

NORTH POINT UNDERWRITERS

3625 Brookside Parkway, Suite 550
Alpharetta, GA 30022

APPLICATION for: **NetGuard™ Plus**

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

Notice: The Policy for which this Application is made subject to its terms, applies only to any Claim 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 exhausted by amounts incurred as 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.

SECTION I. YOUR DETAILS

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

SECTION II. YOUR BUSINESS

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

SECTION III. COVERAGES REQUESTED

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

SECTION IV. EXPOSURE INFORMATION

ANNUAL REVENUE AND EXPOSURE BASE

8. Total Revenues: \$ _____
9. What percentage of the overall above revenues is attributed to e-commerce? _____ %
10. Please estimate total number of customer and employee records you store either electronically or in physical files. _____

SECTION V. NETWORK SECURITY AND PRIVACY

11. 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
12. Does your security and privacy policy include mandatory training for all employees?..... Yes No
13. Are you HIPAA compliant?..... Yes No
14. Do you process, store, or handle credit card transactions?..... Yes No
If "YES", are you PCI-DSS Compliant?..... Yes No
15. 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
16. 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
17. 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.
18. 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
19. 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
20. Is all remote access to your network authenticated and encrypted?..... Yes No

21. 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
22. 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
23. Do you employ physical security controls to prevent unauthorized access to computer, networks and data?..... Yes No
24. Do you control and track all changes to your network to ensure that it remains secure?..... Yes No
25. 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
26. Is all sensitive and confidential information that is transmitted within and from your organization encrypted using industry-grade mechanisms?..... Yes No
27. Is all sensitive and confidential information stored on your organization's databases, servers and data files encrypted?..... Yes No
28. 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
29. If your organization stores personal information on portable devices, including laptops, cell phones, PDA's, back-up tapes, USB thumb drives and external hard drives, is such data encrypted to industry standards?..... Yes No
- If you do not store personal information on portable devices, check here**
30. 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
31. 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

SECTION VI. MEDIA

32. 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.

33. Please describe the Applicant's procedures for removing potentially defamatory or infringing material. _____

SECTION VII. LOSS HISTORY

34. Has the Applicant received any complaints, claims or been subject to 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: _____

35. Are you aware of or have knowledge of any circumstances or incidents that may give rise to a claim which would have been covered by this Policy?..... Yes No
36. Has any employee ever been disciplined for mishandling data or otherwise tampering with your computer network?..... Yes No
37. Has the company sustained any unscheduled network outage or interruption within the past 24 months?..... Yes No

SECTION VIII. OTHER INFORMATION

1. **The undersigned declares that to the best of his/her knowledge the statements herein are true. Signing of this Application does not bind the undersigned to complete the insurance, but it is agreed that this Application shall be the basis of the contract should a Policy be issued, and this Application will be attached and become part of such Policy, if issued. Underwriters hereby are authorized to make any investigation and inquiry in connection with this Application as they may deem necessary.**
2. **It is warranted that the particulars and statements contained in the Application for the proposed Policy and any materials submitted herewith (which shall be retained on file by Underwriters and which shall be deemed attached hereto, as if physically attached hereto) are the basis for the proposed Policy and are to be considered as incorporated into and constituting a part of the proposed Policy.**
3. **It is agreed that in the event there is any material change in the answers to the questions contained herein prior to the effective date of the Policy, the Applicant will notify Underwriters and, at the sole discretion of Underwriters, any outstanding quotations may be modified or withdrawn.**
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 be 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: _____