

SENECA INSURANCE COMPANY, INC. TECHNOLOGY INDUSTRY 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, ZIP Code): _____

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

Merger or Acquisition activity within the last year:

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 \$ _____

(Deductibles exceeding \$250,000 may require letter of credit or other financial guarantee.)

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/services are to be released or introduced within the next 12 month period?

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

4. Is physical installation of your products 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. Per Cent 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/Professional 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 products or services	_____	<input type="checkbox"/> Data Processing Services (including maintenance & support)	_____
<input type="checkbox"/> Network/computer related security	_____	<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 is your total revenue from subcontractors? _____

b) Do all joint ventures, 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 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 provision	Yes <input type="checkbox"/> No <input type="checkbox"/>

CLAIMS EXPERIENCE FOR THE PAST 3 YEARS FOR COVERAGES 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 may be excluded from coverage.

APPLICABLE IN NEW YORK STATE (See attached list for additional state NOTICE TO APPLICANT)

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 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.

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.

Applicants Signature: _____
(authorized representative)

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 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 AN 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.