

**ELECTRONICS AND INFORMATION TECHNOLOGY
ERRORS AND OMISSIONS, INTELLECTUAL PROPERTY RIGHTS APPLICATION**
(Claims made Coverage)

Some sections of the application will not apply to your firm. Where this is the case, please mark “not applicable” (N/A).

Before continuing, please attach copies of:

1. Advertising Materials and Product Brochures
2. Your standard and your largest sales, service & license contracts
3. Your most recent annual report or audited financial statement
4. If your company is less than three years old your proforma and business plan
5. Claims experience
6. Agreements with your subcontractors
7. Please list All of you web site addresses:

Section 1 – Errors and Omission

Part 1 General Information

- 1. Name of Insured (Include names of all subsidiary or affiliated companies to be insured):**

- 2. Address:**

- 3. Requested Effective Date:** **Requested Retroactive Date:**

- 4. Limit of Liability**

	Aggregate Claim Limit
Requested:	US\$
Optional:	US\$
Optional:	US\$

5. Deductible (each claim)

- US\$10,000 US\$25,000 US\$50,000 US\$100,000
 US\$250,000 US\$50,000 Other: _____

6. Worldwide Revenue including Licensing fees:

	UK	USA/Canada Domestic	USA/Canada Exports	ROW
Prior Year:				
Current year:				
Estimated next year:				

Number of employees: _____

Number of years in business? _____

7. Have you sold any companies or been involved in mergers or acquisitions during the past three (3) years:

Yes No If yes, please detail:

Name of Entity	Date of Transaction	Type of transaction. Acquisition or consolidation

In respect of the transaction

Did you purchase:

Assets

Liabilities

8. Who performs your Merger and Acquisition due diligence:

9. What Partnerships and/or joint ventures did you form within the last 20 months and for what purpose

Part II Types of Products/Services

1. Brief Description of Products/Services:

2.

Types of Products/Services	% of Prior Year Revenue	% of Your Annual Revenue
Hardware Manufacturing		
Application Software – Pre-Packaged		
Application Software – Custom		
Operating Software – Pre Packaged		
Operating Software – Custom		
Network or Communications Software-Pre Package		
Network or Communications Software-Custom		
Systems Integration, Value added reselling		
Consulting, Speciality Programming or Services		
Data Entry, Time sharing, Processing Services		
Retail or Wholesale Sales		
Maintenance of Service Revenues		
Web hosting		
Web Design		
Infrastructure, equipment and components mfg.		
Internet Service /Access Provider		
Internet Infrastructure Software		
Internet Portal		
Data Retrieval/Informed intermediary		
Broadcasting/Streaming		
Application Software Providers		
Temporary Leasing of computer programmers		
Other (Explain below)		

Please outline other:

3. List your top three competitors:

Part III Application of Products/Services

1. Is the application of any of your products you develop, or services you provide? included in the following areas described below: if yes, please provide percentage of annual revenue:

Products/Services Application	% of Annual Receipts
Medical purposes	
Aerospace/defence applications	
Fire, security, or other emergency applications	
Provide online security advice/products	
Privacy application	
Manufacturing, Process controls	
Oil and Gas Power	
Banking, financial transaction and inventory	

2. Typical End User:

3. List any customer that represents 10% or more of your total revenue:

Customer	Revenue	Product/Service

4. Have any of your products or services not been Year 2000 compliant? Yes No

If your service/software or product fails what is the worst case effect to your customers?

5. If your product or service fails how quickly would your customer (s) suffer a financial loss?

6. In your estimation how large a financial loss could your customers encounter if your product or service fails?

7. Is it possible for your product or service to cause any physical injury to an individual if it fails? If so please describe:

8. Who are your top three competitors?

9. List memberships in professional organisations and trade associations:

10. Have you discontinued any product or service in the past three years? Yes No
If yes, please provide details:

11. If yes, do you continue to provide service maintenance? Yes No
Please describe any future products or products in a research and development phase:

Part IV Contract Review/Licensing Agreements

1. Does your legal counsel review all contracts, agreements, product brochures and promotional material prior to release:
 Yes No

2. Do all customers sign a written contract of specifications of products and services you will provide:
 Yes No

3. Who must approve any variation in standard contract or agreement wording?

4. Do you negotiate contracts or agreements in which you accept liability for consequential damages?
 Yes No
If yes, please explain:

5. Do you ever agree to hold harmless any customer, vendor or subcontractor for any claims arising out of your products or services? Yes No
If yes, please explain:

6. What is the size of your average contract or licensing agreement: US\$ _____

7. What is the average time frame of your contracts? Weeks Months Years

8. What is the size of your largest contract or licensing agreement? US\$ _____

9. What is the time of your longest contract? Weeks Months Years

10. Do your contracts/licensing agreements include any of the following?

Force Majeure	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Warranty Disclaimers	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Guarantees	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Limitation of Liabilities	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Limitation of Consequential Damages	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Hold Harmless Agreements	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Arbitration	<input type="checkbox"/> Yes	<input type="checkbox"/> No

11. Contact Name, Address and e-mail address of your legal counsel:

12. Do you use contracts during your various testing phases? Yes No

If yes, please outline the use of limitations of liability/consequential damages/hold harmless agreements?

13. Are your global contracts/licensing agreement written with the same provisions as your domestic contracts?

Yes No

14. Do you ever make verbal or written promises or guarantees in your sales and marketing presentations that would deviate from your standard written contracts or sales and marketing materials? Yes No

If yes, please describe:

15. Do you require certificates of insurance from all subcontractors, vendors and independent contractors? Yes No
If yes, at what limits: US\$ _____

For Product Liability Insurance Yes No

For Errors and Omissions Insurance Yes No

Do you specifically subcontract any of the following:?

Software Development Yes No

Service, support, Customer consulting Yes No

Maintenance of your product Yes No

If yes, do you have specific written contracts with these contractors? Yes No

16. Do their contracts require any of the following?

Force Majeure	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Warranty Disclaimers	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Guarantees	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Limitation of Liabilities	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Limitation of Consequential Damages	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Hold Harmless Agreements	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Arbitration	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part VI Quality Control/System Development Procedures

1. Do you have a formal customer acceptance procedure? Yes No
 2. Do you require a final acceptance letter or other signoff agreement from the customer? Yes No
 3. Does your quality control procedure include any of the following?

Alpha Testing	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Beta Testing	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Prototype Development	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Statistical Process Control	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Vendor Certification Process	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Total Quality Management	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Written and Formalised Quality Control Program	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have a formal product recall plan	<input type="checkbox"/> Yes	<input type="checkbox"/> No
 4. Do you require a written proposal or request for information in order to determine customer performance expectations? Yes No
 5. Do you have your systems development methodology in writing? Yes No
 6. Do you deviate from your standard RFP? Yes No
 7. Are interim changes documented with customer sign-off required? Yes No
 8. Is a final test made with customer, and sign off required? Yes No
 9. How long are development products retained? Weeks Months Years Unlimited
 10. Are any your products or services produced according to any widely accepted industry standards?

UL/CSA, LSO 9000 series, CE Mark, ANSI, other : Please describe:

For more information about the study, please contact Dr. John Smith at (555) 123-4567 or via email at john.smith@researchinstitute.org.

11. Do you retain records and backups of your contracts and quality control measures? Yes No

12. How long do you keep these records? Weeks Months Years Unlimited

Part VII Customer Support

1. Does your customer or product support include any of the following? If yes, please check the box:

	Yes	No
E-mail		
Website		
Customer site visitation		
Fax		
In house repairs		
Toll Free numbers		

2. Describe your customer training and support:

3. Do you maintain written logs for customer complaints of problems or downtime? Yes No

4. If yes, how long are they retained? Weeks Months Years Unlimited

5. Is there a time standard established for resolving problems or disputes? Yes No
Please explain:

6. Who has the ultimate responsibility for seeing that problems or disputes are resolved?

7. How do you inform customers of problems you discover after your product is delivered?

8. Do you have any procedures to deal with a crisis? Yes No

Part VIII Encility and Network Protection & Security (please complete this section if you are involved in Internet activities/E-commerce)

1. Who is your Internet Service Provider:

2. Do you have a written and formalised network and physical security policy statement? Yes No

3. Do you have a Network/Physical Security Manager: Yes No

4. Are all of your Network/Physical Security Procedures Documented and followed? Yes No

5. Have you tested and audited your Network/Physical Security features, Processes and Procedures? Yes No

6. Are all Security Threats and Incidents Logged and Investigated? Yes No

7. Is your Disaster Recovery Program formalised and tested? Yes No

8. Does your Network Security Program Include User Account Management that focuses on the identification, authentication and Access Authorisation? Yes No

9. Are all Employees and Subcontractors screened using reference, background and credit checks? Yes No

10. Do all Employees and Subcontractors receive Network and Physical Security Training? Yes No

11. Do Employee Termination Procedures include immediate revocation of all access to systems, facilities and networks?
 Yes No

12. Please highlight the encryption, firewalls virus protection, security protocols and intrusion detection used to protect the data stored on your networks and servers: generic question format

13. Have you experienced a security breach? Yes No
If yes, what have you done to prevent it from occurring again?

Part IX Historical Information

1. Have you had any product recalls? Yes No
2. Are you responsible for any delays or past due contracts? Yes No
3. Are any contracts past due acceptance: Yes No
If yes, please explain:

4. Within the past three years have you sued any customers for non-payment of contract? Yes No
If yes, please explain:

Section 2 – Intellectual Property Rights

General Information

1. Please submit the following with your completed application:
 - Your most recent annual report or audited financial statement
 - Your standard sales, services, and license agreements/contracts
 - A complete description of all products manufactured or sold by you
 - Samples of your advertising and product brochures

Product /Title Information

1. What percentage of your gross sales are derived from the following?

A Products you create and distribute	B Products you sell and distribute for others under license	C Royalties received	D Distribution only, for others
_____ %	_____ %	_____ %	_____ %

2. When others are selling or marketing your products, what percentage, on average, do you require as a royalty?

_____ %

3. From how many of your products will you generate revenue in the coming year? _____

4. What percent of your products are:

1 year old or less _____ %
over 2 to 5 years old _____ %

over 1 to 2 years old _____ %
over 5 years old _____ %

5. Are any products sold or advertised as being alike, compatible with, a clone of another company's product or replacement part for another company's product? Yes No
If yes, do you have an agreement with the other company to produce such product(s)? Yes No
If no, please attach product(s) brochures and recent promotional and advertising materials of such unlicensed product(s)
6. Have you filed for or received any patents? Yes No

7. Total number of valid and enforceable patents owned by you _____. How many patents pending? _____

8. Total number of patents filed in each of the past 3 calendar years and through the date of this application in the current calendar year?

Current Year _____ Prior Year _____ Prior Year 2 _____ Prior Year 3 _____

Hiring Practices

1. Do new engineering, research or development employees sign a statement t the effect that they will not distribute or utilise previous employees trade secrets? Yes No
2. Total number of Employees:
-

Number of Employees engaged in R&D and/or product development:

3. Do you have consultants, studios, developers, and other parties doing work for hire sign copyright license agreements?

Yes No

Clearances

1. Do you have a formal procedure to safeguard against infringing the intellectual property rights of others ?

Yes No

If yes, please explain or attach written procedure

2. Do in-house or outside intellectual property attorneys conduct searches for you? If outside attorneys, please provide their name and address and indicate the number of years of experience they have had in media law. Provide E-mail address if available
-
-
-

3. When a search is conducted do you require a written opinion from the attorney? Yes No

4. Are attorneys consulted on all intellectual and media law issues including content review, editorial procedures and complaint handling? Yes No
5. If you are using in-house council for clearances, please attach a copy of your due diligence methodology and checklist used for basic intellectual property clearances.
6. Have you ever released a product for which you have gotten a qualified opinion that there is a potential for an intellectual property dispute? Yes No Would you? Yes No
Under what circumstances
-
-
-

7. Does internal audit monitor each operating department to ensure that property rights are properly secured and that due diligence procedures are being followed? Yes No
If yes, how often?
-

Please provide copies of the last 12 month's press releases in not on web site.

Claims, Suits or Actions for Section 2

1. Have you received any notice or warning, whether written or oral, with respect to any possible or actual intellectual property right claim against you? Yes No
If yes, please provide details about the type, date and circumstances of the warning.

2. List all potential claims, complaints, disputes or any other circumstances alleging non-performance of your product or services:

Claims, Suits or Actions for Sections 1 and 2

1. Have you ever received any notice or warning, whether written or oral, with respect to any possible or actual right claim against you? Yes No
If Yes, please provide details about the type, date and circumstances of such notice or warning:

2. Are you aware of any complaints, disputes or any other circumstances, which might lead to a claim against you?
 Yes No If Yes, please provide full details:

3. Are you aware of any claims ever having been made against you covered or could have been covered under a policy of the type being considered here? Yes No
If Yes, please provide full details:

Section 3 - Declaration

1. Has any company ever declined to write errors and omissions/IP coverage for you? Yes No
Reason for declination:

2. Do you currently purchase Errors & Omission/IP cover? Yes No
If yes, please list:

Current Carrier:	
Term:	
Limit:	
Deductible:	
Premium:	
Retroactive Date:	

The undersigned is an authorised employee of the prospective named insured and certifies that upon reasonable enquiry the answers herein are true, correct and complete to his/her best knowledge and behalf.

Signature

Position

Date

Signing this application shall not constitute a binder or obligate this insurance, but it is agreed this application shall be the basis, which a policy may be issued.