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APPLICATION for: **Network Security and Privacy Liability**

Claims Made Basis. Underwritten by Underwriters at Lloyd's, London

**Notice: The Policy for which this Application is made applies only to Claims made against any of the Insureds during the Policy Period. The Limit of Liability available to pay damages or settlements shall be reduced and may be completely exhausted by amounts incurred as defense costs. Defense costs shall be applied to the retentions. Submission of this Application does not guarantee coverage.**

**General instructions for completing this Application:**

- 1. Please read carefully and answer all questions. If a question is not applicable, so state by writing "Not Applicable".**
- 2. The completed Application should include all information relative to all subsidiaries and locations to be covered.**
- 3. The Application must be signed by an executive officer.**
- 4. Please read the Policy for which application is made (the "Policy") prior to completing this Application. The terms as used herein shall have meanings as defined in the Policy.**

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**SECTION I. YOUR DETAILS**

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1. Name of Applicant: \_\_\_\_\_  
(Include names of all subsidiaries or affiliated companies to be insured; attach a separate sheet, if necessary)
- Applicant Type:     Individual     Corporation     Partnership     Other
- Headquarters Address: \_\_\_\_\_
- Mailing Address (if different): \_\_\_\_\_
- Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_
- Email Address: \_\_\_\_\_
- Corporate Website Address: \_\_\_\_\_
- Nature of Business: \_\_\_\_\_

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**SECTION II. YOUR BUSINESS**

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2. Date established: \_\_\_\_\_
3. Are any significant changes in nature or size (e.g., more than 20% increase in revenue) of Applicant's business anticipated over the next twelve (12) months?     Yes     No
- If "Yes", please explain:** \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

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**SECTION III. COVERAGE REQUESTED**

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4. Proposed Effective Date: \_\_\_\_\_
5. Requested Retroactive Date (policy inception unless otherwise stated): \_\_\_\_\_
6. Limit of Liability Desired:  
 \$500,000  \$1,000,000  \$2,000,000  \$3,000,000  \$4,000,000  \$5,000,000  Other \_\_\_\_\_
7. Retention Desired:  
 \$2,500  \$5,000  \$7,500  \$10,000  \$25,000  Other \_\_\_\_\_

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**SECTION IV. EXPOSURE INFORMATION**

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**ANNUAL REVENUE AND EXPOSURE BASE**

8. Total Annual Revenue: \$ \_\_\_\_\_
9. What percentage of the total annual revenue stated above is attributed to e-commerce? \_\_\_\_\_%
10. Please estimate total number of customer and employee records you store either electronically or in physical files.  
Current number: \_\_\_\_\_ For the Next 12 Months: \_\_\_\_\_
11. Please estimate the total number of credit card transactions for the next 12 months: \_\_\_\_\_

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**SECTION V. NETWORK SECURITY AND PRIVACY**

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12. Do you enforce a security policy that must be followed by all employees, contractors, or any other person with access to your network?  Yes  No
13. Does your security and privacy policy include mandatory training for all employees?  Yes  No
14. Do all employees with financial or accounting responsibilities at your company complete social engineering training?  Yes  No
15. Are you HIPAA compliant?  Yes  No
16. Do you process, store, or handle credit card transactions?  Yes  No  
If "Yes", are you PCI-DSS Compliant?  Yes  No
17. Does your wire transfer authorization process include the following:
- a) A wire request documentation form that includes getting proper authorization in writing?  Yes  No
  - b) A protocol that includes proper separation of authority?  Yes  No
  - c) A call from the financial institution to an authorized executive at your company confirming the validity of the wire?  Yes  No
18. Has the Applicant or any other organization proposed for this insurance experienced a wire transfer, telecom fraud or phishing attack loss in the past five years?  Yes  No  
If "Yes", please provide complete details, including information on any remediating steps that have been implemented. \_\_\_\_\_  
\_\_\_\_\_
19. Do you collect zip codes from customers at point of sale?  Yes  No  
If "Yes", are you compliant with the Song-Beverly Credit Card Act of 1971?  Yes  No
20. Does the Applicant utilize a cloud provider to store data?  Yes  No  
If "Yes", please list the name of the cloud provider: \_\_\_\_\_ If more than one provider is utilized, please list the provider that stores the most confidential information for the Applicant.

21. Has any service provider with access to the Applicant's network or computer system(s) sustained an unscheduled network outage or interruption lasting longer than 4 hours within the past three (3) years?  Yes  No  
 If "Yes", did the Applicant experience an interruption in business as a result of such outage or interruption?  Yes  No
22. Does your virus or malicious code control program address the following: anti-virus on all systems, filtering of all content for malicious code, controls on shared drives and folders, CERT or similar vendor neutral threat notification services, removal of spyware and similar parasitic code?  Yes  No
23. Do you have a firewall in place?  Yes  No  
 If "Yes", are your firewalls, information systems and security mechanisms securely configured?  Yes  No  
**Check "No" if your systems are configured using factory default settings.**
24. Do you enforce a software update process that includes monitoring of vendors or automatically receiving notices from them for availability of security patches, upgrades, testing and installing critical security patches?  Yes  No  
 If "Yes", how frequently is this done?  Weekly  Within 30 days  More than 30 days
25. Do you test your security at least yearly to ensure effectiveness of your technical controls as well as your procedures for responding to security incidents (e.g., hacking, viruses, and denial of service attacks)?  Yes  No  
 If "Yes", does this include a network penetration test?  Yes  No
26. Is all remote access to your network authenticated and encrypted?  Yes  No  
 If "Yes", do you use two factor authentication to secure remote access?  Yes  No
27. a) Do you require all third parties to whom you entrust sensitive or non-public personal information to contractually agree to protect such information using safeguards at least equivalent to your own?  Yes  No  
 b) Do you require that these third parties indemnify you in the event that they suffer a security/privacy breach?  Yes  No
28. Do you retain non-public personal information and others' sensitive information only for as long as needed and when no longer needed irreversibly erase or destroy them using a technique that leaves no residual information?  Yes  No
29. Do you employ physical security controls to prevent unauthorized access to computer, networks and data?  Yes  No
30. Do you control and track all changes to your network to ensure that it remains secure?  Yes  No
31. Has there been a full, third party scan of your network carried out in the last year to check for intrusions and malware?  Yes  No
32. How long does it take to restore the Applicant's operations after a computer attack or other loss/corruption of data?  12 hrs or less  12-24 hrs  More than 24 hrs
33. Is all sensitive and confidential information that is transmitted within and from your organization encrypted using industry-grade mechanisms?  Yes  No
34. Is all sensitive and confidential information stored on your organization's databases, servers and data files encrypted?  Yes  No
35. If encryption is not in place for databases, servers and data files, are the following compensating controls in place:  
 a) Segregation of servers that store confidential information?  Yes  No  
 b) Access control with role based assignments?  Yes  No
36. Does your organization store personal information on portable devices, including laptops, PDA's, back-up tapes, USB thumb drives and external hard drives?  Yes  No  
 If "Yes", is such data encrypted to industry standards?  Yes  No

37. Within the past two years, have you passed an outside privacy audit or have you received a privacy certification?  Yes  No  
 If "Yes", have all recommendations been resolved?  Yes  No
38. Within the last two years, have you completed an internal audit or assessment to determine compliance with regulations or laws concerning the protection of privacy rights?  Yes  No  
 If "Yes", have all recommendations been resolved?  Yes  No
39. For employees that have access to personal, confidential information, please indicate if the Applicant performs the following checks prior to retaining such individual:
- a) background checks.....  Yes  No
  - b) drug testing.....  Yes  No
  - c) credit checks.....  Yes  No
  - d) reference checks.....  Yes  No

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**SECTION VI. MEDIA**

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40. Does the Applicant use material provided by others, such as content, music, graphics or video stream?  Yes  No
- a) If "Yes", does the Applicant always obtain the necessary rights, licenses, releases & consents for the use of the materials provided by others?  Yes  No  
 If "Yes", please describe the process.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

41. Please describe the Applicant's procedures for removing potentially defamatory or infringing material. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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**SECTION VII. LOSS HISTORY**

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42. Has the Applicant or any other person or organization proposed for this insurance ever received any complaints, claims or been a subject in litigation involving matters of privacy injury, identity theft, denial of service attacks, computer virus infections, theft of information, damage to third party networks, or the Applicant's customers' ability to rely on the Applicant's network?  Yes  No

**If "Yes", please provide specific details:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

43. Do you or any other person or organization proposed for this insurance have knowledge of any security breach, privacy breach, privacy-related event or incident or allegations of breach of privacy that may give rise to a claim?  Yes  No

44. Has any employee ever been disciplined for mishandling data or otherwise tampering with your computer network?  Yes  No

**If "Yes", please provide specific details:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

45. Has the Applicant or any other organization proposed for this insurance sustained any unscheduled network outage or interruption within the past 24 months?  Yes  No

If "Yes", please provide specific details: \_\_\_\_\_

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### SECTION VIII. WARRANTY AND REPRESENTATIONS

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1. The undersigned warrants and represents that the statements and information contained in or attached to this Application are true and complete, and that reasonable efforts have been made to obtain sufficient information to facilitate the proper and accurate completion of this Application.
2. Signing of this Application does not bind the undersigned to complete the insurance; however, the Undersigned acknowledges and recognizes that the statements, representations, and information contained in or attached to this Application are material to the risk assumed by the Insurer; that any Policy will have been issued in reliance upon the truth thereof; that this Application shall be the basis of the contract should a Policy be issued; and that this Application, and all information and materials furnished to the Insurer in conjunction with this Application, shall be deemed incorporated into and made a part of the Policy, should a Policy be issued. Underwriters hereby are authorized to make any investigation and inquiry in connection with this Application as they may deem necessary.
3. The undersigned acknowledges and agrees that if the information supplied on this Application or in any attachments changes between the date of the Application and the inception date of the policy period, the Applicant will immediately notify the Insurer of such change, and, the Insurer may withdraw or modify any outstanding quotations and/or agreement to bind the insurance.
4. For purposes of creating a binding contract of insurance by this Application or in determining the rights and obligations under such a contract in any court of law, the parties acknowledge that a signature reproduced by either facsimile or photocopy shall have the same force and effect as an original signature and that the original and any such copies shall be deemed one and the same document.

Signed: \_\_\_\_\_ Print Name: \_\_\_\_\_

Title: \_\_\_\_\_ Date (Mo/Day/Yr): \_\_\_\_\_

Applicant Organization: \_\_\_\_\_