

Cyber Liability Renewal Application

Use for Optional Increased Limits greater than \$100,000

NOTICE: THIS APPLICATION IS FOR CLAIMS-MADE AND REPORTED INSURANCE. THE COVERAGE PROVIDES THAT THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS, SETTLEMENTS OR ANY OTHER LOSS WILL BE REDUCED AND MAY BE COMPLETELY EXHAUSTED BY DEFENSE COSTS. DEFENSE COSTS WILL BE APPLIED TO THE RETENTION AMOUNT. READ THE ENTIRE APPLICATION CAREFULLY.

Throughout this Application, the words “You” and “Your” shall mean the Applicant. Please read this Application carefully and answer all questions. If a question is not applicable, answer by stating “Not Applicable” or “N/A”. All responses should include information relative to all Subsidiaries¹ and locations to be covered.

I. APPLICANT INFORMATION

Merchants Policy Number: _____

Renewal Effective Date (mm/dd/yyyy): _____

Name of Applicant (Legal Entity Name): _____
(as it should appear on the policy)

Principal Address: _____

City: _____ State: _____ Zip Code: _____

Contact: _____ Telephone: _____ Facsimile: _____

Email Address: _____ Website: _____

Current Cyber Liability limit with Merchants Mutual: _____

1. Limit Desired: ☐ \$250,000 ☐ \$500,000 ☐ \$1,000,000

2. Projected Gross Revenues for the Current Year: _____

3. Have You merged or consolidated with another entity within the last twelve (12) months, or are You currently contemplating any such transaction?..... ☐ YES ☐ NO

If “YES”, please provide details on a separate page.

4. Have You acquired or created any Subsidiaries within the last twelve (12) months?..... ☐ YES ☐ NO

If “YES”, please provide details on a separate page.

¹As used in this Application, “Subsidiary” means any legal entity in which you own, directly or indirectly, more than 50% of the issued or outstanding voting securities.

5. Is coverage requested for any entity or organization other than the Applicant and its Subsidiaries?..... ☐YES ☐NO
- a. If “YES”, please provide details of each entity or organization on a separate page, including a) nature of operations, b) relationship to You, and c) percentage of ownership by You and Your stockholders/partners.
- b. If “YES”, do any such entities or organizations share Your computer network?..... ☐YES ☐NO
6. Does Your network have firewall protection that is securely configured?..... ☐YES ☐NO
7. Does Your organization use anti-virus software on all desktops/portable devices and servers?..... ☐YES ☐NO
- a. If “YES”, is the anti-virus software updated at least on a monthly basis?..... ☐YES ☐NO
- b. If “NO”, to question 8.a., please describe on a separate page the process in place to ensure Your anti-virus software is up-to-date.
8. Do You enforce privacy and security policies, including mandatory employee training, which must be followed by all employees, contractors, or other individuals or organizations with access to Your network?..... ☐YES ☐NO
9. Does Your organization store personal and/or confidential data on portable devices, including laptops, cell phones, PDAs, back-up tapes, USB thumb drives and external hard drives?..... ☐YES ☐NO
- a. If “YES”, is such data encrypted to industry standards?..... ☐YES ☐NO
- b. If “NO”, to question 9.a., please describe on a separate page the type of devices used, the nature of data/information stored, and the security measures You have in place to protect such data/information.
10. Does Your organization process, store, transmit or handle credit or debit card data? ☐YES ☐NO
- If “YES”, are Your data security controls compliant with the Payment Card Industry Data Security Standard (PCI DSS)?..... ☐YES ☐NO
11. Does the number of records You store, either electronic or paper, exceed 50,000 records?..... ☐YES ☐NO
- If “YES”, please provide the total number of records stored by the Applicant(s): _____
12. Have any claims, lawsuits, proceedings, actions, complaints, demand letters, or investigations/inquiries regarding security or privacy-related incidents (including denial of service attacks, computer virus infections, theft or loss of confidential information, damage to third-party networks, or the ability of third parties to rely on Your network) been made against You or any other person or entity proposed for this insurance within the past twelve (12) months?..... ☐YES ☐NO
- If “YES”, have all such claims, lawsuits, proceedings, actions, complaints, demand letters, or investigations/inquiries been reported to Merchants Mutual? ☐YES ☐NO ☐NONE TO REPORT

Please provide complete details on a separate page of any claims You or any other person or entity proposed for this insurance received within the last twelve (12) months, which have not been reported to Merchants Mutual.

13. Have You or any other entity proposed for this insurance sustained any losses due to the theft or unauthorized access or use of sensitive information, a denial of service attack, or data breach in the past twelve (12) months?..... ☐YES ☐NO

If "YES", have such losses been reported to Merchants Mutual?..... ☐YES ☐NO ☐NONE TO REPORT

Please provide complete details on a separate page of any losses You or any other person or entity proposed for this insurance sustained within the past twelve (12) months, which have not been reported to Merchants Mutual.

II. REPRESENTATIONS AND ACKNOWLEDGEMENTS

- A. The Undersigned represents that the statements, representations and information contained in or attached to this Application are true and complete, and that reasonable efforts have been made to obtain sufficient information to facilitate the proper and accurate completion of this Application.
- B. The Undersigned acknowledges and recognizes that the statements, representations, and information contained in or attached to this Application are material to the risk assumed by the insurer; that any policy will have been issued in reliance upon the truth thereof; and that this Application and all written statements and materials furnished to the Insurer in conjunction with this Application shall be deemed incorporated into and made a part of the policy, should a policy be issued.
- C. The Undersigned acknowledges and agrees that if the information supplied on this Application or in any attachments changes between the date of the Application and the inception date of the policy period, the Applicant will immediately notify the insurer of such change, and the insurer may withdraw or modify any outstanding quotations or agreement to bind the insurance.

Fraud Warning Statements

<u>NEW JERSEY</u>	"Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties."
<u>NEW YORK</u>	"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 be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation."
<u>OHIO</u>	"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."
<u>PENNSYLVANIA</u>	"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."
<u>NEW HAMPSHIRE</u>	Any person who, with a purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20
<u>ALL OTHER STATES</u>	"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, commits a fraudulent insurance act, which is a crime and subjects the person to criminal and civil penalties."

Signed: _____
Authorized signature of the President, CEO or COO of the Applicant.
Must be signed and dated no more than 90 days prior to binding coverage.

Date: _____

Print Name: _____

Title: _____