



SCOTTSDALE INSURANCE COMPANY®

Home Office:

One Nationwide Plaza • Columbus, Ohio 43215

Administrative Office:

8877 North Gainey Center Drive • Scottsdale, Arizona 85258

1-800-423-7675 • Fax (480) 483-6752

NETWORK SECURITY AND PRIVACY COVERAGE APPLICATION

The coverage to which this Application applies is written on a CLAIMS MADE basis. For coverage to apply, the Privacy Breach, Security Breach or Media Event must occur during the policy period.

PLEASE ANSWER ALL QUESTIONS FULLY. IF INSUFFICIENT SPACE IS PROVIDED, PLEASE INCLUDE ON AN ADDITIONAL PAGE AND ATTACH TO THIS APPLICATION.

Section I—About The Applicant

1. Entity Name: (Will be FIRST NAMED INSURED on any policy we might issue.)

Year Established: _____

2. Address: _____ City: _____
State: _____ Zip Code: _____ Phone: _____

3. Website Address(es): (List all Websites, including inactive Websites and Websites hosted by others on the Applicant's behalf.) _____

4. Structure: [] Corporation [] Partnership [] Sole Proprietorship [] Other: _____

5. Describe the Product, Operations or Services the Applicant provides: _____

6. Additional entities to be insured and relationship to the Applicant: (List all, using separate page, if necessary.) _____

7. Does the Applicant's current Professional Liability policy include network security/breach liability coverage? [] Yes [] No

8. If "No," does the Applicant currently maintain a stand-alone network security or privacy breach liability policy? [] Yes [] No

If "Yes," to either of the above questions, attach a copy of the Policy Declarations page to this application.

9. Total revenue for all Applicants seeking coverage:

Table with 2 columns: Fiscal Year, Revenue (\$). Rows: Immediate Past Fiscal Year—Actual, Current Fiscal Year—Projected, Upcoming Fiscal Year—Projected.

Is any revenue generated outside the United States, its territories or Canada? [] Yes [] No

If "Yes," total annual revenue generated outside these localities: _____ %

10. Current Number of Employees: _____ Average Number of Employees: _____

Section II—Data the Applicant Gathers and Stores

1. What types of data is collected, generated and/or stored for the Applicant's own operations, regarding past, present and potential: employees, contractors, vendors, competitors, customers and clients? (Select all that apply.)

- [] Personally Identifiable Information
[] Protected health information or medical records

- Other personal information regarding individuals
- Payment Transaction Data (credit/debit card and bank account information)
- Confidential or proprietary business information (trade secrets, financial or legal records and documents, intellectual property, development or design plans, customer lists, etc.)

2. Provide an estimated total number of electronic records and/or physical files the Applicant maintains for every past, present and potential: employee, contractor, vendor, competitor, customer and client: _____

If the Applicant maintains both electronic records and physical files, approximately what percentage of the total above are physical files? %

Approximately how many new records/files are added annually? _____

3. Is the Applicant responsible for gathering, maintaining or storing data for others?..... Yes No
If "Yes," provide explanation on a separate page.

4. Does the Applicant act as a prime- or sub-contractor on federal contracts, requiring them to maintain a level of security clearance? Yes No

5. Does the Applicant share any data they collect with other non-related entities? Yes No
If "Yes":

Is the Applicant financially compensated for the data shared? Yes No

Is data shared only with the data owners' prior knowledge and consent?..... Yes No

Does Applicant meet all regulatory guidelines applicable regarding the sharing of data?..... Yes No

6. Does the Applicant process credit/debit cards? Yes No
If "Yes," what is the approximate number of transactions processed monthly? _____

Section III—The Applicant’s Technology

1. Does the Applicant outsource any of the following? (Select all that apply.)

- Management, maintenance and/or servicing of systems and network infrastructure
- Remote access to the Applicant’s computer system or network (VPN)
- Provision/maintenance of hardware and components
- Data Management (gathering, warehousing, mining, etc.)
- Technology-related staff training
- IT support or “help desk” services
- Data Storage (including Cloud services)
- Applications (via a browser, Application Service Provider [ASP] or Software as a Service [SaaS])
- Website design and/or hosting services
- Website “shopping cart” or payment processing provider
- Other (explain on separate page)

2. Does the Applicant allow remote access to their computer system or network? Yes No

3. Does the Applicant own or lease mobile devices such as laptops, tablets, smart phones for their employees use? Yes No

If "Yes":

Are devices used primarily to perform job functions on the Applicant’s behalf? Yes No

Are work-related applications protected by mobile application management or wrapping or container-ization? (e.g., a separate, secure application for work-related email)..... Yes No

4. Do employees use their own mobile devices such as laptops, tablets, smart phones to perform job functions on the Applicant’s behalf? Yes No

If "Yes":

Are devices used exclusively to perform job functions on the Applicant's behalf?..... Yes No

Are work-related applications protected by mobile application management or wrapping or container-ization? (e.g., a separate, secure application for work-related email)..... Yes No

5. Does the Applicant use diagnostic, monitoring, processing or operational equipment, that access, control, communicate or interface with or transmit data directly to their computer system or network? (e.g., GPS equipment, Medical diagnostic and monitoring equipment, industrial control panels, etc.)..... Yes No

If "Yes," describe on a separate page.

6. Are operating systems, software and applications that are critical to the Applicant's business? (Select all that apply.)

- Packaged/Off-the-shelf Highly customized Accessible via an ASP, SaaS or Cloud provider
- Proprietary to Applicant Widely available/accessible Limited availability/accessibility

Section IV—Security Controls

1. Are all software applications, including operating systems, used across the Applicant's computer system fully supported and regularly updated by the original vendor?..... Yes No

If "No," explain on a separate page.

2. Which of the following are employed to protect the Applicant's computer systems and data? (Select all that apply.)

- Firewalls Authentication (unique passwords, changed frequently)
- Intrusion Detection Software Daily backups of all data to secure storage
- Anti-Virus Security Software Timely application of vendor-released security updates & patches
- VPN used for remote access Regular testing of mission-critical systems (at least annually)
- Other (explain on separate page)

3. Is all data accessed or transmitted via mobile and remote devices or components encrypted? Yes No

4. Which physical security tools are used to protect the Applicant's computer systems and data? (Select all that apply.)

- 24/7 Physical Alarm System Restricted physical access to servers
- 24/7 Closed Circuit Cameras Restricted personnel access to servers
- 24/7 or after-hours Security Staff Separate server storage for websites, e-mail, data storage, etc.
- Other (explain on separate page)

Section V—Risk Management

1. Indicate which of the following risk management tools are employed. (Select all that apply.)

- Standardized employee and contractor training regarding network security and privacy procedures/guidelines
- Formalized Internet usage and email standards for appropriate use provided to all employees and contractors
- Formalized Disaster Recovery and Security Breach Plans
- Formalized Data Retention Guidelines
- Formalized Network and Information Security Policies
- Regularly scheduled (at least annually) network security or vulnerability assessments performed by a third party
- PCI-DSS Compliant (if credit/debit cards are processed)

2. Indicate which of the following statements regarding contractual relationships are accurate:

- a. The Applicant uses standardized contract forms with all technology outsourcing vendors identified in Section III, Question 1. above: Always Sometimes Never
- b. The Applicant uses standardized contract forms with all third parties with whom they share personal or proprietary data: Always Sometimes Never
- c. All third party outsourcing vendor contracts are reviewed by legal counsel: Always Sometimes Never

If applicable, on a separate page explain under what circumstances contracts are not used and why.

3. If the Applicant's computer system or network was inaccessible for an extended period of time would it have a material effect on their operations? Yes No
 If "Yes" would the effect be immediate?..... Yes No
 Or, within: 6 Hours 12 Hours 24 Hours 48 Hours ____ Hours
4. If the Applicant's computer system or network was inaccessible for an extended period of time would it have a material effect on the operations of others? Yes No
 If "Yes" would the effect be immediate?..... Yes No
 Or, within: 6 Hours 12 Hours 24 Hours 48 Hours ____ Hours

Section VI—The Applicant's Online Presence

1. Does the Applicant's website(s) include: (Select all that apply)
 Privacy Statement?
 Terms of Use or a User Agreement?
 Separate, secure access to an interactive portal to Applicant's Computer System or Network?
 E-commerce component, allowing visitors to purchase goods or services and pay online via the website?
2. Does the Applicant gather, collect and store information regarding visitors/users on their website?..... Yes No
 If "Yes," does the Applicant state this in their Privacy Statement? Yes No
3. Does the Applicant license or sell the information collected on their website to others?..... Yes No
 If "Yes," does the Applicant state this in their Privacy Statement? Yes No

Section VII—The Applicant's Media and Content (To be completed if policy includes Media Event Liability coverage.)

1. Is all content, including images, on the Applicant's website(s) original? (created by Applicant)..... Yes No
 If any content is provided by a third party, does the Applicant always obtain licensing rights from the content owner prior to publishing? Yes No
2. Is content routinely reviewed by legal counsel prior to publishing online?..... Yes No
3. Does the Applicant's website(s) include: (Select all that apply)
 Content posted or uploaded by visitors to the website(s) (including articles, comments, message boards, etc.)?
 A liability disclaimer regarding content posted by anyone other than the Applicant in the User Agreement?
 A posted "Notice and Take-Down policy" regarding copyrighted content?
 White papers, technical papers, brochures, and other content the Applicant created or for which the Applicant owns the licensing rights to publish?
4. Does the Applicant publish content offline? (e.g., newsletters, periodicals, etc.)..... Yes No
 If "Yes," provide details regarding non-electronic publications on a separate page.

Section VIII—The Applicant's Recent Five-Year History

NOTICE: If the Applicant maintained Network Security or Privacy Liability Coverage or Media Liability Coverage during the past five years, attach a current loss run.

In the past five years, has the Applicant:

1. Had a claim or suit made against them claiming damages:
 Due to a privacy breach or a security breach to their network? Yes No
 Due to the content of media they publish, whether online or offline? Yes No
2. Suffered a security breach affecting their network or computer systems? Yes No
 If "Yes":
 Was the breach launched internally or externally? Internally Externally Unknown
 Was it the result of an intentional or unintentional act? Intentionally Unintentionally Unknown

Was it the result of a virus or malicious software code? Yes No

Was Personally Identifiable Information or other proprietary information accessed?..... Yes No

Was the Applicant’s network, computer system or data inaccessible for a period of time?..... Yes No

If “Yes,” for how long? _____

Did the Applicant notify employees, customers, governmental agencies, or others of the breach? Yes No

3. Been audited or investigated, by any local, state or federal agency, due to actual or alleged non-compliance with any privacy law or statute? Yes No

If “Yes,” did the audit or investigation result in fines or penalties assessed against them?..... Yes No

4. Been subject to fines or assessments by a payment card brand (e.g., Visa), an acquiring bank or other entity, due to non-compliance with the Payment Card Industry Data Security Standards?..... Yes No

If any answer to the questions above is “Yes,” provide a detailed explanation on a separate page, including steps taken to avoid a similar situation in the future.

THE APPLICANT REPRESENTS THAT THE STATEMENTS AND FACTS MADE IN THIS APPLICATION ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

Applicant acknowledges a continuing obligation to report to us as soon as practicable any material change in the facts and statements above, and in each supplementary application, for which applicant becomes aware after signing the application.

Completion of this form does not bind coverage. Applicant’s acceptance of Company’s quotation is required prior to binding coverage and policy issuance. It is agreed that this form shall be the basis of the contract should a policy be issued.

I/We hereby declare that the above statements and particulars are true and I/We agree that this application shall be the basis of the contract with the insurance company.

FRAUD WARNING: 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. (Not applicable in AL, CO, DC, FL, KS, LA, ME, MD, MN, NE, NY, OH, OK, OR, RI, TN, VA, VT, or WA.)

NOTICE TO ALABAMA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

NOTICE TO COLORADO APPLICANTS: 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 policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder 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.

WARNING TO DISTRICT OF COLUMBIA APPLICANTS: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud, or deceive any in-surer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

NOTICE TO KANSAS APPLICANTS: 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 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, which is a crime and subjects such person to criminal and civil penalties.

NOTICE TO LOUISIANA APPLICANTS: 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.

NOTICE TO MAINE APPLICANTS: 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.

NOTICE TO MARYLAND APPLICANTS: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who 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.

NOTICE TO MINNESOTA APPLICANTS: A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

NOTICE TO OHIO APPLICANTS: Any person who, with 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.

NOTICE TO OKLAHOMA APPLICANTS: 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.

NOTICE TO RHODE ISLAND APPLICANTS: 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.

FRAUD WARNING (APPLICABLE IN VERMONT, NEBRASKA AND OREGON): Any person who intentionally presents a materially false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

FRAUD WARNING (APPLICABLE IN TENNESSEE, VIRGINIA AND WASHINGTON): 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.

NEW YORK AUTOMOBILE FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or other person files an application for commercial insurance or a statement of claim for any commercial or personal insurance benefits containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, and any person who, in connection with such application or claim, knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, 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 value of the subject motor vehicle or stated claim for each violation.

NEW YORK OTHER THAN AUTOMOBILE FRAUD WARNING: 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.

FRAUD WARNING: 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. **(Not applicable to Kansas, Nebraska, Oregon or Vermont applicants.)**

DATED THIS _____ DAY OF _____, 20 ____

SIGNATURE OF AUTHORIZED DIRECTOR/PARTNER/PRINCIPAL: _____

TITLE: _____

PRODUCER: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____