false arrest, detention, or imprisonment

"Property damage" means physical damage to tangible property of others, including all resulting loss of use of that property; or loss of use of tangible property of others that is not physically damaged, but in either case, caused by an *occurrence*.

"Suit" means a civil proceeding in which *damages* are alleged. This includes arbitration proceedings for *damages*.

"Temporary employee" means an employee of the *protected entity* furnished or supplied to a customer or client of the *protected entity*, who works at the customer or clients premises, office, or place of business.

"Your electronic product" means any electronic product, which *you* manufactured, sold, serviced, or distributed. But *we* will not consider *your electronic products* to include electronic products that are still in *your* physical possession. The following additional exclusions apply with respect to *your electronic products*:

- *We* will not cover *claims* for *damages* which result from wear and tear and gradual deterioration of *your electronic products*.
- *We* will not cover *claims* for *damages* which result from any change in electrical power supply, including power interruption, surge, brownout, or blackout.

OPTION TO EXTEND REPORTING PERIOD ENDORSEMENT: TWO YEARS

This endorsement changes your Technology Errors and Omissions Liability Protection Agreement.

You have the right to buy an Optional Extended Reporting Period Endorsement. It extends the time to report *claims* up to two years, starting with the end of the 90 day automatic extended reporting period. The *claim* must be based on an *error* that occurred during the *policy period*, or during the time any previous agreement covering similar liability, that has been continuously renewed by *us*, was in effect.

Notice of the possible *error* must be given to *us* as soon as possible. Notify *us* even though a *claim* has not been made. *We* must be provided with details surrounding the *error*, including where and when it occurred, a description of what happened, the type of *claim* that might result from it, the nature and amount of *damages* which might be sought, the *protected entity* involved, and the names and addresses of any individuals with knowledge of the *error*.

To obtain this endorsement *we* must receive a written request within 30 days after the *policy period* ends, and *you* must pay the additional premium within 60 days after the *policy period* ends, or else *you* have waived the right to obtain this Endorsement.

The Optional Extended Reporting Period Endorsement will amend the Other Insurance section of this agreement so that coverage provided by this endorsement will be excess over any other insurance available to any *protected entity*, whether collectible or not, whose policy period begins or continues after the endorsement takes effect. The Optional Extended Reporting Period Endorsement does not extend the *policy period* under this agreement.

We will determine the additional premium for the Optional Extended Reporting Period Endorsement in accordance with *our* rules and rates. *We* may take into account the following:

- The exposures insured;
- Previous types and amounts of coverage;
- *Limits of coverage* remaining under this *policy*; and
- Other related factors.

But *we* will not charge more than 200% of the annual premium for the last *policy period* of this agreement. Once *you* pay the premium, the Optional Extended Reporting Period Endorsement cannot be cancelled.

Other Terms and Conditions:

All other terms and conditions of this *policy* remain unchanged.

If issued after the date this *policy* begins, the spaces below must be completed.

Policy issued to:

Policy number:

Effective date of this endorsement:

Endorsement issue date:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ARKANSAS CHANGES

This endorsement modifies insurance provided under the following:

TECHNOLOGY ERRORS AND OMISSIONS LIABILITY PROTECTION AGREEMENT – CLAIMS MADE

1. The first paragraph of the **Automatic Extended Reporting Period** Section is deleted and replaced by the following:

An automatic Extended Reporting Period will apply only if this *policy* is cancelled or non-renewed by *you* or *us*; or *we* renew or replace this agreement with other claims-made insurance that has a *retroactive date* later than that one shown in the Declarations.

2. The third paragraph of the **Cancellation** condition within the **Other Conditions** section is deleted and replaced by the following:

If this *policy* is cancelled, *we* will send the *first named insured* any premium refund due. *We* will refund the pro rata unearned premium if the *policy* is:

- a. cancelled by *us* or at *our* request;
- b. Cancelled but rewritten with *us* or in *our* company group;
- c. Cancelled because *you* no longer have an insurable interest in the property or business operation that is the subject of this insurance; or
- d. Cancelled after the first year of a prepaid *policy* that was written for a term of more than one year.

If the *policy* is cancelled at the request of the *first named insured*, other than a cancellation described in a., b. or d. above, *we* will refund 90% of the pro rata unearned premium. However, the refund will be less than 90% of the pro rata unearned premium if the refund of such amount would reduce the premium retained by *us* to an amount less than the minimum premium for this *policy*.

The cancellation will be effective even if *we* have not made or offered a refund.

3. The following is added to the **Cancellation** condition of the **Other Conditions** section:

Cancellation Of Policies In Effect More Than 60 Days

- a. If this *policy* has been in effect more than 60 days or is a renewal *policy*, *we* may cancel only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Fraud or material misrepresentation made by *you* or with *your* knowledge in obtaining the *policy*, continuing the *policy* or in presenting a claim under the *policy*;
- (3) The *occurrence* of a material change in the risk which substantially increases any hazard insured against after *policy* issuance;
- (4) Violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or its occupancy which substantially increases any hazard insured against under the *policy*;
- (5) Nonpayment of membership dues in those cases where *our* by-laws, agreements or other legal instruments require payment as a condition of the issuance and maintenance of the *policy*; or
- (6) A material violation of a material provision of the *policy*.

b. Subject to Paragraph **a.(3)** if *we* cancel for:

- (1) Nonpayment of premium, *we* will mail or deliver written notice of cancellation, stating the reason for cancellation, to the *first named insured* and any lienholder or loss payee named in the *policy* at least 10 days before the effective date of cancellation.
- (2) Any other reason, *we* will mail or deliver notice of cancellation to the *first named insured* and any lienholder or loss payee named in the *policy* at least 20 days before the effective date of cancellation.

4. The following is added to the **Other Conditions** section and supersedes any other provision to the contrary:

NONRENEWAL

a. If *we* decide not to renew this *policy*, *we* will mail to the *first named insured* shown in the Declarations written notice of nonrenewal at least 60 days before:

- (1) Its expiration date; or
- (2) Its anniversary date, if it is a *policy* written for a term of more than one year and with no fixed expiration date.

However, *we* are not required to send this notice if nonrenewal is due to *your* failure to pay any premium required for renewal.

b. *We* will mail *our* notice to the *first named insured's* mailing address last known to *us*. If notice is mailed, proof of mailing will be sufficient proof of notice.