



**Application for Financial Institution Cyber Liability Policy**

*NOTICE: THE LIABILITY POLICY WHICH MAY BE ISSUED BASED UPON THIS APPLICATION IS A CLAIMS MADE POLICY, WRITTEN ON A NO DUTY TO DEFEND BASIS, AND, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO ANY CLAIM FIRST MADE DURING THE POLICY PERIOD. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AFTER THE END OF THE POLICY PERIOD UNLESS, AND TO THE EXTENT THAT, THE DISCOVERY PERIOD APPLIES. DEFENSE COSTS REDUCE THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTION. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.*

Name of Financial Institution: *List all entities applying for coverage, including all subsidiaries.*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_ FDIC No: \_\_\_\_\_

**GENERAL INFORMATION**

1. Please provide information for all websites proposed for this insurance coverage:

Website Address:	◊ Level of Functionality:	Date Established:
a)		
b)		
c)		
d)		
e)		
f)		

◊ Level of Functionality may be described as:

*Low* – View only or including non-sensitive e-mail capability.

*Medium* – Communicative, including e-mail, account inquiry, form completion capability.

*High* – Interactive and transactional activities, including execution of financial transactions.

2. Check all services currently available through the internet website(s) or contemplated by any entity within the next 12 months.

Methods of Electronic Access	Available Transactions:	
Internet	Account Statements	Funds Transfer Between Accounts
Wireless	Balance Inquiries	Inter-bank Transactions
Telephone	Bill Payment	Account Aggregation
Other (please specify)	Loan Applications	Securities Brokerage Transactions
	Trust Services	Insurance Agency Services
	Other (please specify)	

3. What percentage of your customers currently access internet banking services from the Financial Institution or any subsidiary? \_\_\_\_\_ %

4. Is the Financial Institution's or subsidiary's General Liability policy currently endorsed to include personal/advertising injury? Yes No



- |  |          |           |            |             |
|--|----------|-----------|------------|-------------|
| 21. Is a sign-on with an individual ID and password required for authorized employees, vendors or customers to access the website(s) or network?                               | Yes      | No        |            |             |
| a) If yes, are employee, vendor and management passwords changed at least every 120 days?  | Yes      | No        |            |             |
| 22. How many employees are allowed remote access to the internal network or systems?   | _____    |           |            |             |
| a) What positions are allowed remote access?   | _____    |           |            |             |
| b) Is wireless access permitted?   | Yes      | No        |            |             |
| 23. Is up-to-date encryption technology used by the Financial Institution, all subsidiaries and any third party vendors to authenticate system access and secure transactions? | Yes      | No        |            |             |
| 24. Is security software, including firewall and anti-virus protection used on all computers, servers and by any third party vendors?  | Yes      | No        |            |             |
| 25. Does management monitor, through software or other means, employee e-mail content, file downloads and other internet activities?   | Yes      | No        |            |             |
| 26. Has software been implemented and procedures been established by the Financial Institution, all subsidiaries, and any third party vendors to:                              |          |           |            |             |
| a) Assess system vulnerability to intrusion?   | Yes      | No        |            |             |
| b) Stress-test system capacity?  | Yes      | No        |            |             |
| c) Identify and respond to unauthorized attempts to access the Financial Institution's or subsidiary's website(s), network or confidential information?                        | Yes      | No        |            |             |
| d) Identify and respond to unauthorized attempts to perform restricted transactions?   | Yes      | No        |            |             |
| e) Identify and respond to suspicious correcting and/or reversing entries?   | Yes      | No        |            |             |
| 27. Indicate if any of the following services have reviewed and qualified the website(s) proposed for coverage:  | VeriSign | eTrust    | Cybertrust | Other _____ |
| 28. Does the Financial Institution and its subsidiaries have disaster recovery plans that include internet banking and other electronic activities?                            | Yes      | No        |            |             |
| a) If yes, how often is it tested?   | Monthly  | Quarterly | Annually   | Other _____ |
| 29. Have backup and recovery procedures been established for the web infrastructure, network(s) and electronic systems?  | Yes      | No        |            |             |
| a) If yes, are backup files stored off-site?   | Yes      | No        |            |             |

<b>LOSSES, PENDING LITIGATION AND CLAIMS HISTORY</b>
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**For New Coverage:**

- |   |      |    |
|---|------|----|
| 30. Is the Financial Institution or any subsidiary a defendant in any lawsuit which, if the allegations are proven, could materially affect the financial condition of the Financial Institution or any subsidiary?   | Yes* | No |
| 31. In the past 12 months, has the Financial Institution, any subsidiary or any third party vendor been made aware of any unauthorized access to the institution's confidential or customer information through its computer system, website, or other electronic means?                                  | Yes* | No |
| 32. During the past 3 years, has the Financial Institution, any subsidiary or any third party vendor sustained a systems intrusion, tampering, hacking or similar incident that resulted in:  |      |    |
| a) Damage to or destruction of data or computer programs?   | Yes* | No |
| b) Damages to a customer or other third party?  | Yes* | No |
| c) Other loss to the institution?   | Yes* | No |
| 33. Does any director/trustee or officer have any knowledge of any fact, circumstance or situation involving the Financial Institution, its subsidiaries, or any past or present director/trustee, officer or employee, which could reasonably be expected to give rise to a future Cyber Liability loss? | Yes* | No |

**For Renewing Coverage:**

- |   |      |    |
|---|------|----|
| 34. Are there any claims or potential claims that have not been reported to the insurer involving the Financial Institution, any subsidiary, or any Insured Person resulting from their activities as such? | Yes* | No |
|---|------|----|

\* Please provide details by attachment.

**Documents to be submitted with this application:**

- Details to questions as requested above.
- A copy of the Financial Institution's Information Security Policy
- A list of third party vendors involved in the Financial Institution's internet banking processes.

**REPRESENTATION STATEMENT**

The undersigned authorized agents of the person(s) and entity(ies) proposed for this insurance agree and declare to the best of their knowledge and belief, after reasonable inquiry, the statements in this application, and any additional material submitted, are true and complete, and that reasonable efforts have been made to obtain sufficient information from each and every individual or entity proposed for this insurance to facilitate the proper and accurate completion of this application.

The undersigned authorized agents understand and agree:

- The submission of this application does not obligate the insurer to issue, or the applicant to purchase a policy. The applicant will be advised by the insurer if the application for coverage is accepted.
- Coverage will not be provided for any service or activity unless listed in the application, an applicable supplemental application, or additional materials and expressly agreed by the insurer.
- If there is any material change in the answers to the questions in the application or any attachments, before the policy inception date, the applicant will immediately notify the insurer in writing and any outstanding quotation may be modified or withdrawn.
- If a policy is issued, the insurer relied upon this application, any previous application, any supplemental application and any additional materials submitted in issuing each such policy and any endorsements thereto.
- This application and its attachments shall be the basis of a contract should a policy providing the requested coverage be issued and shall be deemed to be attached to and shall form a part of any such policy. In North Carolina, the phrase 'deemed to be attached' above is hereby replaced with 'physically attached'.
- The policy which may be issued based upon this application provides claims made coverage, which applies only to claims first made during the policy period, or any extended reporting period. The limit of liability to pay loss will be reduced, and may be exhausted, by defense costs, and defense costs will be applied against the retention. In no event will the insurer be liable for defense costs or any other loss in excess of the applicable limit of liability.
- For new coverage, any claim arising from prior or pending litigation or any prior written or oral demand shall be excluded from coverage. If knowledge of any fact, circumstance or situation exists, any claim or action subsequently arising there from shall be excluded from coverage.
- For renewal coverage, any increased limit of liability or coverage enhancement shall not apply to any claim, facts, circumstances or situations for which the insurer has already received notice or that the undersigned or any insured has knowledge of which could reasonably be expected to give rise to a future claim.
- The information provided in this application and any attachments is for underwriting purposes only and does not constitute notice to the insurer, under any policy, of a claim or potential claim.

**FRAUD WARNING NOTICES**

**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. In the District of Columbia, Louisiana, Maine and Tennessee, insurance benefits may also be denied.**

**COLORADO FRAUD WARNING:** 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 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 Agencies.

**HAWAII FRAUD WARNING:** For your protection, Hawaii Law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment or both.

**KENTUCKY FRAUD WARNING:** 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 act, which is a crime.

**MINNESOTA FRAUD WARNING:** Fraud, material misrepresentation and material omission with the knowledge of the Insured is the only basis for voiding an insurance contract in Minnesota.

**NEBRASKA FRAUD WARNING:** Any person who knowingly presents false information in an application for insurance or viatical settlement contract is guilty of a crime and may be subject to fines and confinement in prison.

**OHIO FRAUD WARNING:** 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.

**OKLAHOMA FRAUD WARNING:** 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 FRAUD WARNING:** 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 deceptive insurance act and may be found guilty of insurance fraud by a court of law.

**VERMONT FRAUD WARNING:** Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

**VIRGINIA FRAUD WARNING:** 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.

**WASHINGTON FRAUD WARNING:** 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 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.

**THIS APPLICATION MUST BE SIGNED BY (1) THE CHIEF EXECUTIVE OFFICER, PRESIDENT OR CHAIRMAN, AND (2) THE CHIEF FINANCIAL OFFICER OR EQUIVALENT OFFICER, WITH THE UNDERSTANDING AND AGREEMENT THAT, AFTER HAVING READ THE ENTIRE APPLICATION AND REPRESENTATION STATEMENTS, BOTH SUCH INDIVIDUAL SIGNERS ARE ACTING AS THE AUTHORIZED AGENTS OF ALL INDIVIDUALS AND ENTITIES PROPOSED FOR THIS INSURANCE.**

**Chief Executive Officer, President or Chairman of the Board:**

Print Name:	Signature:
Title:	Date:

**Chief Financial Officer or Equivalent Officer:**

Print Name:	Signature:
Title:	Date:

**Submitted by:**

Insurance Agency or Broker Name:	Date Submitted:
Address: ( <i>Street, City, State and zip code</i> )	E-mail Address:
Print Name:	Signature:

**TABLE OF DESIRED CYBER LIABILITY COVERAGES**

Inception Date: \_\_\_\_\_

Expiration Date: \_\_\_\_\_

<b>Option 1</b> <i>Please check coverages requested</i>	<b>Limit of Liability</b>	<b>Retention</b>	<b>Check if this is a new coverage for the Financial Institution</b>
A. Internet Liability			
B. Intellectual Property			

<b>Option 2</b> <i>Please check coverages requested</i>	<b>Limit of Liability</b>	<b>Retention</b>	<b>Check if this is a new coverage for the Financial Institution</b>
A. Internet Liability			
B. Intellectual Property			

Name of expiring insurance carrier: \_\_\_\_\_