

CYBER LIABILITY AND DATA BREACH RESPONSE INSURANCE APPLICATION



McPHERSON & NEWLAND INSURANCE
All Forms of Insurance

CLAIMS MADE POLICY FORM

ALL QUESTIONS MUST BE COMPLETED IN ORDER TO REVIEW FOR QUOTATION. THIS POLICY IS NOT AN AUTOMATIC RENEWAL. AN APPLICATION MUST BE SUBMITTED PRIOR TO THE EXPIRATION DATE OF THIS POLICY.

Today's Date:	
Requested Effective date for coverage:	
Named Insured:	
Mailing Address:	
Website Address(es)	
Breach Response Contact 1: Telephone No: E-Mail Address:	
Description of Operations:	

Insured's Gross Sales, Total Operating Expenditures or Enrollment (for schools)	
Most Recent 12 months:	
Previous Year:	
Estimated Next Year:	

A. Coverage

Policy Annual Aggregate Limit Requested*:	
\$50,000	<input type="checkbox"/>
\$100,000	<input type="checkbox"/>
\$250,000	<input type="checkbox"/>
\$500,000	<input type="checkbox"/>
\$1,000,000	<input type="checkbox"/>
Other:	<input type="checkbox"/>

* A separate Annual Aggregate Limit will be provided for "claims expenses" which will be equal to the Policy Aggregate Limit.

1 The employee of the Applicant that is designated to manage a response, including customer notification, in response to a data breach event.

Optional Coverages: (Not available with \$50,000 Policy Aggregate Limit)

Consequential Reputational Loss	<input type="checkbox"/>
Telephone Fraud	<input type="checkbox"/>
Criminal Reward	<input type="checkbox"/>
Increased Sublimits	<input type="checkbox"/>

Retroactive Date: _____

If prior to the effective date above (earlier Retro Date), complete the following:

PRIOR ACTS COVERAGE WARRANTY (fill out if requesting earlier Retroactive Date):

- a. Attach copy of expiring policy declarations confirming continuous coverage back to requested retro date.
- b. Are you or any other insured aware of any facts, circumstances, situations, events, or acts that reasonably could give rise to a claim against them under the insurance for which you are applying?

Yes ____ No ____ If yes, please attach details of each matter.

All of the information above is true and correct to the best of my knowledge. Any and all acts, incidents, and/or circumstances of which I am aware, and might reasonably be expected to result in a claim have been disclosed here.

Signature of Applicant: _____ Date: _____
 (Signature required if requesting earlier retroactive date)

B. Eligibility Questions

	Yes	No	N/A	Explanation (if necessary)
1. Is anti-virus software installed and regularly updated on all computer systems?	<input type="checkbox"/>	<input type="checkbox"/>		
2. Are firewalls installed and configured?	<input type="checkbox"/>	<input type="checkbox"/>		
3. What format does the Applicant utilize for back-up and storage of computer system data? <ul style="list-style-type: none"> • None • Tape or Other Media • Online Back-up Service • Other (Please describe): 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
4. Are tapes or other portable media containing back-up materials encrypted?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Are tapes or other portable media stored offsite? If stored offsite: a. Is secured transportation used? b. Are transportation logs maintained? c. Are secured storage facilities used? If not stored offsite, please describe physical security controls for onsite storage.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

	Yes	No	N/A	Explanation (if necessary)
<p>6. Does the Applicant have and enforce policies concerning the encryption of internal and external communication?</p> <p>a. Are users able to store data to the hard drive of portable computers or portable media devices such as USB drives?</p> <p>b. Does the Applicant encrypt data stored on laptop computers and portable media?</p> <p>c. Please describe any additional controls the Applicant has implemented to protect data stored on portable devices:</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>7. Does the insured have a website or social media presence? If Yes, does it contain any of the following?</p> <p>a. Content directed to children</p> <p>b. Entertainment/gaming</p> <p>c. Product or service comparisons</p> <p>d. Recommendations on health or financial issues</p> <p>e. Political or social advocacy</p>	<input type="checkbox"/>	<input type="checkbox"/>		
8. Does the insured share or sell any personal information of its customers or visitors to its website to 3 rd parties?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9. Does the insured obtain permission before using or publishing content of others on its website?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
10. Does the insured have a written privacy policy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
11. Are "Terms of Usage" including a privacy policy or terms of usage and a privacy policy posted on the insured's website?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
12. Are yearly audits of systems and information systems security procedures performed?	<input type="checkbox"/>	<input type="checkbox"/>		
13. Is there a disaster recovery or crisis management plan in place that includes recovery following a cyber event?	<input type="checkbox"/>	<input type="checkbox"/>		
14. Is there a formal employee internet usage policy in place?	<input type="checkbox"/>	<input type="checkbox"/>		
<p>15. Is Applicant is a municipality?</p> <p>If Yes, do they have any of the following operations?</p> <p>a. Hospital/Healthcare facility</p> <p>b. Nursing/Assisted Living facility</p> <p>c. Foster Care/Adoption</p>	<input type="checkbox"/>	<input type="checkbox"/>		

C. Website Profile – what category best describes the insured's web site

Insured's website	Select one	Explain (if necessary)
No website or informational / passive website; Information web site characteristics: <ul style="list-style-type: none"> • No collection of data from website visitors • no on-line transactions (sales, donations) • no chat rooms, blogs or bulletin boards • only non-passive feature is the ability to communicate via email link 	<input type="checkbox"/>	
Website: <ul style="list-style-type: none"> • collects data from visitors but not information protected by privacy laws; • website is the venue for processing transactions (purchases, donations) but no personal, confidential or proprietary information is retained after the transaction • No chat rooms, blogs or message boards 	<input type="checkbox"/>	
Website has any of the following characteristics: <ul style="list-style-type: none"> • Chat rooms, blogs or message boards; • On-line transactions exceeding 35% of sales • Retains personal information after transaction is processed; • Retains personal information on visitors 	<input type="checkbox"/>	

D. Historical Information:

In the last 3 years, have any of the following incidents taken place?

	Yes	No	If yes, describe
1. A breach of personal, confidential or proprietary data in the insured's care, custody or control?	<input type="checkbox"/>	<input type="checkbox"/>	
2. Actual or threatened legal action because of content on the insured's web site or social media?	<input type="checkbox"/>	<input type="checkbox"/>	
3. The transmission of malware (virus, worm, Trojan horse, spyware, etc.) from the insured's computer systems, network or website to another party resulting in a 3 rd party loss or claim?	<input type="checkbox"/>	<input type="checkbox"/>	
4. Any other loss reported or paid on a policy purchased to cover 1 st party or 3 rd cyber or privacy loss?	<input type="checkbox"/>	<input type="checkbox"/>	
5. Experienced an actual or attempted extortion demand with respect to its computer systems?	<input type="checkbox"/>	<input type="checkbox"/>	

FRAUD WARNING

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.

APPLICABLE IN AL, AR, DC, LA, MD, NM, RI and WV:

Any person who knowingly (or willingly)* presents a false or fraudulent claim for payment of a loss or benefit or knowingly (or willfully)* presents false information in an application for insurance, is guilty of a crime and may be subject to fines and confinement in prison. *Applies in MD only.

APPLICABLE IN CO:

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 FL and OK:

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)*.

* Applies in FL only.

APPLICABLE IN KS:

Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

APPLICABLE IN KY and OH:

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 ME, TN, VA and WA:

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, and denial of insurance benefits. *Applies in ME only.

APPLICABLE IN NJ:

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

APPLICABLE IN OR:

Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

APPLICABLE IN PA:

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 VT:

Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

This Application and any supplements thereto shall be incorporated into any policy that may be issued and the Underwriters are relying on the truth of the statements set forth herein in making a determination to issue any policy.

The signing of this Application does not bind the undersigned to purchase the insurance, nor does the review of this Application bind the Insurance Company to issue a policy.

The undersigned represents to the best of his or her belief and knowledge, after reasonable inquiry and due diligence, the statements set forth in this application and any supplements thereto are true and correct.

The undersigned further declares that any claim, incident or event taking place prior to the effective date of the insurance applied for which may render inaccurate, untrue, or incomplete any statement made will immediately be reported in writing to the insurer. As a result, the insurer may withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance.

The official designated to receive any and all notices from the Insurer to the Insured concerning any policy issued as a result of this application shall be (please type or print):

Name: _____

Title: _____

The authorized signer of this application represents to the best of his/her knowledge that statements set forth herein are true; that no fact, circumstances, or situation indicating the probability of a claim or action now known to you, your officers, managers, partners, directors or employees has not been declared; and it is agreed by all concerned that any intentional omission of such information shall exclude any such claim and signing of this application does not bind the signer to purchase the insurance, but it is agreed this form shall be the basis of the contract should a policy be issued.

APPLICABLE IN NY:

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 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.

Authorized signatory for Insured

Date

Title

(____) _____
Phone Number

Insurance Agent

Date