



INTERNET ADVANTAGE APPLICATION

NOTICE: THIS APPLICATION IS FOR A CLAIMS MADE POLICY WHICH APPLIES ONLY TO “CLAIMS” FIRST MADE DURING THE “POLICY PERIOD”, OR ANY EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED, AND MAY BE EXHAUSTED BY “DEFENSE COSTS” AND “DEFENSE COSTS” WILL BE APPLIED AGAINST THE DEDUCTIBLE. THE COVERAGE AFFORDED UNDER THIS POLICY DIFFERS IN SOME RESPECTS FROM THAT AFFORDED UNDER OTHER POLICIES. PLEASE READ THE ENTIRE APPLICATION CAREFULLY BEFORE SIGNING.

I. GENERAL INFORMATION

(Note: The terms “you” and “your” refer to the applicant.)

Name of Applicant: _____

Business _____ Address: _____

City: _____ State: _____ Zip Code: _____

Mailing Address (if different): _____

City: _____ State: _____ Zip Code: _____

Telephone: _____ Fax: _____

Additional Locations (attach a separate sheet if necessary):

II. BUSINESS INFORMATION

1. Is your organization a: Corporation Limited Liability Corporation Partnership
 Individual Other (Describe):

2. Is your organization: Private Public

3. Date business was established: _____ Number of Employees: _____

4. Place of Incorporation (if applicable): _____ Sic Code: _____

5. Nature of Business:

6. Subsidiaries (include nature of business, location, and URL, attach a separate sheet if necessary):

7. Please identify your Internet(s) sites. Include the number of pages per site, number of users/customers, and the average number page views per day (attach a separate sheet if necessary):

Internet Site (URL)	Number of Pages	Number of Users/Customers	Average Page Views Per Day

8. Your Financial Information:

	<u>Past Fiscal Year</u>	<u>Forecast Current Year</u>	<u>Next Fiscal Year</u>	<u>Total</u>
Annual Sales/Revenues:	_____	_____	_____	_____
Total Revenue derived from Internet	_____	_____	_____	_____

and Network Activities (see item IV.): _____

Annual Information Systems budget: _____

Percentage of Information Systems budget devoted to security: _____

III. DESIRED COVERAGE

1. Please indicate your desired coverages, limits and retentions:

Liability Coverage Part	Limits of Liability (US \$)		Retentions	
Internet Liability	\$	Single Claim	\$	Per Claim
	\$	Annual aggregate		
		Limit includes defense expenses.		
Extortion Coverage Part				
Computer Extortion	\$	Single Claim	\$	Per Claim
	\$	Annual aggregate		
		Limit includes defense expenses.		
Crime Coverage Part				
Internet Crime	\$	Single claim	\$	Per Claim
	\$	Annual aggregate		
		Limit includes defense expenses.		

2. Please indicate how coverage is to apply?

Liability: Primary Excess
 Crime: Primary Excess

3. Extended Reporting Period Requested: _____ (enter years)

4. Proposed Effective Date: _____

IV. INTERNET AND NETWORK ACTIVITIES

Check all that apply:

- Access:** Sending and receiving e-mail, transferring files, browsing the Internet.
- Presence:** Providing information or advertising over the Internet through a web server.
- Production Access:** Integration of business information or internal processes with a web site.
- Electronic Commerce:** The buying and selling of products, services or information over the Internet between a buyer and seller. E-Commerce can also include third party business transactions, typically between an Internet user, a merchant, and a bank, involving the buying and selling of goods, products, or services or the transmission of sensitive financial information to exchange. E-Commerce also includes your permitting advertisements on your web site by others for a fee, regardless of any other Internet activities you may conduct.

- Collaboration:** Virtual Private Network (VPN) or Extranet activities. This could include the provision of computer system resources to a third party.
- Hosting:** Providing hosting services to third parties.
- Digital Certificates:** Installation, management, or maintenance of any digital certificate.
- Other:** Please describe any other activities, products, or services provided (i.e. Consulting, Application Service Provider, Systems Integration, Web Development, Dissemination of Material, etc.):

Do you expect any of the above activities to change during the next 12 months? Yes No
 If "Yes", please explain:

V. UNDERWRITING QUESTIONS

Content

1. Is there a review process in place to screen the content of your Website? Yes No

If "Yes", is the review process conducted by a qualified intellectual property attorney? Yes No

What does your review process include? Libel and Slander Trademark Infringement
 Copyright Infringement Inaccurate Information
 Invasion of Privacy Trade Secrets
 License to use Intellectual Property of Others

2. Do you have a written policy and procedure for editing and removing controversial, offensive, or infringing material from your Website(s)? Yes No

3. Do you use material that is the property of others parties (i.e. content, videos, graphics, music, etc.) on your Internet site(s)? Yes No

If "Yes", have you obtained written clearance for each case? Yes No

What percentage of the overall Website content is created or provided by you? _____%

4. Does your Website link to other sites through the use of framing and/or hyperlinks? Yes No

If "Yes", have you obtained written clearance for each case? Yes No

Does your Website disclaim reference to or reliance on the information that appears on the linked site? Yes No

5. Do you have agreements with the developer of your Website and any consultant providing material for your Website provide that you own the intellectual property rights to the content and business methods incorporated into the Website? Yes No

Professional Services

1. Which professional services do you provide?

- Publishing or Media Content Internet Professional Services
 Technology Professional Services None
 Other Professional Services: _____

2. Do you provide original content? Yes No

Is the content reviewed before being published on the Internet? Yes No

3. Do you offer chatroom/bulletin board services on your Website(s)? Yes No

If "Yes", who manages chatroom/bulletin board? Internal Subcontractor No One

If a subcontractor, do you require "hold harmless" agreements for liabilities arising out of the chatroom/bulletin board? Yes No

Can you remove or edit any posting at your sole discretion? Yes No

4. Do you develop software, hardware, or firmware? Yes No

If "Yes", are they security related such as firewall, encryption, etc? Yes No

5. Do you make any guarantees or warranties in your contracts regarding your professional services? Yes No

Network Security

1. Do you have a written policy and procedure regarding Information Security? Yes No

2. Are all employees provided with a copy of your Security policy manual? Yes No

If "Yes", are all employees required to provide written confirmation acknowledging they received, read and understood the contents of the security manual? Yes No

If "Yes" are all employees required to sign a statement confirming that failure to

Follow procedures set forth in your systems security policy manual will result in disciplinary and including termination? Yes No

3. Do you have an internal acceptable use policy and privacy policy regarding e-mail And Internet Use? Yes No

4. Has an independent, third-party assessment of your information security control and procedures been completed in the last 6 months? Yes No

Have all high priority recommendations from the most recent assessment been implemented? Yes No Some

5. Has an independent, third-party penetration/intrusion test of your network been completed in the last 6 months? Yes No

Have all high priority recommendations from the most recent test been implemented? Yes No Some

6. Which of the following Information Security controls are currently implemented?

Access Controls	<input type="checkbox"/> Implemented	<input type="checkbox"/> Not Implemented	<input type="checkbox"/> Within 12 months
Digital Certificates	<input type="checkbox"/> Implemented	<input type="checkbox"/> Not Implemented	<input type="checkbox"/> Within 12 months
Full System Backup	<input type="checkbox"/> Implemented	<input type="checkbox"/> Not Implemented	<input type="checkbox"/> Within 12 months
Business Continuity/Disaster Recovery Plan	<input type="checkbox"/> Implemented	<input type="checkbox"/> Not Implemented	<input type="checkbox"/> Within 12 months
Computer Security Incident Response Plan	<input type="checkbox"/> Implemented	<input type="checkbox"/> Not Implemented	<input type="checkbox"/> Within 12 months
Encryption	<input type="checkbox"/> Implemented	<input type="checkbox"/> Not Implemented	<input type="checkbox"/> Within 12 months
Firewalls	<input type="checkbox"/> Implemented	<input type="checkbox"/> Not Implemented	<input type="checkbox"/> Within 12 months
Intrusion Detection	<input type="checkbox"/> Implemented	<input type="checkbox"/> Not Implemented	<input type="checkbox"/> Within 12 months
Secured Socket Layer (SSL)	<input type="checkbox"/> Implemented	<input type="checkbox"/> Not Implemented	<input type="checkbox"/> Within 12 months
Public Key Infrastructure (PKI)	<input type="checkbox"/> Implemented	<input type="checkbox"/> Not Implemented	<input type="checkbox"/> Within 12 months
Security Suites	<input type="checkbox"/> Implemented	<input type="checkbox"/> Not Implemented	<input type="checkbox"/> Within 12 months
Single Sign-on	<input type="checkbox"/> Implemented	<input type="checkbox"/> Not Implemented	<input type="checkbox"/> Within 12 months
Remote Authentication	<input type="checkbox"/> Implemented	<input type="checkbox"/> Not Implemented	<input type="checkbox"/> Within 12 months
Software Controls	<input type="checkbox"/> Implemented	<input type="checkbox"/> Not Implemented	<input type="checkbox"/> Within 12 months
Training and Education	<input type="checkbox"/> Implemented	<input type="checkbox"/> Not Implemented	<input type="checkbox"/> Within 12 months
Anti-Virus/Malicious Code Protection	<input type="checkbox"/> Implemented	<input type="checkbox"/> Not Implemented	<input type="checkbox"/> Within 12 months

7. Do you use a Wireless Network for any part of your Internet and Network activities? Yes No
8. Are special privileges restricted to primary and backup system administration personal? Yes No
9. Do you have a full time dedicated Director of Information Technology or equivalent, who is responsible for the security and content of the Website(s)? Yes No
10. In connection with your Internet and Network activities, identify the valuable property of others for which you are responsible: Money Securities
 Credit Card Information Information Assets
 Other: _____
11. Do you outsource a critical part of your Internet, network or computer system to others? Yes No
- If "Yes", choose all that apply and indicate outsourced company:
 Server Maintenance: Application/Software:
 Firewall Maintenance: Other: _____
12. Do you perform credit and background investigations on new employees, consultants, and contractors that engage in the development and maintenance of your Internet and Network activities? Yes No
13. Are your network and computer systems monitored? Yes No
14. Are your Website(s) hosted by a third party? Yes No
- If "Yes", is the third party responsible for managing the security of your Website(s)? Yes No
15. Where are your servers located (City, State, Country): _____
- If this location is a third party, are they responsible for the security of your servers? Yes No N/A
16. How frequently do you perform maintenance and system(s) upgrades? Daily Weekly Monthly
 Other: _____

VI. LOSS HISTORY AND WARRANTY

1. Have you ever been subjected to a systems intrusion, corruption, disruption, hacking, loss of data, data theft, or other similar type of incident(s)? Yes No

If "Yes", please provide details. Include any financial loss of your money, securities, and other property, and/or the loss of money, securities, and other property for which you are legally responsible (attach a separate sheet if necessary):

2. In the past five (5) years, have you been sued or threatened with suit for any act, error, or omission relating to content on, or transactions conducted over, the Internet site(s) identified in this Application, or any of the other Internet and Network Activities identified in this Application? Yes No

If "Yes", please provide a detailed description of the circumstances of each suit or threat of suit, including the identity of the claimant, the factual and legal basis for the claim, and the disposition of the claim, including the dollar amount of any defense expenses, settlements and judgments (attach a separate sheet if necessary):

3. After inquiry, do you or any of your principals, partners, officers, directors, or employees or any other proposed Insured have knowledge or information about any act, error, or omission relating to the internet site(s) or other Internet and Network activities identified in this Application which might reasonably be expected to give rise to a claim against you? Yes No

If "Yes", please provide full details (attach a separate sheet if necessary):

Without prejudice to any other rights and remedies of the Company, any claim arising from any claims, facts, circumstances or situations required to be disclosed in response to questions 1, 2, and 3 above is excluded from the proposed insurance.

VII. ATTACHMENTS

Please attach the following documents so we may expedite your application.

- Most recent audited financial statements.
- Written policy and procedure for editing and removing controversial, offensive, or infringing material.

- Written policy and procedure for Information Security.
- Copy of the most recent assessment of your information security control and procedures; and penetration/intrusion test results.
- Copies of contracts and agreements with third parties providing Internet and Network services to you and for whom you are providing Internet and Network services.
- Copies of contracts and agreements with third parties providing content to you and for whom you are providing content.
- Resumes of senior staff, including the Director of Information Technology or equivalent.

VIII. AUTHORIZATION FOR SECURITY ANALYSIS, PAYMENT AND RELEASE OF LIABILITY

I, the applicant, understand that a security analysis may be required to quote and bind this insurance. An independent security consulting firm approved by the insurer will perform this security risk survey or electronic remote security scan. If such is required, either the consulting firm or the insurer will advise the cost for such security analysis. **SUBMISSION OF THIS APPLICATION IS NOT AUTHORIZATION TO PERFORM THE SECURITY ANALYSIS. HOWEVER, I UNDERSTAND THAT UPON BEING ADVISED OF THE COST OF THE SECURITY ANALYSIS, IF I AUTHORIZE THE CONDUCTING OF THE ANALYSIS, THAT A COPY OF THE REPORT WILL BE SENT TO THE INSURER FOR THE PURPOSE OF DEVELOPING A FORMAL INSURANCE QUOTATION AT YOUR REQUEST. A CONFIDENTIALITY AGREEMENT CAN BE EXECUTED BETWEEN THE INSURER AND THE APPLICANT UPON REQUEST.**

I understand that the results of the security analysis shall form a part of this application. I also understand that any claim that results from my failure to respond to any of the recommendations of the security analysis will be excluded from coverage.

I also understand and acknowledge that the applicant is financially responsible to pay, and hereby agrees to pay, for the security analysis. Execution of this application together with any subsequent authorization constitutes an agreement between the applicant and the security consulting firm to pay the security consulting firm for the analysis. The insurer may, at its sole discretion, pay or reimburse all or part of the cost of the security analysis if an Internet Advantage insurance policy is purchased from Liberty International Underwriters.

I, the applicant, further agree that the insurer is not responsible for any loss or damage howsoever caused whether direct or indirect which may arise as a result of the provision of services to the applicant or to any of the applicant's related entities by such independent security consulting firm or any representative, agent, employee or contractor of such independent security consulting firm, including the performance of any electronic remote security scan, risk assessment survey, security workshop or related service, and you agree to indemnify and hold the insurer harmless in respect of any such loss or damage. Further, the insurer does not warrant the effectiveness or accuracy of any such security analysis.

APPLICANT'S SIGNATURE:

IX. LEGAL NOTICES AND SIGNATURE (*Applicant's signature is also required at the end of this section*)

IF A POLICY IS ISSUED, THE APPLICATION IS ATTACHED TO AND MADE PART OF THE POLICY SO IT IS NECESSARY THAT ALL QUESTIONS BE ANSWERED IN DETAIL.

PLEASE READ THE FOLLOWING STATEMENT CAREFULLY AND SIGN BELOW WHERE INDICATED. IF A POLICY IS ISSUED, THIS SIGNED STATEMENT WILL BE ATTACHED TO THE POLICY.

The insured hereby acknowledges that he/she/it is aware that the limit of liability contained in this policy shall be reduced, and may be completely exhausted, by the costs of legal defense and, in such event, the Company shall not be liable for the costs of legal defense or for the amount of any judgement or settlement to the extent that such exceeds the limit of liability of this policy.

The insured hereby further acknowledges that he/she/it is aware that legal defense costs that are incurred shall be applied against the deductible amount.

THE UNDERSIGNED DECLARES THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE. THE UNDERSIGNED AGREES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF THE INSURANCE, HE/SHE (UNDERSIGNED) WILL IMMEDIATELY NOTIFY THE INSURANCE COMPANY OF SUCH CHANGES, AND THE COMPANY MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS AND/OR AUTHORIZATION OR AGREEMENT TO BIND INSURANCE.

NOTICE: IN SOME STATES, ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE 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.

NOTICE TO ARKANSAS 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 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 PROVIDE 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 AUTHORITIES."

NOTICE TO 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 IN THE THIRD DEGREE."

NOTICE TO KENTUCKY APPLICANTS: "ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE 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."

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 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."

NOTICE TO NEW MEXICO 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."

NOTICE TO 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, 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."

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 PENNSYLVANIA APPLICANTS: "ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION OR CLAIM CONTAINING ANY FALSE INCOMPLETE OR MISLEADING

INFORMATION SHALL UPON CONVICTION BE SUBJECT TO IMPRISONMENT FOR UP TO SEVEN YEARS AND PAYMENT OF A FINE OF UP TO \$15,000."

APPLICANT'S SIGNATURE:	
PRINT NAME:	
TITLE:	DATE:

BROKER:
ADDRESS: