

# Philadelphia Insurance Companies

One Bala Plaza, Bala Cynwyd, Pennsylvania 19004

1.800.873.4552 Fax: 610.617.7940

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## PROFESSIONAL LIABILITY FOR SPECIFIED PROFESSIONS APPLICATION FOR CLAIMS-MADE INSURANCE

**NOTICE:** This is an application for **CLAIMS-MADE INSURANCE**. Such insurance applies only to claims that are first made against you and reported to the Company in writing during the policy period, any subsequent renewal of the policy or any extended reporting period and may additionally limit coverage applicable to acts, errors, omissions or offenses made prior to the inception of the policy period. The limits of liability may be reduced by amounts paid for legal defense and such payments for legal defense may also be applied against the deductible amount.

Please answer **ALL** the questions. This information is required to make an underwriting and pricing evaluation. Your answers hereunder are considered legally material to such evaluation. If a question is not applicable, state "not applicable" not "N/A." If more space is required to answer a question, continue on applicant's letterhead. The application and any supplement(s) must be signed and dated by a principal, partner, or officer of the prospective insured's organization.

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1. Applicant's Name: \_\_\_\_\_
2. Sic #: \_\_\_\_\_ Fein # \_\_\_\_\_
3. Home office address: \_\_\_\_\_ TEL# \_\_\_\_\_  
\_\_\_\_\_ ZIP \_\_\_\_\_ FAX# \_\_\_\_\_
4. Date established: \_\_\_\_\_
5. Is the applicant firm controlled, owned, affiliated or associated with any other firm, corporation or company? Yes \_\_\_ No \_\_\_  
If Yes, please attach an explanation.
6. Please list addresses of all branch offices and/or subsidiaries. Include a brief description of their operations and indicate if coverage is desired for these offices.  
\_\_\_\_\_  
\_\_\_\_\_
7. During the past 5 years has the name of the firm been changed or has any other business been acquired, merged into or consolidated with the applicant firm? If Yes, attach a complete explanation detailing any liabilities assumed. Yes \_\_\_ No \_\_\_
8. Describe your firm's nature of business.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. Staffing - Provide a breakdown of your staff into the following categories:

- |                                      |       |  |       |
|--------------------------------------|-------|--|-------|
| a) principals, partners or officers  | _____ | c) support staff (including part-time)               | _____ |
| b) professionals (not included in A) | _____ | d) part-time professionals (less than 20 hours/week) | _____ |
|                                      |       | TOTAL  | _____ |

10. Are any staff members considered "Licensed Professionals" or do any staff members hold any Professional Designations or belong to any Professional Societies/associations? Yes\_\_\_ No \_\_\_

If Yes, provide individual's name and designation/affiliation below:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Note:** Questions 11 through 15 refer to total gross revenue for a 12 month period, whether or not collected. Such revenue figures should include sub-contracted revenue.

11. Dates of applicant firm's current fiscal period: From: \_\_\_\_\_, 19\_\_\_ To: \_\_\_\_\_, 19\_\_\_

	<u>Past Fiscal</u>	<u>Current Fiscal</u>	<u>Estimate for Next</u>
Total Gross Revenue:	\$ _____	\$ _____	\$ _____
Less Direct Recovery Expenses (travel, per diem, copies, etc.):	(-) \$ _____	(-) \$ _____	(-) \$ _____
<b>TOTAL NET BILLINGS</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>

13. Provide the percentage of your firm's gross revenue from the last fiscal period attributable to the following:

Federal government.	_____%
State, county or local government and agency thereof.	_____%
Institutional (schools, hospitals, etc.)	_____%
Lending institutions	_____%
Manufacturing	_____%
Other _____	_____%
_____	_____%
<b>TOTAL</b>	<b>100%</b>

14. Does your firm provide services for any clients in which a principal, partner, officer or employee of your firm is also a principal, partner, officer, employee or a more than 3% shareholder of said client? Yes\_\_\_ No\_\_\_  
If Yes, Please provide a) Client Name, b) Applicant's Relationship with client, and c) approximate annual revenue generated from Client.

15. Were more than 50% of your total gross billings for any one year derived from a single client or contract? Yes\_\_\_ No \_\_\_  
If Yes, please specify a) client, b) services rendered, and c) how long you expect this relationship to continue.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

16. Describe your firm's five (5) largest jobs or projects during the past three (3) years.

Client Name	Services Provided	Total Gross Billings
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

17. a) Do you utilize the services of independent contractors or sub-consultants? Yes\_\_\_ No \_\_\_  
 b) Approximate percentage of billings attributable to sub-contractors/consultants? \_\_\_\_\_%

18. Do you ever enter into contracts where your fees for services provided are contingent upon the client achieving cost reductions or improved operating results? If Yes, attach a detailed description of such arrangements. Yes\_\_\_ No \_\_\_

19. a) Does your firm secure a written contract or agreement for every project? (Please attach a sample copy) Yes\_\_\_ No \_\_\_  
 b) Provide the percentage of your revenue where a written contract is secured. \_\_\_\_\_%

c) Do your contracts contain any of the following: (check all that apply)

- \_\_\_\_\_ Hold harmless or indemnification clauses in your favor?
- \_\_\_\_\_ Hold harmless or indemnification clauses in your client's favor?
- \_\_\_\_\_ Guarantees or warranties?
- \_\_\_\_\_ A specific description of the services you will provide?
- \_\_\_\_\_ Payment terms?

20. Describe steps taken to minimize/ manage business risks:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

21. Has any policy of or application for similar insurance on your behalf or on the behalf of any of your principals, partners, officers, employees, or on behalf of any predecessors in business ever been declined, canceled, or renewal refused? Yes\_\_\_ No \_\_\_

22. Do you currently carry Commercial General Liability insurance? Yes\_\_\_ No \_\_\_

23. Please provide the following information on your professional liability (E&O) insurance for the past three (3) years:

Name of Insurer	Limits of Liability	Deductible	Policy Period	Premium
_____	_____	_____	_____/_____/_____	_____
_____	_____	_____	_____/_____/_____	_____
_____	_____	_____	_____/_____/_____	_____

Retroactive Date of current policy (if any): \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

**LOSS EXPERIENCE**

24. Have any claims, suits, or demands for arbitration been made against the firm, its predecessor(s) or any past or present principal, partner, officer or employee within the past five (5) years? Yes\_\_\_ No \_\_\_

If Yes, provide details on a separate sheet, including:

- a) name of claimant;
- b) type of service provided and allegations made;
- c) date claim made;
- d) demand amount; and
- e) final disposition including indemnity and expense amounts.

25. Having inquired all principals, partners and officers, are you aware of any act, error, omission, unresolved job dispute or any other circumstance that is or could be a basis for a claim under the proposed insurance? Yes\_\_\_ No \_\_\_
- If Yes, provide details on a separate sheet for each situation, including
- a) name of potential claimant,
  - b) nature of situation,
  - c) dates and
  - d) amount of potential damages.

**With regard to Questions 24 and 25 above, it is understood and agreed that if any such claim, act, error, omission dispute or circumstance exists, then such claim and/or any claim arising from such act, error, omission, dispute or circumstance is excluded from coverage that may be provided under this proposed insurance and, further, failure to disclose such claim, act, error, omission, dispute or circumstance may result in the proposed insurance being void, and/or subject to rescission.**

26. Coverage requested:
- |                      |                  |                   |
|----------------------|------------------|-------------------|
| LIMITS OF LIABILITY: | _____ \$ 100,000 | _____ \$ 750,000  |
|                      | _____ \$ 250,000 | _____ \$1,000,000 |
|                      | _____ \$ 500,000 |                   |
- DEDUCTIBLE / RETENTION: \_\_\_\_\_

27. Attach the following items in support of this application:
- \_\_\_\_\_ a) Firm's **Statement of Qualifications** including **resumes** of all key (technical) personnel along with any available marketing material or company brochures.
  - \_\_\_\_\_ b) Copy of firm's formalized **standard client contract**.
  - \_\_\_\_\_ c) Copy of outline from firm's **Quality Assurance / Quality Control (QA/QC) manual**.

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

**NOTICE TO NEW YORK APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

**NOTICE TO KENTUCKY APPLICANTS:** 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 FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT WHICH IS A CRIME.

**NOTICE TO MINNESOTA AND OHIO APPLICANTS:** ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE/SHE 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, WHICH IS A CRIME.

**NOTICE TO OKLAHOMA APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKE ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

**NOTICE TO PENNSYLVANIA APPLICANTS:** 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.

**NOTICE TO FLORIDA APPLICANTS:** ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY EMPLOYER OR EMPLOYEE, INSURANCE COMPANY, OR SELF-INSURED PROGRAM, FILES A STATEMENT OF CLAIM CONTAINING ANY FALSE OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

**NOTICE TO NEW JERSEY APPLICANTS:** ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

**SIGNATURES AND ACKNOWLEDGEMENTS**

**I / we hereby declare that the above statements and particulars are true and that I / we have not suppressed or misstated any material facts and I / we agree that this application and its supplement(s) shall be the basis of the contract with the Company. It is understood and agreed that the completion of this application and its supplement(s) does not bind the company to sell nor the applicant to purchase the insurance.**

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NAME	SIGNATURE	TITLE	DATE
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# Philadelphia Insurance Companies

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## PROFESSIONAL LIABILITY FOR SPECIFIED PROFESSIONS INTERNET SERVICES SUPPLEMENT

### Instructions:

- A. Please answer ALL the questions. If more space is required to answer a question, continue on applicant's letterhead.
- B. This supplement must be signed and dated by a principal, partner, or officer of the prospective insured's organization and will be attached to the policy, should one be issued.

1. E – Mail Address \_\_\_\_\_  
World Wide Web URL \_\_\_\_\_

2. For the Total Gross Revenues listed in the application, please give the approximate revenues derived from the following:

	% OF GROSS REVENUES
Internet Access Provider Services	_____
E – Mail Services	_____
Web Site Construction, Maintenance, etc.	_____
Software Development	_____
Electronic BBS	_____
Content Provider Services	_____
Other Computer Services	_____
Other (Specify) _____	_____
_____	_____
_____	_____
TOTAL	100%

3. Features available on the Internet Service (check all that apply)

- E – Mail
- Files for Download (FTP Site)
- Chat Room
- Bulletin Board Service
- Electronic Commerce
- Other (Please Explain) \_\_\_\_\_

4. Content of Information of any Internet Service that you provide:

- |  |   |
|--|---|
| <input type="checkbox"/> Advertising   | <input type="checkbox"/> Financial                    |
| <input type="checkbox"/> Adult Only    | <input type="checkbox"/> Game or Contest              |
| <input type="checkbox"/> Comedy        | <input type="checkbox"/> "How To"                     |
| <input type="checkbox"/> Commentary    | <input type="checkbox"/> Religious                    |
| <input type="checkbox"/> Children's    | <input type="checkbox"/> Sports                       |
| <input type="checkbox"/> Cultural      | <input type="checkbox"/> Software                     |
| <input type="checkbox"/> Digital Music | <input type="checkbox"/> Variety                      |
| <input type="checkbox"/> Educational   | <input type="checkbox"/> Other (Please Explain) _____ |

5. Do you obtain membership agreements from all persons that access your Internet?

Yes  NO Please attach sample agreement

**Internet Access Provider (complete this section if you are providing Internet Access Provider Services)**

6. How many subscribers do you currently have? \_\_\_\_\_
7. How many subscribers do you currently have capacity for? \_\_\_\_\_
8. How do you determine whether you have adequate capacity to accommodate the number of subscribers to your service?  
\_\_\_\_\_
9. If subscription increases, how do you assure you will be able to handle the increase?  
\_\_\_\_\_
10. Do you provide original content, in addition to Internet Access?  Yes  No
11. Do you make representations that you edit or censor the material contained on your Service in any way?  Yes  
 No If Yes, How \_\_\_\_\_
12. How often do you review, edit or censor your Web Site or Internet Service? \_\_\_\_\_
13. How often do you update the content of your Web Site or Internet Service? \_\_\_\_\_
14. Do you have an established procedure for editing or removing controversial or offensive material from your Web Site or Internet Service?  Yes  No If yes, please attach a copy of the procedure.
15. Do you have an established procedure for removing infringing material from your Web Site or Internet Service?  
 Yes  No If yes, please attach a copy of the procedure.

16. Have you have ever received a complaint concerning the content of your Web Site or Internet Service relevant to:
- |                        |           |          |
|------------------------|-----------|----------|
| Libel or Slander       | _____ Yes | _____ No |
| Trademark Infringement | _____ Yes | _____ No |
| Invasion of Privacy    | _____ Yes | _____ No |
| Copyright Infringement | _____ Yes | _____ No |
| Inaccurate Information | _____ Yes | _____ No |

17. How do you respond to such complaints and in what time frame?

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18. Does in-house counsel review the content on your Web Site or Internet Service for the above listed offenses?

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19. What measures were taken to determine that your domain name does not infringe upon another's copyright or trademark?

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20. How do you prevent Computer Viruses from being transmitted?

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21. Does your Web Site or Internet Service sell any products over the Internet? \_\_\_\_\_ Yes \_\_\_\_\_ No

22. Are credit card transactions conducted on your Wed Site or Internet Service? \_\_\_\_\_ Yes \_\_\_\_\_ No

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**Web Site Design, Maintenance, Construction (Complete this section if your are providing any Web Site Services)**

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23. Do you provide content for the Web Site? \_\_\_\_\_ Yes \_\_\_\_\_ No

24. Does the client approve the content before it is published on the Internet? \_\_\_\_\_ Yes \_\_\_\_\_ No

25. How often do you update the Web Site? \_\_\_ Never \_\_\_ Weekly \_\_\_ Monthly \_\_\_ Other

26. Do you implement security software \_\_\_\_\_ Yes \_\_\_\_\_ No If so, explain

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**Safeguarding Procedures (All Applicants must complete this section)**

27. What kind of safeguards do you have in place to prevent unauthorized persons from accessing your Web page and or Internet Service?

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28. How do you find out about newly discovered weaknesses?

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29. Do you receive CERT or SIAC Advisories, or any similar notification?  Yes  No

What action do you take as a result and what is the time frame?

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30. Are there firewalls in place as a part of your security system?  Yes  No

What firewall security do you employ?

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Did professional personnel configure it?  Yes  No

Did you alter it in any way before installing it?  Yes  No

31. Do you have a means of backup for Web Site content?  Yes  No

32. Where does your Web Site reside?

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Is it located with your company or with a third party?

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33. What type of encryption is used, if any?

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34. Does your security system include password protection?  Yes  No

To what extent is this used as a means of security?

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35. What guarantees or warranties do you make in your contracts regarding liability for a breach in the security system?

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36. Have all licenses and consents been obtained for all works which you make available on the Internet Service, including music and film clip images? \_\_\_\_\_ Yes \_\_\_\_\_ No

The undersigned hereby warrants that the safeguarding procedures described herein will be maintained as represented for the duration of the policy period. It is understood and agreed that any claim arising from the failure to comply with the safeguarding procedures as set forth above shall be excluded from coverage. \_\_\_\_\_ Please Initial

Applicant agrees to obtain from third parties from whom it obtains matter, material or services for the Internet Service written warranties and indemnities against claims arising out of the use of such matter, material or services.

If yes, please initial \_\_\_\_\_

Applicant agrees that it will use due diligence to determine whether any matter or material to be used in the Internet Service provided by the Applicant are protected by law and, where necessary, to obtain from parties owning rights therein the right to use same in connection with the Internet Service. If yes, please initial \_\_\_\_\_

THIS SUPPLEMENTAL APPLICATION IS ATTACHED TO AND FORMS PART OF THE PROFESSIONAL LIABILITY FOR SPECIFIED PROFESSIONS APPLICATION. THIS SUPPLEMENT IS SUBJECT TO THE SAME PROVISIONS CONCERNING REPRESENTATIONS MADE IN THE BASIC APPLICATION.

Name: \_\_\_\_\_  
(Please Print)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_