

Atlantic Specialty Insurance Company
 (Stock company owned by the OneBeacon Insurance Group)

INFORMATION RISK & RECOVERY™ INSURANCE APPLICATION

Named Insured: _____

Proposed Effective Date: _____

PLEASE NOTE: THIS APPLICATION IS FOR INSURANCE THAT IS WRITTEN ON A CLAIMS-MADE BASIS. DEFENSE EXPENSES REDUCE AND MAY EXHAUST THE LIMIT OF INSURANCE. THROUGHOUT THIS APPLICATION THE TERM "YOU" MEANS THE APPLICANT AND SUBSIDIARIES IDENTIFIED IN PART I BELOW, AND THE TERM "UNDERWRITER" MEANS THE UNDERWRITING COMPANY IDENTIFIED AT THE TOP OF THE APPLICATION.

If additional space is needed, please attach a separate document to this Application to provide complete answers.

I. COVERAGES Please note that requested coverage is not automatically provided. The Policy, if issued, will determine actual coverage.

1.	A:	LIABILITY	Limits of Insurance		
		Combined Liability Limit			
		Information Risk Liability			
		Communication Liability			
	B:	FIRST PARTY	Limits of Insurance	Retention	
		Combined First Party Limit			
		Breach Consultation Services			
		Incident Management Expense*			
		Information Restoration Expense			
		Hardware Replacement Expense			
	Extortion Payments and Rewards				
	Forensic Expense				
<i>*Includes: Data Breach Expense; Information Risk Expense; Notification Expense</i>					

2. What is your annual information technology security budget? \$

II. OPERATIONS

1.	Description of Operations:	
2.	Do you require written contracts or agreements with all customers? Are all modifications or mid-term changes to a contract made in writing? If "No," to either, please explain when you would not require written contracts or modifications:	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No

III. INFORMATION RISK LIABILITY COVERAGE

1.	<p>Do you:</p> <p>a. have a virus protection program in place? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>b. have a firewall in place? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>c. enforce a software update process, including updating patches and anti-virus software? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>d. have a process for managing computer accounts, including removing computer users in a timely fashion? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>e. control access to critical and sensitive computer systems? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>f. have a person or group responsible for information security? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>g. have a program in place to periodically test security controls? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>h. store sensitive data on web servers? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If "Yes," is the data encrypted? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If "No," please describe any offsetting measures:</p>	
2.	Please describe the purpose(s) for and /or activities engaged in on your website. (i.e. blogs, public service announcements, etc.)	
3.	<p>Do you store personally identifiable information (PII), protected health information (PHI) or other confidential information on laptops, smartphones, memory sticks or other mobile devices? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If "Yes," do you encrypt such information? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If "Yes," please describe the encryption technologies used for each:</p> <p>laptops:</p> <p>smartphones:</p> <p>memory sticks:</p> <p>other mobile devices:</p>	
4.	Do you discard personally identifiable information (PII) and protected health information (PHI) when no longer needed by irreversibly erasing or destroying the data using a technique that leaves no residual data? <input type="checkbox"/> Yes <input type="checkbox"/> No	
5.	<p>Is sensitive information such as personally identifiable information (PII) or protected health information (PHI) collected in paper form? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If "Yes," please describe how it is stored and disposed:</p>	
6.	<p>Do you accept credit cards? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If "Yes," are you approved as PCI (Payment Card Industry) DSS (Data Security Standard) compliant? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	
7.	<p>Do you collect, receive, transmit or process personally identifiable information (PII) and /or protected health information (PHI) including credit/debit cards? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If "Yes,":</p> <p>a. what is the total number of records handled annually? _____</p> <p>b. if you store PII/PHI, what is the total number of records? _____</p> <p>c. are you able to identify whose PII/PHI is being held? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>d. are you able to contact individuals if their information is breached? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If "Yes," to any of the above, describe your records retention /destruction policy:</p>	

8.	Do you outsource any aspect of your: a. computer system/network (i.e., hosting, back up site, etc.); or b. information security (i.e., intrusion detection, firewall, etc.)? If "Yes" to either, please identify the principal vendor(s):	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No
9.	Do you have a written information security incident response plan in place?	<input type="checkbox"/> Yes <input type="checkbox"/> No
10.	How long would it take to restore your operations after a computer attack or other loss/corruption of data? <input type="checkbox"/> 12 hours or less <input type="checkbox"/> 12-24 hours <input type="checkbox"/> More than 24 hours	
11.	Do you have an alternate site for data processing and / or any internet services you provide?	<input type="checkbox"/> Yes <input type="checkbox"/> No
12.	Do you have a disaster recovery plan? If "Yes," do you test it at least annually?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No
IV. COMMUNICATION LIABILITY		
<u>Complete only if applying for COMMUNICATION LIABILITY coverage</u>		
1.	Do you have a comprehensive written privacy and / or security policy and process in place? If "Yes," is it disseminated to all employees at least annually?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No
2.	Do you allow employees or others to post to your website? If "Yes," do you monitor any inappropriate postings and take action if they are found?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No
3.	Do you have legal review conducted for all content before it is posted to the internet or to any electronic chat room, bulletin board or similar interactive site?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4.	Do you have a terms of user and / or privacy policy posted on your website? If "Yes," do you monitor compliance with the terms of use and / or privacy policy referenced above?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No
V. CLAIMS, FACTS AND CIRCUMSTANCES HISTORY		
1.	Has the Applicant or any individual or entity proposed for coverage suffered any known intrusions, unauthorized access, or been a target of a security or virus incident of its Computer Systems in the most recent past 24 months? If "Yes," how many intrusions occurred? _____ If "Yes," and if any loss was caused by any such intrusions, including lost time, lost business income or costs to repair any damage to systems or to reconstruct data or software, please describe the loss that occurred, and state value of any lost time, income and the costs of any repair or reconstruction:	<input type="checkbox"/> Yes <input type="checkbox"/> No
2.	During the past five years, has the Applicant or any individual or entity proposed for coverage submitted any claims or given notice of any fact, circumstance, situation, transaction, event, act, error, or omission which they had reason to believe might or could reasonably be foreseen to give rise to a claim that might fall within the scope of insurance with any insurer or self-insurance instrument of which the requested coverages would be a direct or indirect replacement? If "Yes," please provide details: NOTE: WITHOUT PREJUDICE TO ANY OTHER RIGHTS OR REMEDIES OF THE UNDERWRITER, ANY CLAIM REQUIRED TO BE DISCLOSED IN RESPONSE TO THIS QUESTION IS EXCLUDED FROM THE PROPOSED INSURANCE, AND ANY CLAIM ARISING FROM ANY FACT, CIRCUMSTANCE, SITUATION, TRANSACTION, EVENT, ACT, ERROR, OR OMISSION REQUIRED TO BE DISCLOSED IN RESPONSE TO THIS QUESTION IS EXCLUDED FROM THE PROPOSED INSURANCE.	<input type="checkbox"/> Yes <input type="checkbox"/> No

VI. FRAUD WARNINGS

Any person who knowingly and with intent to defraud any insurance company or another person, files an application for insurance containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto, may be guilty of committing a fraudulent insurance act, which is a crime and subjects the person to criminal and civil penalties.

ALABAMA AND 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.

ARKANSAS, MINNESOTA, AND OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he/she 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, which is a crime.

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.

DISTRICT OF COLUMBIA APPLICANTS: WARNING: 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.

FLORIDA APPLICANTS: 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.

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, 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.

KENTUCKY APPLICANTS: 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.

LOUISIANA, NEW MEXICO AND 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 civil fines and criminal penalties.

MAINE, TENNESSEE, VIRGINIA AND WASHINGTON 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.

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

OKLAHOMA APPLICANTS: WARNING: 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.

OREGON AND TEXAS APPLICANTS: Any person who makes an intentional misstatement that is material to the risk may be found guilty of insurance fraud by a court of law.

PENNSYLVANIA 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 such person to criminal and civil penalties.

PUERTO RICO APPLICANTS: Any person who knowingly and with the intent to defraud, presents false information in an insurance request form, or who presents, helps or has presented a fraudulent claim for the payment of a loss or other benefit, or presents more than one claim for the same damage or loss, will incur a felony, and upon conviction will be penalized for each violation with a fine of no less than five thousand dollars (\$5,000) nor more than ten thousand dollars (\$10,000); or imprisonment for a fixed term of three (3) years, or both penalties. If aggravated circumstances prevail, the fixed established imprisonment may be increased to a maximum of five (5) years; if attenuating circumstances prevail, it may be reduced to a minimum of two (2) years.

VII. SIGNATURE AND AUTHORIZATION

The undersigned represents and agrees:

- S/he is an authorized representative of each person or entity proposed for this insurance.
- To the best of her/his knowledge and belief, after reasonable inquiry, the information and statements in this application, including any attachment(s), are true and complete.
- The information in this application, including any attachment(s), is material to the risk accepted by the Underwriter. If a policy is issued, it is issued in reliance upon this application, including any attachment(s). This application and any attachment(s) will be the basis for the contract. The application and any attachment(s) will be considered part of the policy.
- For North Carolina accounts, this application and the materials submitted with it shall become part of the policy, if issued, if attached to the policy at issuance.
- The Underwriter is authorized to make any inquiry in connection with this application. This application and any inquiry made by the Underwriter does not bind the Applicant or the Underwriter to complete the insurance or issue a policy.
- Any material change to the information in this application, including attachments, prior to the effective date of the policy must be reported to the Underwriter immediately.

NEW YORK 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 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.

I certify the information contained within this Application is accurate to the best of my knowledge.

By (Authorized Signature)	
Name/Title	
Date	

NOTE: THIS APPLICATION MUST BE SIGNED BY A PARTNER, PRINCIPAL, DIRECTOR OR OFFICER OF THE APPLICANT ACTING AS THE AUTHORIZED AGENT OF ALL INDIVIDUALS AND ENTITIES PROPOSED FOR THIS INSURANCE.

Signature of Agent or Broker	
Name/Title	
Date	