

APPLICANT'S INSTRUCTIONS:

1. Answer all questions. If the answer requires detail, please attach a separate sheet.
2. Application must be signed and dated by owner, partner or officer.
3. PLEASE READ CAREFULLY THE STATEMENTS AT THE END OF THIS APPLICATION.
(PLEASE TYPE OR PRINT IN INK)

1. APPLICANT INFORMATION

a. Full name of applicant :

b. Principal Business Address:

c. Corporation? Partnership? Individual? Other? _____
(Specify)

d. Years in business under present name: _____ e. Affiliations with other firms: _____

f. In the past five years, has the applicant's name been changed or has any other business been purchased, sold or has any merger taken place? Yes No
If yes, please explain and include any changes in operations and/or key employees.

g. Requested Limits: _____ (per claim) _____ (agg.) Deductible: _____

2. RECEIPTS/ OPERATIONS

a. Actual Gross Receipts for last year: \$ _____ 1st previous year: \$ _____

b. Estimate for coming year: _____ \$ _____

c. Percentage of this year's receipts derived from:

Data Processing	_____	Internet Presence Provider	_____
Custom Software Development	_____	Web Page Development/Maintenance	_____
Packaged Software Development	_____	Content Provider for Web Page	_____
Systems Analysis/Design	_____	Commercial On Line Service	_____
Computer Security	_____	Electronic Bulletin Board Services	_____
Systems Integration	_____	Internet Access Provider	_____
Computer Related Training	_____	Time Sharing	_____
Fulfillment Services	_____	Hardware Sales	_____
Mailing List Compilation/Sales	_____	Other (describe) _____	_____
Forum/Content Channel	_____		
		Total	100%

d. Please indicated the percentage of your software/services that serve the following industries:

Administrative	_____	LAN/Network	_____
Architectural engineering	_____	Medical	_____
Communications	_____	Scientific	_____
Database definitions	_____	Retail	_____
Educational	_____	Other (describe) _____	_____
Facilities Management	_____		
Financial	_____	Total	100%

e. Please attach a list of your five major clients and services provided to each.

2. RECEIPTS/ OPERATIONS (CONTD.)

f. Please attach copies of:

- (i) Advertisements, brochures, descriptive literature;
- (ii) Sample contract between you and your clients outlining services to be rendered;
- (iii) Latest financial data;
- (iv) Partners, key employees, etc., and their professional qualifications.

g. Features available on Internet Service: (Check all that apply.)

- E-Mail Visits per week _____
- Files for download Visits per week _____
- Chat Room Visits per week _____
- Conference Room
- Other (please explain) _____

h. Content of Information on Internet Service: (Check all that apply.)

- For Children Radio Adult Only
- Variety News Digital Music
- Game or Quiz Software Comedy
- Product Comparisons Commentary Advertising
- Cultural Religious "How to"/Hobbyist
- Sports Financial
- Educational (please explain) _____
- Other (please explain) _____

i. Location of Internet Service is:

- Address on Commercial Service _____
- Internet Address _____
- World Wide Web Address _____
- BBS Main Phone Number _____

3. RISK MANAGEMENT

If any questions are answered "no", please explain on a separate sheet:

- a. Are all programs and changes documented, tested and the results retained for the active life of each program? [] Yes [] No
- b. Do all of your clients have responsibility for determining accuracy of results? [] Yes [] No
- c. Do they confirm to you in writing? [] Yes [] No
- d. If you are performing data processing services for others, have you arranged for substitute facilities in event of a shut down? [] Yes [] No

- e. Do you have a formalized quality control program? [] Yes [] No
- f. Year 2000
 - (i) Do your computer systems store a four-digit year? [] Yes [] No
 - (ii) If No, please attach a description of corrective measures taken to resolve the systems problem presented by the year 2000, including the date upon which you anticipate the problem will be solved.
 - (iii) Are you, in the course of your business, involved in working to solve the year 2000 problem as a consultant/advisor or as a part of your employment? [] Yes [] No
 - (iv) If Yes, what percentage of your work is involved? _____%

4. INTERNET SERVICES CONTROLS

<p>a. Do you have a policy for removing libelous or slanderous material from your Internet Services? [] Yes [] No</p> <p>How often is libelous or slanderous material removed from your Internet Services? _____</p>	<p>d. Do you obtain hold harmless agreements from all content providers? [] Yes [] No</p>
<p>b. Do you obtain membership agreements from all persons that access your Internet Services? [] Yes [] No</p>	<p>e. Do you have a policy for removing infringing material (copyright, trademark, intellectual property right, etc.) from your Internet Services? [] Yes [] No</p> <p>How often is infringing material removed from your Internet Services? _____</p>
<p>c. Do these membership agreements contain hold harmless agreements from subscribers to the information they upload to your Internet Services? [] Yes [] No</p>	

		<u>Yes</u>	<u>No</u>
f. Are licenses and consents obtained from the following entities for all of your Internet Services?			
(i) Authors and writers of all works, including software	[]		[]
(ii) Music Owners, including the rights for the			
a) lyrics	[]		[]
b) music	[]		[]
c) recording and synchronization	[]		[]
d) performance rights	[]		[]
e) distribution rights	[]		[]
(iii) ASCAP, BMI, SESAC or other music licensing Services. If yes, attach a copy of license.	[]		[]
(iv) Film Clip Owners, including from			
a) licensing entities	[]		[]
If yes, attach a copy of license.	[]		[]
b) copyright owners	[]		[]
c) music owners, including the rights for the			
lyrics	[]		[]
music	[]		[]
recording and synchronization	[]		[]
performance rights	[]		[]
d) writers or authors of underlying work	[]		[]
(v) Persons (alive or deceased) whose name or likeness is used on the On-line Service	[]		[]

5. VIRUS/UNAUTHORIZED COMPUTER ACCESS CONTROLS

If any questions are answered "no", please explain on a separate sheet.

		<u>Yes</u>	<u>No</u>
a. Do you have a procedure for screening for viruses?	[]		[]
b. Do you have a disaster recovery plan in effect for the investigation, reporting and correction of any information compromised by viruses/unauthorized computer access?	[]		[]
c. Do you have a designated security manager?	[]		[]
d. Do you have a security manual or procedures which are distributed and explained to all employees?	[]		[]

5. VIRUS/UNAUTHORIZED COMPUTER ACCESS CONTROLS (CONTD.)

- | | | |
|---|------------|-----------|
| | <u>Yes</u> | <u>No</u> |
| e. Do you have randomly changed access codes and passwords? | [] | [] |
| f. Do you have restricted access procedures for your computer room? | [] | [] |
| g. If any of your receipts are derived from the installation of software, systems analysis/design, computer security or systems integration, do you require that your client maintain the above controls a.-f. regarding their computer system? | [] | [] |
| h. If any of your receipts are derived from computer security: | | |
| i) what percentage of those services are for financially related industries? _____% | | |
| ii) what types of security systems are used? (Use additional sheet if necessary) | | |
| _____ | | |
| _____ | | |

6. CLAIMS/HISTORY

- If "Yes" to any of the following questions, please attach details. Yes No
- | | | |
|---|-----|-----|
| a. (i) Have any professional liability claims been made against you in the past five years? | [] | [] |
| (ii) Are you aware of any incidents or circumstances which might give rise to a professional liability claim? | [] | [] |
| (iii) Has any insurer canceled or refused to renew any similar insurance during the past five years? | [] | [] |

b. Previous Coverage:

<u>Policy Period</u>	<u>Insurer</u>	<u>Claims Made</u>	<u>Occurrence</u>	<u>Limits of Liability</u>	<u>Deductible</u>	<u>Premium</u>
_____	_____	[]	[]	_____	_____	_____
_____	_____	[]	[]	_____	_____	_____
_____	_____	[]	[]	_____	_____	_____
_____	_____	[]	[]	_____	_____	_____

NOTICE TO APPLICANT: The coverage applied for is SOLELY AS STATED IN THE POLICY, which provides coverage on a "CLAIMS MADE" basis for ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD unless the extended reporting period option is exercised in accordance with the terms of the policy.

WARRANTY: I/We warrant to the Insurer, that I understand and accept the notice stated above and that the information contained herein is true and that it shall be the basis of the policy of insurance and deemed incorporated therein, should the Insurer evidence its acceptance of this application by issuance of a policy. **I/We authorize the release of claim information from any prior insurer to Shand Morahan & Company, Inc., Underwriting Manager for the Company, Ten Parkway North, Deerfield, Illinois 60015.**

Name of Applicant

Title (Officer, partner, etc.)

Signature of Applicant

Date

SIGNING this application does not bind the Applicant or the Insurer or the Underwriting Manager to complete the insurance, but one copy of this application will be attached to the policy, if issued.