

# Underwriting Guidelines

## TECHNOLOGY OFFICE SEGMENT

Local exceptions to these underwriting guidelines may apply.

**Technology Office Pac**<sup>SM</sup> eligible businesses have:

- Up to \$5 million total insured values (building and business personal property) at each location
- Up to \$15 million total insured values (building and business personal property) per account
- Up to \$5 million total annual sales from all operations
- Less than six locations

Businesses exceeding the thresholds above may be eligible for **Technology Office Pac Plus**<sup>SM</sup>.

### Underwriting Guidelines for **Technology Office Pac** and **Technology Office Pac Plus**

Business Personal Property and General Liability coverage is required. If applicable and eligible, coverage must be included for all owned buildings. One hundred percent insurance-to-value is required.

Eligible operations are businesses specifically listed in the Classifications section.

#### Years in business

A minimum of two years in business is preferred for all risks. New ventures may be considered for businesses where professional/technical degrees or designations are required.

#### Loss experience

The business must have no more than three losses in the last four years for coverages requested.

#### Prior carrier

The business should have continuous insurance coverage for at least the last three years and no cancellations or non-renewals by a previous insurer. Exceptions may apply for carriers that withdrew from the market or transfers within an insurer company group.

#### General liability underwriting guidelines

Certificates of Insurance with limits at least equal to the insured's primary General Liability limit of insurance must be obtained for all subcontracted work. There should be favorable contractual risk transfer.

#### Property underwriting guidelines

Adequate detection and protection devices for fire and theft must be in place.

- Central station fire alarms are preferred
- Risks with sprinkler systems as well as appropriate protection for large electronic data processing systems are preferred
- If protective devices are in place on the premises, the policy will be endorsed with the Protective Safeguards Endorsement describing the protective device and requiring that the company be notified of any suspension, impairment or failure to maintain the device

No cited violations of fire, health (if applicable) or life safety codes.

Daily backups should be performed and stored at an offsite location. Contingency plans should be in place for replacing equipment and relocation to facilities with appropriate services such as Internet connectivity and network wiring.

For both tenants and building owners, the plumbing, HVAC, wiring and roof must have been updated in the past 30 years.

All owned buildings should be fully occupied, with no seasonal occupancies. Seasonal is defined as occupancies open less than eight months of the year. All tenants must meet underwriting requirements. Please see the appropriate Underwriting Guidelines based on the tenant operations in the building.

### Business income coverage for Technology Offices

Business Income and Extra Expense coverage is included for **Technology Office Pac**. Coverage applies on an Actual Loss Sustained basis for up to 12 consecutive months. Coverage may be written on a policy or location level basis for a specific dollar limit without the 12-month limitation.

For **Technology Office Pac Plus**, Business Income and Extra Expense coverage is optional. When selected, the coverage may be written with a policy or location level dollar limit. The dollar limit is based on 50% of annual receipts and may be modified.

### Coverages for Technology Office

The following applies to both **Technology Office Pac** and **Technology Office Pac Plus**:

- Depending on the Business Income and Extra Expense coverage chosen, one of the following Amendatory Provisions endorsements will automatically attach to the policy:
  - MP T9 97- Amendatory Provisions- Technology Office Enhancements
  - MP T9 98- Amendatory Provisions- Technology Office Enhancements- Business Income Dollar Limit
- MP T3 21- Denial of Service Attack- Time Element is automatic when Business Income and Extra Expense is covered. It provides coverage for Business Income and Extra Expense due to the necessary suspension of electronic commerce computer operations caused by a denial of service attack. Coverage is provided for up to \$25,000
- CG D4 17 **Technology XTEND Endorsement**<sup>®</sup> is mandatory

### CyberFirst Essentials<sup>®</sup>

A suite of coverages are available for Technology Office accounts:

- Technology Errors & Omissions (E&O) with limits up to \$5 million
- Information Security Liability with combined limits up to \$5 million
- 1st Party endorsements such as Crisis Management and Technology Breach Essentials with limits up to \$250,000

### General Liability Rating for Technology Office Pac Plus

General Liability premiums are based on sales. Sales means the gross amount of money charged by the insured, the concessionaires of the insured or by others trading under the insured's name for:

- Goods or products sold or distributed
- Operations performed including parts and labor
- Commissions and fees for services provided
- Rentals
- Dues and fees

Refer to the CLM General Rules – 24.D. for specific inclusions and exclusions.

## Classifications for Technology Office

Description	Predominant NAICS	Primary SIC code
<p><b>Data Processing or Business Process Outsourcing</b></p> <ul style="list-style-type: none"> <li>Processes, prepares or stores clients' data or provides electronic business process outsourcing services or support for its clients</li> </ul>	518210	7374
<p><b>Information Technology Consultants</b></p> <ul style="list-style-type: none"> <li>Recommends information technology (IT) solutions or provides advice, consultation or training to clients in order to support the clients' business operations</li> <li>Services may be provided at the applicant's location or at a client's location</li> </ul>	541519	7379
<p><b>Information Technology Facilities Management</b></p> <ul style="list-style-type: none"> <li>Manages information technology (IT) operations of others at the clients' sites</li> <li>Services clients' equipment, software and security maintenance</li> <li>Manages clients' communications systems and databases</li> </ul>	541513	7376
<p><b>Information Technology Schools</b></p> <ul style="list-style-type: none"> <li>Provides information technology (IT) training to its own students, designed to increase student knowledge of computer hardware, software or the repair of electronic equipment</li> </ul>	611420	8243
<p><b>Information Search, Retrieval and Indexing Services</b></p> <ul style="list-style-type: none"> <li>Customizes or contracts to provide research or information gathering services, usually via the Internet</li> <li>Provides Internet search or indexing tools, including access to licensed databases</li> </ul>	519130	7379
<p><b>ISP - Internet Service Providers</b></p> <ul style="list-style-type: none"> <li>Services enable clients to access or connect to the Internet</li> </ul>	517919	7375
<p><b>Software Development</b> <b>Software Programming Services</b></p> <ul style="list-style-type: none"> <li>Designs or develops customized or prepackaged software</li> </ul>	541511	7371
<p><b>Systems Integrators</b> <b>Value-Added Resellers</b> <b>Computer Installation/Service/Repair</b></p> <ul style="list-style-type: none"> <li>Integrates or configures technology equipment or software into a single operating environment</li> <li>Value-Added Reseller (VAR) including: building customized computers, equipment or systems, or providing configuration services</li> <li>Maintains customer information technology or communication systems</li> <li>Installs, services and repairs computer systems and equipment</li> <li>Services may be provided at the applicant's location or at a client's location</li> </ul>	811212	7373

DESCRIPTION	Predominant NAICS	Primary SIC code
<p><b>Telecommunication and Internet services</b></p> <ul style="list-style-type: none"> <li>• Provides services to commercial clients only, where the service is provided within the clients' building structure</li> <li>• The primary services enable communication or assist the movement of voice or data from point to point. This could include any of the following:                             <ul style="list-style-type: none"> <li>– Telephone or paging services</li> <li>– Wired, wireless or Wi-Fi communication services</li> <li>– Voice or data communication via satellite</li> <li>– Internet access, broadband services, Voice over Internet Protocol (VoIP)</li> </ul> </li> <li>• Reselling telecommunication or Internet services of others</li> </ul>	517911	4813
<p><b>Website design</b></p> <p><b>Web hosting</b></p> <p><b>Web services including ASPs</b></p> <ul style="list-style-type: none"> <li>• Website design: Designs, develops, or maintains clients' websites</li> <li>• Application service provider: Maintains its own servers for use by clients to access, through the Internet, the applicant's applications or other services</li> <li>• Web hosting: Provides space on a server it owns or leases for use by its clients, as well as providing Internet connectivity</li> <li>• These services may include data storage for others</li> </ul>	541511	7379

The exposures listed below are ineligible for Select Accounts; however, accounts should be submitted to Global Technology for consideration if their total receipts exceed \$3,000,000.

- **Alternative/clean/green energy:**
  - Select Accounts is not a market for design, development or R&D of energy-related products, software, systems or management services
  - Solar or wind should be referred to Global Technology or Inland Marine
- **Architecture, construction and engineering software (e.g., CAD or CAM)**
- **Behavioral marketing or monitoring**
- **Billing transactional services**
- **Biometric premises security authentication**
- **Digital or online media publishing**
- **Domain name registrar**
- **Electronic health records applications**
- **Financial, transactional or real-time software or services (e.g. Banking, billing, investing, predictive modeling, stock transaction)**
- **Industrial machinery – software or equipment utilized in the manufacturing process**
- **Legal software or services**
- **Medical equipment, devices or software**
- **Medical Offices/Health Care Facilities management software**
- **Military or defense department applications**
- **Pay-per-click or search engine optimization – software or services for others to optimize website search results**
- **Physical security or alarm system products**
- **Physical security – premises/perimeter security software, services or monitoring**
- **Quality control software/systems or industrial process control systems**
- **Radio frequency identification devices (RFID)**


## Ineligible Operations, Products or Services - Technology Office

The following information technology services are higher hazard and not within Travelers' appetite for Technology risks. Ineligible businesses include those that develop, design, service, install or maintain software or services with an end application listed below:

- **Aerospace industry** – applications, services, software, hardware or products
- **Aircraft industry** – applications, services, software, hardware or products
- **Alternative energy or clean energy** – other than solar or wind software or equipment
- **Amusement**
  - Amusement parks or games
  - Online lotteries, sweepstakes, or contests
- **Auction**
  - Online auction sites or services
  - Group buying or coupon sites or services
  - Barter sites or services
- **Automobile industry** – Including trucks, buses, motorcycles and mobile equipment - applications, services, software, hardware or products
- **Chemical/petrochemical** – Including process control or monitoring activities
- **Emergency**
  - Traffic/ transportation control communications software, services or equipment (e.g., air, water, land, rail, 911, or safety response or dispatch)
  - Disaster recovery software or services including modeling or mapping
  - Including mobile applications used in connection with these activities
- **Environmental/pollution** – Including process control or monitoring activities
- **Geographic/Geo-spatial, Global Positioning/Navigation** – GPS, RF Tracking, Map Direction Services or searches that identify nearby businesses or local conditions (software, virtual/online or equipment)
- **Industrial equipment** – software or equipment utilized in the manufacturing process
- **Internet sales/services** – Including mobile applications used in connection with these activities
  - Dot.coms involved in online information sharing
  - Music or movie sales or downloads
  - Retail or wholesale sale of consumer products, other than technology software or services designed or developed by the applicant and sold or serviced via the Internet
  - Travel agencies or services
- **Manufacturing process software/integration**
- **Military operations** – applications, services, software, hardware or products
- **Mobile application developers**
- **NanoTechnology, nano materials, equipment or any products** – Involving particles at the atomic, molecular, or macromolecular level (i.e., approximately 1-100 nanometer)
- **Nuclear industry** – applications, services, software, hardware or products
- **Petrochemical industry** – applications, services, software, hardware or products
- **Pornographic/sexually explicit material**
- **Professional employee leasing firms**
- **Quality control software/systems**
- **Recycling or E-cycling** – hard drives, computers, phones, electronic equipment
- **Regulatory compliance software/systems**
- **Research & Development** – solely in the business of developing, inventing, testing or creating new knowledge without the intention of releasing an end product for sale of public use by your business or company
- **Risks that are not developers of technology, but merely use technology or operate their business on the Internet – including but not limited to –**
  - Banking or credit services
  - Dating/escort services
  - Gambling or gaming
  - Internet sales
  - Music sales or downloads
  - Online lotteries, sweepstakes or contests
  - Social networks (Myspace, Facebook, etc.)
  - Travel services
- **Satellite and control equipment**
- **Security software and services** (premises or restricted access to a location/building/room including identity recognition)
- **Social networking** – Including mobile applications used in conjunction with these activities
  - Dating, friending or escort sites
  - Mobile applications used in connection with social networking and message boarding
  - Social networks or message boards (e.g., Facebook, Twitter, LinkedIn)
- **Software with a severe products liability exposure**
- **Spacecraft industry** – applications, services, software, hardware or products applications
- **Watercraft, cruise liners, shipyards** – applications, services, software, hardware or products



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