

Small Commercial Underwriting Questionnaire—Errors & Omissions and Cyber & Privacy Security Liability/First Party Cyber

QUESTIONNAIRE INSTRUCTIONS

Whenever used in this questionnaire, the terms **you, your(s) and applicant** shall mean the **named insured** and all subsidiaries, unless otherwise stated.

YOUR BUSINESS

1. Name of applicant: _____
 Address of applicant: _____
 Website address: _____ Years in business: _____
 Hanover policy number and renewal effective date: _____
2. Describe your operations and list your products and services. _____

3. Please provide your anticipated total annual revenues for the next 12 months. \$ _____
 What percentage of your total annual revenues is from foreign sales? _____ %
 What percentage of your total annual revenues is derived from internet sales? _____ %
4. Check if any of the following have occurred in the past 12 months or may occur in the next 12 months:

☐ Merger

☐ Acquisition

☐ Newly Formed Owned Entity

☐ Name Change (no M&A)

☐ New Products or Services

 If so, describe in detail: _____

HISTORY

1. In the past 3 years:
 - a. Have you had any claims or suits resulting from your products or services; or are you aware of any actual or alleged facts or circumstances that could reasonably be expected to give rise to a claim under this policy? ☐ Yes ☐ No
 - b. Have you sued a customer for failure to pay for products or services rendered? ☐ Yes ☐ No
 - c. Have you notified consumers or a third party of a security breach incident? ☐ Yes ☐ No
 - d. Have you experienced an actual or attempted extortion demand with respect to your computer system, an unscheduled network outage lasting over 4 hours, or has your system or website been used in any type of security incident or attack (viruses, denial of service attacks, etc.)? ☐ Yes ☐ No
 - e. Have you had any policy declined, cancelled or non-renewed? ☐ Yes ☐ No
 (Not applicable in Missouri)

CURRENT AND REQUESTED INSURANCE PROGRAMS

1. Please provide the following information regarding your current and requested insurance programs:

| TECHNOLOGY LIABILITY COVERAGE | | | | | | |
|--------------------------------------|-----------------|-----------|------------------|---------|-------------------|-----------|
| COVERAGE | CURRENT PROGRAM | | | | REQUESTED PROGRAM | |
| | LIMIT | RETENTION | RETROACTIVE DATE | PREMIUM | LIMIT | RETENTION |
| Errors and omissions liability | \$ | \$ | XX/XX/XXXX | \$ | \$ | \$ |
| Cyber and privacy security liability | \$ | \$ | XX/XX/XXXX | \$ | \$ | \$ |

| FIRST-PARTY CYBER COVERAGE | | | | | |
|---|-----------------|-----------------------------|---------|-------------------|-----------|
| COVERAGE | CURRENT PROGRAM | | | REQUESTED PROGRAM | |
| | LIMIT | RETENTION | PREMIUM | LIMIT | RETENTION |
| Security breach notification and remediation | \$ | \$ | \$ | \$ | \$ |
| Data and systems restoration | \$ | \$ | \$ | \$ | \$ |
| Cyber extortion | \$ | \$ | \$ | \$ | \$ |
| Business income loss and extra expense | \$ | _____ hrs waiting period | \$ | \$ | \$ |
| Contingent business income loss and extra expense | \$ | _____ hrs waiting period | \$ | \$ | \$ |
| Funds transfer fraud | \$ | \$ | \$ | \$ | \$ |
| Computer fraud | \$ | \$ | \$ | \$ | \$ |
| Telecommunications fraud | \$ | \$ | \$ | \$ | \$ |
| Public relations | \$ | \$ | \$ | \$ | \$ |
| Cyber breach or extortion reward | \$ | \$ | \$ | \$ | \$ |

ERRORS AND OMISSIONS LIABILITY

(Please attach a copy of your standard customer contract, purchase order or licensing agreement.)

1. How many years have your products or services been on the market? _____
2. What percentage of revenue is applicable to the following end user(s) of your products or services?

| | |
|---|---|
| Individual _____% | U.S. Federal Government, agency or military _____% If you generate revenue from the U.S. Federal Government, agency or military, please answer the following: Your work as a prime contractor: _____% Your work as a subcontractor to a prime contractor: _____% Do you primarily use Federal Acquisition Regulation (FAR) contracts or ensure that FAR flow-down provisions are included within contracts you sign? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Commercial entity _____% | |
| U.S. local or state government or agency _____% | |

3. Do you have a quality control/quality assurance program? ☐ Yes ☐ No

(Check all that apply.)

| | |
|---|---|
| <input type="checkbox"/> Formalized | <input type="checkbox"/> Prototype development |
| <input type="checkbox"/> Verification testing | <input type="checkbox"/> Vendor approval and certification process |
| <input type="checkbox"/> Validation testing <input type="checkbox"/> Component <input type="checkbox"/> Integration <input type="checkbox"/> System <input type="checkbox"/> Acceptance <input type="checkbox"/> Alpha <input type="checkbox"/> Beta <input type="checkbox"/> Pilot | <input type="checkbox"/> End-user product or service training <input type="checkbox"/> Formalized/documented <input type="checkbox"/> User guide <input type="checkbox"/> Manuals <input type="checkbox"/> On-site training <input type="checkbox"/> Annual certification <input type="checkbox"/> Webinars |
| <input type="checkbox"/> Product change control procedures and signoff | <input type="checkbox"/> Statistical process control |
| <input type="checkbox"/> Pre-release/pre-dissemination testing to protect customers from malicious code, security vulnerabilities, bugs or problems in your services | <input type="checkbox"/> Customer signoff <input type="checkbox"/> Milestones <input type="checkbox"/> Final acceptance |
| <input type="checkbox"/> Maintenance of error/problem/downtime log for life of service | <input type="checkbox"/> Product recall plan |
| <input type="checkbox"/> Document retention plan | |

4. Do you have a customer management program? ☐ Yes ☐ No

(Check all that apply.)

| | |
|---|--|
| <input type="checkbox"/> Customer complaint resolution, including escalation procedures | <input type="checkbox"/> Formal customer notification plan to address any bugs, anomalies, problems, etc. discovered in products or services |
| <input type="checkbox"/> Customer notification plan for discontinuance of product, service or support | |

5. Have you ever had to recall any of your products? ☐ N/A ☐ Yes ☐ No

If yes, please explain: _____

6. Do you use your standard contract with your customers? ☐ Yes ☐ No

a. If no, check the box(es) that apply to you:

| | |
|---|--|
| <input type="checkbox"/> I am in the process of building a standard contract, purchase order or licensing agreement with at least a limitation of liability clause and/or hold harmless agreement | <input type="checkbox"/> I use contracts supplied by the customer and <input type="checkbox"/> the contracts are mutually beneficial to both parties, <input type="checkbox"/> the contracts are not in my favor. (If you checked this box, please submit a copy of your largest executed contract.) |
| <input type="checkbox"/> Other: Please describe: _____ _____ | |

b. If yes, which of the following provisions are included in your contractual agreements (e.g. standard contractor, purchase order or licensing agreement, etc.)?

| | | | |
|--|---|--|--|
| <input type="checkbox"/> Limitation of liability | <input type="checkbox"/> Disclaimer of warranties | <input type="checkbox"/> Hold harmless | <input type="checkbox"/> Performance milestones/schedule of work |
| <input type="checkbox"/> Force majeure | <input type="checkbox"/> Integration clause | <input type="checkbox"/> Indemnification | |
| <input type="checkbox"/> Arbitration clause | <input type="checkbox"/> Statement of work | <input type="checkbox"/> Limitation of consequential damages | |

c. If contractual provisions were selected above, were they written in your favor? ☐ Yes ☐ No

d. Does legal review your contracts, purchase orders or licensing agreements? ☐ Yes ☐ No

e. Does legal review deviations to your contracts, purchase orders or licensing agreements? ☐ Yes ☐ No

7. Please provide the following:

a. Size of average customer contract: \$ _____ Length of average customer contract (# of months): _____

b. Size of largest customer contract: \$ _____ Length of largest customer contract (# of months): _____

CYBER AND PRIVACY SECURITY LIABILITY/FIRST PARTY CYBER

(Please complete this section if you are applying for Cyber and Privacy Security Liability or First Party Cyber Coverage.)

1. Indicate the type and number of unique records collected/maintained by you or others on your behalf **(Check all that apply.)**:

| TYPE OF INFORMATION | NUMBER OF RECORDS | | | | |
|---|----------------------------------|-----------------------------------|----------------------------------|--------------------------------|------------------------------|
| <input type="checkbox"/> Biometric information | <input type="checkbox"/> <50,000 | <input type="checkbox"/> 50k–500k | <input type="checkbox"/> 500k–1M | <input type="checkbox"/> 1M–3M | <input type="checkbox"/> >3M |
| <input type="checkbox"/> Financial account numbers | <input type="checkbox"/> <50,000 | <input type="checkbox"/> 50k–500k | <input type="checkbox"/> 500k–1M | <input type="checkbox"/> 1M–3M | <input type="checkbox"/> >3M |
| <input type="checkbox"/> Other personally identifying information (i.e. social security numbers, passport numbers) | <input type="checkbox"/> <50,000 | <input type="checkbox"/> 50k–500k | <input type="checkbox"/> 500k–1M | <input type="checkbox"/> 1M–3M | <input type="checkbox"/> >3M |
| <input type="checkbox"/> Protected health information | <input type="checkbox"/> <50,000 | <input type="checkbox"/> 50k–500k | <input type="checkbox"/> 500k–1M | <input type="checkbox"/> 1M–3M | <input type="checkbox"/> >3M |
| <input type="checkbox"/> Credit card numbers | <input type="checkbox"/> <50,000 | <input type="checkbox"/> 50k–500k | <input type="checkbox"/> 500k–1M | <input type="checkbox"/> 1M–3M | <input type="checkbox"/> >3M |
| <input type="checkbox"/> Other information not described above (i.e. Name, address, telephone number, etc.) | <input type="checkbox"/> <50,000 | <input type="checkbox"/> 50k–500k | <input type="checkbox"/> 500k–1M | <input type="checkbox"/> 1M–3M | <input type="checkbox"/> >3M |

2. If you were to suffer a security incident or attack (virus, denial of service attack, etc.), how would you categorize the downstream result to your customers?

☐ No impact ☐ Minimal impact ☐ Moderate impact ☐ Significant impact

3. Do you have the following **(Check all that apply.)**?

| | | |
|--|---|--|
| <input type="checkbox"/> Written information security program (wisp) | <input type="checkbox"/> Written incident response plan | <input type="checkbox"/> Designated chief information security officer (or equivalent) |
|--|---|--|

4. Information security training—you have **(Select one)**:

- a. A formal and documented information security program and privacy policy; a written and executed employee training program to safeguard personal and confidential business information
- b. A formal but undocumented information security program and privacy policy; a formal but not written employee training program to safeguard personal and confidential business information
- c. An informal and undocumented information security program and privacy policy; no executable or written employee training program to safeguard personal and confidential business information or none

5. Customer base—you derive most of your revenue from **(Select one)**:

- a. Sales to commercial entities
- b. Sales to individuals
- c. Government and critical infrastructure related entities

6. Back-ups—you make **(Select one)**:

- a. Regular full and incremental backups of critical data and systems
- b. Occasional full back-ups of critical data and systems
- c. No back-ups of critical data and systems

7. Background checks—for employees with access to sensitive data and systems, you conduct **(Select one)**:

- a. Full, nationwide, criminal background, sex offender, and credit checks
- b. Full, nationwide, criminal background checks
- c. No background checks

8. Patching and Updates—you provide **(Select one)**:
- a. Automatic updates with patch management verification procedure
 - b. Automatic updates
 - c. Manual updates
9. Firewalls—you have **(Select one)**:
- a. Hardware and software firewalls deployed
 - b. Hardware firewall deployed
 - c. No firewalls deployed
10. Antivirus and intrusion detection software—you have **(Select one)**:
- a. Intrusion detection software and antivirus software installed or activated on all computers and networks
 - b. Antivirus software installed or activated on all computers and networks
 - c. Neither intrusion detection software nor antivirus software installed or activated
11. Network security—when working remotely, your employees **(Select one)**:
- a. Access a segmented network via virtual private network with multi-factor authentication
 - b. Access a segmented network via virtual private network
 - c. Do not access a virtual private network
12. Email security—you have **(Select one)**:
- a. Web and email filtering enabled
 - b. Web or email filtering enabled
 - c. Neither web nor email filtering enabled
13. Encryption—your encryption is **(Select one)**:
- a. Deployed for data at rest, in transit and on mobile devices
 - b. Deployed for data at rest
 - c. Not deployed
14. Accountability—when accessing computer systems and information, employees and third parties are issued **(Select one)**:
- a. Separate and unique accounts with strong passwords; access is restricted and only extended as required to perform duties.
 - b. Separate and unique accounts with strong passwords
 - c. Separate and unique accounts with no password construction requirements
15. Data destruction—when data and equipment is no longer needed, you **(Select one)**:
- a. Dispose of computers/devices/media responsibly in accordance with a written data retention and destruction policy
 - b. Dispose of old computers/devices/media responsibly
 - c. Have no policies or procedures pertaining to the destruction of data or retirement of devices
16. If user information is collected on your website, do users have the option to opt-in or opt-out of allowing the collection or use of their information? ☐ Yes ☐ No
17. Do you have a disaster recovery plan for your computer system (i.e. computer or computer network including hardware, software, telephone system, firmware, and data)? ☐ Yes ☐ No
- Has the plan been fully documented and tested at least annually? ☐ Yes ☐ No
18. When employees/contractors access critical systems, is multi-factor authentication utilized? ☐ Yes ☐ No

19. Do you use vendors for any of the following? ☐ Yes ☐ No
- a. Customer service ☐ Yes ☐ No
- b. Web hosting/data center operations ☐ Yes ☐ No
- c. Data processing ☐ Yes ☐ No
- d. Network security ☐ Yes ☐ No
- e. Other— Please describe: _____
20. Do you have a formal process for reviewing your vendors' procedures? ☐ N/A ☐ Yes ☐ No
21. Do you use a standard contract or agreement with all vendors? ☐ N/A ☐ Yes ☐ No
- If yes, are hold harmless and indemnification provisions in your favor? ☐ N/A ☐ Yes ☐ No
22. Are your vendors required to carry errors and omissions insurance? ☐ N/A ☐ Yes ☐ No



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