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**DataBreach<sup>SM</sup>**

**APPLICATION FOR DATA BREACH AND PRIVACY LIABILITY, DATA BREACH LOSS TO INSURED AND ELECTRONIC MEDIA LIABILITY INSURANCE**

If space is insufficient to answer any question fully, attach a separate sheet.

If response is none, state NONE.

**I. GENERAL INFORMATION**

1. (a) Full Name of Applicant: \_\_\_\_\_
- (b) Principal business premise address: \_\_\_\_\_  
 (Street) (County)

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- (City) (State) (Zip)
- (c) Phone Number: \_\_\_\_\_
- (d) Date formed/organized (MM/DD/YYYY): \_\_\_\_\_
- (e) Business is a: corporation partnership individual other \_\_\_\_\_
- (f) Website(s): \_\_\_\_\_

2. Does the Applicant own (or long-term lease on an exclusive basis) and control its own computer network? Yes No

**NOTE:** If the response to Item I.2. is No, Data Breach and Privacy, Data Breach Loss to Insured and Electronic Media Insurance would not afford coverage to the Applicant.

3. Does the Applicant's business include any of the following activities?
 

(a) ACH (automated clearing house), outsource ATM network, credit card processing?.....	Yes	No
(b) Online providers of adult content, auctions, computer games or gambling? .....	Yes	No
(c) Search Engine services other than search within Applicant's own web site? .....	Yes	No
(d) Credit Bureau, Data Broker, List Broker, Mail Service Bureau?.....	Yes	No
(e) Any matter requiring governmental security clearance? .....	Yes	No
(f) Education (K-12, College or University)?.....	Yes	No
(g) Peer to Peer Networks or Software – Consumer Market? .....	Yes	No
(h) Securities broker/dealers, clearing operations, mutual fund? .....	Yes	No
(i) Social Networking or User Generated/User Uploaded Content Sites? .....	Yes	No

4. Does the Applicant use internal staff or an outside service provider to manage their network? internal outside
- (a) If outside service provider, provide name of firm: \_\_\_\_\_

**NOTE:** If an outside service provider manages or assists in managing the Applicant's network, please consult with such outside service provider in completing this application.

5. Number of employees including principals and independent contractors:  
 Full-time \_\_\_\_\_ Part-time \_\_\_\_\_ Seasonal/Temporary \_\_\_\_\_ Independent Contractors \_\_\_\_\_ Total \_\_\_\_\_
6. Is the Applicant controlled by, owned by, or commonly owned, affiliated or associated with any other organization? ..... Yes No
- (a) If Yes, attach a corporate organization chart with names and operations of each organization detailed.
7. During the last year has the Applicant been involved in, or are they presently considering or contemplating:
 

(a) Any merger, consolidation or acquisition?.....	Yes	No
(i) If Yes, attach a complete explanation detailing liabilities assumed and any technology related coverage purchased by any predecessor organization.		
(b) A change in the nature of business operations? .....	Yes	No
(i) If Yes, provide details. _____		
8. During the last year has the name of the Applicant been changed? ..... Yes No
- (a) If Yes, provide details. \_\_\_\_\_

**II. NETWORK OPERATIONS AND BUSINESS FUNCTIONS**

1. (a) Describe in detail the Applicant's business operations:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(b) Applicant's gross annual revenues:

	Total	E-Commerce
(i) Estimated annual gross revenues for the coming year:	\$ _____	\$ _____
(ii) For the past twelve (12) month period:	\$ _____	\$ _____

2. Does the Applicant anticipate any change to its present network capabilities within the next twelve (12) months?..... Yes No

(a) If Yes, provide details or attach separate description: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**III. NETWORK SECURITY INCIDENT AND LOSS HISTORY**

1. Has the Applicant at any time during the past three (3) years had any incidents, claims or suits involving unauthorized access, intrusion, breach, compromise, or misuse of the Applicant's network, including embezzlement, fraud, theft of proprietary information, denial of service, electronic vandalism or sabotage, computer virus or other incident whether or not reported to its insurance carrier? ..... Yes No  
If Yes, attach a separate document describing each incident including the cause, internal costs, cost to third parties, length of time involved in recovery and steps taken to mitigate exposure in the future.

2. Is the Applicant or any of its principals, partners, officers, directors, trustees, managers, managing members, or employees, its predecessors, subsidiaries, affiliates or any other person or organization proposed for this insurance aware of any fact, circumstance, situation or incident related to its network operations which might give rise to a loss or a claim?..... Yes No  
(a) If Yes, provide full details: \_\_\_\_\_

\_\_\_\_\_

3. Has any application for similar insurance made on behalf of the Applicant, its predecessors, subsidiaries, affiliates, and/or for any other person(s) or organization(s) proposed for this insurance ever been declined, cancelled or nonrenewed? ..... Yes No  
(a) If Yes, provide full details: \_\_\_\_\_

\_\_\_\_\_

4. Has the Applicant at any time during the past three (3) years had any incidents, claims or suits involving the following and/or is the Applicant aware if any fact, circumstance, situation or incident related to the following which might give rise to a claim:  
(a) Infringement of copyright, trademark, trade dress, rights of privacy or rights of publicity? ..... Yes No  
(b) Libel, slander or other form of disparagement, arising out the Applicant's web site or other electronic media? ..... Yes No  
If Yes, to either of the above provide full details: \_\_\_\_\_

\_\_\_\_\_

**IV. NETWORK SECURITY**

**By attachment provide explanation of any No response.**

If an outside service provider is used to manage the Applicant's network, please consult with them in responding to these questions.

**A. Basic Controls (all coverages)**

1. Does the Applicant:
  - (a) Have written information security and acceptable use policies? ..... Yes No
    - (i) If Yes, are they disseminated to all users annually or more frequently? ..... Yes No
  - (b) Have either a trained staff member or outside contractor responsible for managing its information security?..... Yes No
    - (i) If Yes, which of the following applies:
 

Network security only	Network security and privacy compliance
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  - (c) Reassess its information security policy and procedures?..... Yes No  
If Yes, how frequently:      Less than annually      Annually or more frequently
  - (d) Securely configure firewalls, routers and other security appliances?      Yes      No

- (i) If Yes, which of the following applies:  
 Change default admin passwords          Remove unneeded services
- (e) Use anti-virus and anti-spyware software? ..... Yes    No  
 (i) If Yes, which of the following applies:  
 On all desktop computers with automatic update  
 On all computers and servers with automatic update  
 Scanning all incoming email
2. How does the Applicant manage its:  
 (a) Security patch notifications from its major systems vendors?          No automatic notice  
 Automatic notice (where available) and implement in more than 30 days  
 Automatic notice (where available) implement in 30 days or less  
 (b) Change control process to ensure that modifications to its network do not compromise security before  
 implementing them in production?          No security testing  
 Some upgrades subject to security testing          All upgrades subject to security testing
3. How does the Applicant limit access to its network?          No controls or use shared log on ID's  
 Unique user ID's          Unique user ID's and role based access to sensitive data
4. Does the Applicant have a process to delete systems access after employee termination?  
 .....          Yes  $\leq$  48 hours          Yes > 48 hours          No
5. Does the Applicant perform background checks on all employees and contractors with access to parts  
 of its network that contain sensitive data? .....          Yes          No
6. Is sensitive data in databases, logs, files, backup media, etc. stored securely for example by means  
 of encryption or truncation? .....          Yes          No
7. Does the Applicant store sensitive information on any of the following media? If Yes, is it encrypted?
- |  | <u>Sensitive Data</u> |          | <u>Encrypted</u> |    |
|--|-----------------------|----------|------------------|----|
| (a) Laptop hard drives? .....                            | Yes                   | No ..... | Yes              | No |
| (b) PDA's / other mobile devices? .....                  | Yes                   | No ..... | Yes              | No |
| (c) Flash drives or other portable storage devices?..... | Yes                   | No ..... | Yes              | No |
| (d) Back-up tapes .....                                  | Yes                   | No ..... | Yes              | No |
8. Is encryption used in the transmission of sensitive information via e-mail? .....          Yes          No
9. How does the Applicant:  
 (a) Log access attempts to its network?          No log          Log unsuccessful attempts only          Log all attempts  
 (b) Audit access to sensitive information by authorized users?          No audits          In response to incidents  
 [    ] Random audits quarterly or more frequently
10. Is access to equipment, such as servers and workstations, and storage media containing  
 sensitive data physically protected? .....          Yes          No  
 If Yes, how is it physically controlled?          Areas open to employees only          Role based access controls
11. Does the Applicant ensure sensitive data is permanently removed (e.g., degaussing, overwriting with  
 1's and 0's, physical destruction but not merely deleting) from hard drives and other storage media  
 before equipment is discarded or sold and from paper records prior to disposal?.....          Yes          No  
 If Yes, how is data permanently removed?          Paper records with sensitive data shredded  
 Data permanently removed before equipment sold or discarded
12. Is a vulnerability scan or penetration test performed on all Internet-facing applications and systems  
 before they go into production and at least quarterly thereafter? .....          Yes          No
13. Is an intrusion detection or intrusion prevention system used in the Applicant's network? .....          Yes          No
14. Are security alerts from the intrusion detection or intrusion prevention system (IDS/IPS) continuously  
 monitored and are the latest IDS/IPS signatures installed? .....          Yes          No
15. Are there regular internal or external audit reviews of the Applicant's network?.....          Yes          No  
 If Yes, attach a copy of the last examination/audit of the Applicant's network operations, security and internal control  
 procedures, PCI or HIPAA compliance.
- B. Collection or Storage of Sensitive Information on Web Sites & Servers**  
Check if not applicable.
1. Does the Applicant require individual user ID's and passwords for any areas of your web site where  
 sensitive data is collected? .....          Yes          No
2. Are all sessions where sensitive data is entered encrypted with a Secure Socket Layer (SSL)?.....          Yes          No

3.	Does the Applicant have any sensitive data on its web server or on any device connected to its web server? .....	Yes	No
	If Yes, is this data encrypted? .....	Yes	No
4.	In the development of the Applicant's web applications, has the Applicant adopted Open Web Application Security Project (OWASP) or other best practices to defend against known web attacks (Cross Scripting, SQL Injection, etc.)? .....	Yes	No
<b>C. <u>Wireless and Remote Access to Applicant's Network</u></b>			
Check if not applicable.			
1.	Does the Applicant secure remote access to its network? .....	Yes	No
	If Yes, ID/password only      VPN or equivalent      VPN or equivalent with two factor authentication No remote access		
2.	Does the Applicant require minimum security standards (anti-virus, firewall, etc.) for any computers used to access the network remotely?.....	Yes	No
3.	Are all wireless access points to the Applicant's network encrypted with WPA/WPA2 or more recent standard (e.g., not unencrypted or using WEP standard)? ...      Not Applicable – no wireless access	Yes	No
4.	Is there a firewall between all wireless access points and the parts of your network on which sensitive information is stored?.....	Yes	No
5.	Does the Applicant have a repeatable process to identify rogue/unauthorized wireless devices connected to its wireless network? .....	Yes	No
<b>D. <u>Payment (Credit and Debit) Card Handling</u></b>			
Check if not applicable.			
1.	Does the Applicant:		
	(a) Store any payment card information on its network? .....	Yes	No
	(i) If Yes, is it for one time use or does the Applicant retain it for re-use or regular subscription/installment payments?      One time use      Retain at least some for future use		
	(ii) Is it masked, encrypted and purged in compliance with PCI standards? .....	Yes	No
2.	Does the Applicant process any payment card transaction over wireless networks? .....	Yes	No
3.	Does the Applicant store Card Security Code/Card Verification Value (CSC/CCV) data on its network? .....	Yes	No
4.	Is the Applicant certified as complying with the applicable PCI standard?..... If Yes, indicate the person or outside firm which certified the Applicant and the date of the last PCI audit. _____	Yes	No
<b>E. <u>Data Breach Loss to Insured Coverage</u></b>			
Check if coverage not requested.			
1.	Are alternative facilities available in the event of a shutdown/failure of the network system? .....	Yes	No
2.	Do you maintain proof of and documented procedures for routine backups? .....	Yes	No
3.	Are key data and software code stored:		
	(a) On redundant storage device? .....	Yes	No
	(b) At secured offsite storage? .....	Yes	No
<b>F. <u>Electronic Media Liability Coverage</u></b>			
Check if coverage not requested.			
1.	Does the Applicant conduct prior review of any content, including (if applicable), blogs, for copyright infringement, trademark infringement, libel or slander, violation or rights of privacy or publicity? .....	Yes	No
	If Yes, who is responsible for these reviews (internal counsel, outside counsel, etc.)? _____		
2.	Does the Applicant post or permit employees to post, anonymous entries on blogs, bulletin boards or other forums related to the Applicant's business?.....	Yes	No
3.	Does the Applicant have take down procedure to comply with DMCA safe harbor provisions if hosting content posted by third parties on their servers or web site? .....	Yes	No
	Yes	No	N/A
4.	Does the Applicant obtain clear rights to intellectual property (IP) supplied by third parties if such IP is displayed on their web site?.....	Yes	No

5. Does the Applicant use the names or likeness of any celebrities or other public figures on their web site? ..... Yes No

**V. PRIOR AND OTHER INSURANCE**

1. List current and prior Hacker or Cyber Security Insurance for each of the last three (3) years:

If None, check here

Insurance Company	Limits of Liability	Deductible	Premium	Inception-Expiration Dates (MM/DD/YYYY)	Retroactive/Prior Acts Date

2. Provide the following other insurance information:

	Insurer	Limit	Deductible	Expiration Date
A. General Liability:	_____	_____	_____	_____
B. Professional Liability:	_____	_____	_____	_____

**NOTICE TO THE APPLICANT - PLEASE READ CAREFULLY**

No fact, circumstance, situation or incident indicating the probability of a claim, loss or action for which coverage may be afforded by the proposed insurance is now known by any person(s) or entity(ies) proposed for this insurance other than that which is disclosed in this application. It is agreed by all concerned that if there be knowledge of any such fact, circumstance, situation or incident any claim subsequently emanating therefrom shall be excluded from coverage under the proposed insurance.

This application, information submitted with this application and all previous applications and material changes thereto of which the Company receives notice is on file with the Company and is considered physically attached to and part of the policy if issued. The Company will have relied upon this application and all such attachments in issuing the policy.

For the purpose of this application, the undersigned authorized agent of the person(s) and entity(ies) proposed for this insurance declares that to the best of his/her knowledge and belief, after reasonable inquiry, the statements in this application and in any attachments, are true and complete. The Company is authorized to make any inquiry in connection with this application. Signing this application does not bind the Company to provide or the Applicant to purchase the insurance.

If the information in this application or any attachment materially changes between the date this application is signed and the effective date of the policy, the Applicant will promptly notify the Company, who may modify or withdraw any outstanding quotation or agreement to bind coverage.

The undersigned declares that the person(s) and entity(ies) proposed for this insurance understand that the liability coverage(s) for which this application is made apply(ies):

- (i) Only to "Claims" first made during the "Policy Period" and reported to the Company during the "Policy Period" or within sixty days after the expiration date of the "Policy Period," unless the extended reporting period is exercised. If the extended reporting period is exercised, the policy shall also apply to "Claims" first made during the extended reporting period and reported to the Company during the extended reporting period or within sixty days after the expiration of the extended reporting period;
- (ii) The limits of liability contained in the policy shall be reduced, and may be completely exhausted by "Claim Expenses" and, in such event, the Company will not be liable for "Claim Expenses" or the amount of any judgment or settlement to the extent that such costs exceed the limits of liability in the policy; and
- (iii) "Claim Expenses" shall be applied against the "Deductible".

**WARRANTY**

I/We warrant to the Company, that I/We 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 and deemed incorporated therein, should the Company evidence its acceptance of this application by issuance of a policy. I/We authorize the release of claim information from any prior insurer.

Note: This application is signed by the undersigned authorized agent of the Applicant(s) on behalf of the Applicant(s) and its, owners, partners, directors, officers and employees.

Must be signed by director, executive officer, partner or equivalent within 60 days of the proposed effective date.

\_\_\_\_\_  
Name of Applicant

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

**Notice to 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 the person to criminal and civil penalties.