

## Technology Professional Advantage and Advantage Plus

### CLAIMS-MADE NOTICE

**THIS APPLICATION IS FOR A CLAIMS-MADE POLICY. SUBJECT TO ITS TERMS, THIS POLICY WILL APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSUREDS TO THE INSURER DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD THAT MAY APPLY. PLEASE READ THE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE AND COVERAGE RESTRICTIONS.**

**UNDERWRITTEN BY: THE HANOVER INSURANCE COMPANY**

#### APPLICATION INSTRUCTIONS

Whenever used in this Application, the term **you** or **your(s)** or the Applicant shall mean the **Named Insured** and all subsidiaries, unless otherwise stated.

#### YOUR BUSINESS

1. Name of Applicant: \_\_\_\_\_
2. Address of Applicant: \_\_\_\_\_
3. Please list any new subsidiaries formed during the past year: \_\_\_\_\_  
 Percentage of Ownership: \_\_\_\_\_ %
4. Have you purchased, merged or consolidated with any companies in the past year? \_\_\_\_\_  
 If Yes, how many? \_\_\_\_\_  Assets  Liabilities  
 Please list the name of acquired companies as well as any website address(es) maintained by acquired company(ies), date(s) of transaction(s) and a description of the acquired company(ies) business operations: \_\_\_\_\_
5. Did the acquired companies have E&O insurance?  Yes  No  
 If Yes, please provide the following for each acquired company:  
 Limit: \_\_\_\_\_ Retention: \_\_\_\_\_ Retroactive Date: \_\_\_\_\_
6. Have you sold or divested any companies in the past year?  Yes  No  
 If Yes, how many? \_\_\_\_\_ If Yes, did you retain any liability?  Yes  No  
 Please list name of divested companies and dates of transactions: \_\_\_\_\_

#### YOUR BUSINESS OPERATIONS

1. Please provide your projected revenue and operating expenses for the next 12 months:  
 Total Projected Revenue: \_\_\_\_\_  
 Operating Expenses: \_\_\_\_\_  
 If your financials are not available on your website, please attach your Income Statement and Current Balance Sheet for the most recently completed fiscal year, as well as the current year to date information to this application when you submit it.
2. If you provide products or services outside the United States, please provide the following:  

Description of Products or Services	Countries	Percentage of projected revenue next 12 months
_____	_____	_____
_____	_____	_____

In the past year, have you started to do business in any new countries?  Yes  No  
 If Yes, please provide countries: \_\_\_\_\_

3. Do you provide any products or services not considered to be technology or telecommunication related? (Example: management consulting, marketing/advertising, broadcasting, printing, logistics consulting, engineering or legal services)  Yes  No  
 If Yes, please explain: \_\_\_\_\_
4. Please provide the percentage of your revenue derived from the following:  
 Federal Government: \_\_\_\_\_% State/Municipal Entities: \_\_\_\_\_% Corporations: \_\_\_\_\_%  
 Non Profit Organizations: \_\_\_\_\_% Individuals: \_\_\_\_\_%
5. In the past year, have there been any changes in the type of your customers or in the type of products or services you offer your customers?  Yes  No  
 If Yes, please explain changes: \_\_\_\_\_
6. Have you discontinued or ceased providing support for any products or services in the last 3 years?  Yes  No  
 If Yes, please explain: \_\_\_\_\_
7. Do you anticipate any significant changes in the nature of your business over the next 12 months?  Yes  No  
 If Yes, please explain: \_\_\_\_\_
8. Total number of your employed project managers? \_\_\_\_\_ Independent Contractors? \_\_\_\_\_  
 What is the annual percentage of turnover of your project managers? \_\_\_\_\_ If no project managers, indicate N/A.

**REQUESTED LIMITS, RETENTION AND RETROACTIVE DATE**

If you are not requesting any change in limits, retention or retro date, you may skip to the History Section

1. Limits Requested:  \$1,000,000/\$1,000,000  \$2,000,000/\$2,000,000  \$3,000,000/\$3,000,000  
 \$4,000,000/\$4,000,000  \$5,000,000/\$5,000,000  Other \_\_\_\_\_
2. Retention Amount:  \$5,000  \$10,000  \$15,000  \$25,000  \$50,000  \$100,000  Other \_\_\_\_\_
3. Retroactive Date Requested: \_\_\_\_\_

**HISTORY**

1. Are you aware of any facts or circumstances associated with your products or services that could reasonably be expected to result in a claim or suit?  Yes  No
2. Within the past year:
- a. Have you had contract disputes alleging non-performance of your products or services?  Yes  No
  - b. Have any customers withheld payment due to a contract dispute?  Yes  No
  - c. Have you sued any of your customers for non-payment?  Yes  No
  - d. Have you been accused of any type of privacy violation?  Yes  No

If you answer Yes to any of the above questions, please explain each Yes answer in detail:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**CONTRACT INFORMATION**

1. Do you use a standard contract with customers specifying the services you will provide?  Yes  No  
 If Yes, what type?  Executable  Clickwrap  Shrinkwrap  Engagement letter  Other \_\_\_\_\_
2. What is your average contract size? \$ \_\_\_\_\_ Average duration? \_\_\_\_\_

3. Provide the following information on your largest customer contracts:

Client Name	Product or Services Provided	Annual Revenue Derived from the Project or Job	Length of contract	Actual/Expected Completion Date

4. Do you require all beta testers to acknowledge pre-release software is for testing purposes only and not suitable for production use?  Yes  No  NA
5. Have your standard client contracts undergone legal review?  Yes  No
6. What percentage of revenue is derived from your products or services that are sold or provided using non-standard or customer supplied contracts? \_\_\_\_\_%
7. Are all deviations from the standard client contract reviewed by legal counsel?  Yes  No  NA  
If No, please give examples of deviations that do not require legal review and sign off?  
\_\_\_\_\_
8. Please explain your contractual procedures when accepting non-standard or customer supplied contracts? \_\_\_\_\_  NA

**SUBCONTRACTORS**

1. In the past year, has your use of subcontractors changed?  Yes  No  
If Yes, please explain changes: \_\_\_\_\_

**QUALITY CONTROL / QUALITY ASSURANCE**

1. In the past year, have you modified your quality control procedures?  Yes  No  
If Yes, please provide details:  
\_\_\_\_\_  
\_\_\_\_\_
2. If you perform services that require you to modify information security protection in order to perform your services, do you have a formal procedure to ensure all applicable information security protections are operational upon completion of your services?  Yes  No  NA  
If Yes, does this procedure include testing to verify security protections are operational?  Yes  No  NA  
Do you have a formal process that requires your customer to verify protections are operational?  Yes  No  NA
3. In the past year, have you modified any of the following risk management procedures?  Yes  No  
If Yes, please provide details on the modifications: \_\_\_\_\_
- Verification Testing
  - Validation Testing
    - Component
    - Integration
    - System
    - Acceptance  Alpha  Beta  Pilot
  - Pre-release/pre-dissemination testing to protect customers from malicious code, security vulnerabilities, bugs or problems in your services.
  - Product change control procedures/signoff
  - Customer signoff
    - Milestones
    - Final acceptance
  - Vendor approval and certification process
  - Prototype development
  - Statistical process control
  - Formalized quality control program

**IF YOU ARE NOT A MANUFACTURER OR DISTRIBUTOR PROCEED TO FACILITIES AND NETWORK SECURITY**

4. If you are an equipment or component manufacturer what percentage of your products do you test?

Percentage of all products \_\_\_\_\_% Percentage of batch/lot \_\_\_\_\_%

If you use or sell products provided by third party vendors, what are your testing procedures for third party supplied products? \_\_\_\_\_

Does your customer test all products prior to final acceptance?  Yes  No

If No, what percentage of your products does your customer test prior to acceptance? \_\_\_\_\_%

Do you negotiate an acceptable product failure rate with customers?  Yes  No

**FACILITIES AND NETWORK SECURITY**

**Please provide current information on your Facilities and Network Security.**

1. Which of the following facilities security measures do you have in place?

- Key Card Access
- Key Card protocols
- 24-hour security surveillance
- Biometric scanning
- Disaster Recovery Plan
- Redundant network equipment
- Redundant connectivity/power/cooling
- Facilities Security Manager
- Security Guards

2. Which of the following network security measures do you have in place?

- Security firewall
- Anti-virus scanning
- End point security
- Secure remote maintenance
- Active content filtering
- Hot site
- Protocols meeting x.509 standards
- Automated security scanner
- Internal security gateway
- Host based security
- Formal Security Policies/Procedures
- VPN
- Continuous network monitoring
- Password control
- Access control
- Periodic security audit from third parties
- Intrusion detection system
- Intrusion protection system
- Identification/authentication/integrity protocols
- Penetration testing
- Network administrator/manager
- Procedures to address any suspected intrusion and/or respond to security alerts

Wireless security meets  WPA standards  Other \_\_\_\_\_

Continuous implementation of vendor security patches

Continuous monitoring of security alerts from organizations like  CERT  Other \_\_\_\_\_

Reassessment of security vulnerabilities when you make any system changes, software upgrades, changes to website or website functionality etc.

3. Who is allowed access to systems on your network?

Employees  Customers  Vendors  Business Partners  Others \_\_\_\_\_

4. Is access to your systems granted only on a need to know or use basis? \_\_\_\_\_

5. What are your screening procedures prior to granting access? \_\_\_\_\_

6. Do you require special training on protecting sensitive and confidential data for those with access to your systems?  Yes  No

7. What procedures do you have in place to revoke access for employees, customers, vendors, business partners and others who access your systems? \_\_\_\_\_

8. Who manages the hiring and oversight of employees that have administrator privileges or that have control over who is granted access to sensitive and confidential information? \_\_\_\_\_

9. Have you experienced or has your system or website been used in any type of security incident or attack (viruses, denial of service attacks, etc.)?  Yes  No

If Yes, please describe in detail the incident or attack, impact to you, customers or others and what measures you have taken to prevent a similar event. \_\_\_\_\_  
 \_\_\_\_\_

**INFORMATION SECURITY**

Please identify each type of sensitive or confidential information stored or transmitted to or from your networks, laptops, personal computers or other mobile equipment. If you use a third party vendor to store, transmit or process sensitive or confidential information please identify specific type of information.

	Your	Vendor		Your	Vendor
Social Security Numbers	<input type="checkbox"/>	<input type="checkbox"/>	Credit/Debit Card data	<input type="checkbox"/>	<input type="checkbox"/>
Account numbers associated with individuals names and addresses	<input type="checkbox"/>	<input type="checkbox"/>	Credit history or ratings	<input type="checkbox"/>	<input type="checkbox"/>
Identification card number (example -drivers license, passport or other state ID card)	<input type="checkbox"/>	<input type="checkbox"/>	Corporate confidential data, including intellectual property belonging to third parties	<input type="checkbox"/>	<input type="checkbox"/>
Biometric data	<input type="checkbox"/>	<input type="checkbox"/>	Bank or Financial records of your employees	<input type="checkbox"/>	<input type="checkbox"/>
Medical data or health records	<input type="checkbox"/>	<input type="checkbox"/>	Bank or Financial records of your customers, vendors, partners or other third parties	<input type="checkbox"/>	<input type="checkbox"/>
Work history/Resumes	<input type="checkbox"/>	<input type="checkbox"/>	Legal documents	<input type="checkbox"/>	<input type="checkbox"/>
Criminal Records	<input type="checkbox"/>				

1. Please provide the following information as relates to sensitive and confidential information/data files:
  - a. Is all sensitive and confidential information on your network systems, personal computers, laptops and other mobile devices encrypted while at rest and during transmission?  Yes  No  
 If No, please explain: \_\_\_\_\_
  - b. How is information stored on your systems segregated while the information is at rest? \_\_\_\_\_
  - c. Approximately how many sensitive or confidential records do you have in your care? \_\_\_\_\_
  - d. How long do you retain these data files or records? \_\_\_\_\_
  - e. How are the data files or records disposed? \_\_\_\_\_
2. If you are responsible for your client's information as part of your products or services, how often do you back up software and applicable data essential to the client's operations? \_\_\_\_\_  NA  
 How is the timeframe for backup procedures determined? \_\_\_\_\_
3. Does your customer contract address that third party vendors will have access to, store, transmit, or care for sensitive and confidential information?  Yes  No  NA
4. Are security requirements and responsibilities for sensitive and confidential information addressed in your contract or agreements with vendors, partners, subcontractors, independent contractors and other third parties?  Yes  No  NA  
 If No, please explain: \_\_\_\_\_
5. Do your vendor contracts provide indemnification in your favor for the vendor's failure to secure sensitive and confidential information?  Yes  No  NA
6. If you provide technology products or services that involve the ability for 3rd parties to conduct credit/debit card transactions, do you meet compliance requirements imposed by the Payment Card Industry Data Security Standard (PCI DSS) to protect consumer information including the handling of credit/debit card transactions?  Yes  No  NA

**IF YOU ARE NOT APPLYING FOR MEDIA/CONTENT COVERAGE PLEASE CONTINUE TO THE DECLARATIONS AND NOTICE OF THIS APPLICATION**

**MEDIA & CONTENT**

- 1. In the past year, have you made any changes to your intellectual property clearance procedures?  Yes  No
- 2. In the past year:
  - (a.) Have you enforced or threatened to enforce your Intellectual Property Rights against a 3rd party?  Yes  No
  - (b.) Has any third party notified you that you are infringing upon their Intellectual Property Rights?  Yes  No

If you answer Yes to either of these questions, please provide details:

\_\_\_\_\_

\_\_\_\_\_

- 3. In the past year, have you added a chat-room, bulletin board or any other type of interactive exchange including Web 2.0 services (social networking, blogs, content upload including music, videos, pictures, etc) to any of your websites?  Yes  No

**DECLARATIONS AND NOTICE**

The undersigned, acting on behalf of all Applicants, declare that the statements set forth in this Application are true and correct and that thorough efforts were made to obtain requested information from each and every Applicant proposed for this insurance to facilitate the proper and accurate completion of this Application.

The undersigned agree that the information provided in this Application and any material submitted herewith are the representations of all the Applicants and are the basis for issuance of the insurance policy provided by us. Any material submitted with the Application shall be maintained on file (either electronically or paper) with us.

It is further agreed that:

- If any of the Applicants discover or become aware of any significant change in the condition of the Applicant's Organization between the date of this Application and the policy inception date, which would render the Application inaccurate or incomplete, notice of such change will be reported in writing to us; as soon as practicable
- Any policy issued, will be in reliance upon the truthfulness of the information provided in this Application; provided, however, with respect to such information, no knowledge or information possessed by any Applicant shall be imputed to any other Applicants. If any person or persons knew as of the policy inception date that such information contained in the Application(s) was untrue, inaccurate or incomplete, then Coverage may be denied or canceled with respect to that person or persons if such information was material to issuance of the policy. However, if the Chairperson of the Board of Directors, President, Chief Executive Officer, or Executive Director of the Applicant knew as of the policy inception date that such information contained in the Application(s) was untrue, inaccurate or incomplete, then Coverage may be denied or canceled with respect to that person or persons and the Applicant Organization if such information was material to issuance of the policy;
- Statements in the Application, facts pertaining to or knowledge possessed by the individual signing the Application shall be imputed to the Applicant; and
- The signing of this Application does not bind the undersigned to purchase insurance.

This Application\* must be signed by a representative of the Applicant acting as the authorized representative of the person(s) and entity(ies) proposed for this insurance.

Date \_\_\_\_\_ Signature/Title \_\_\_\_\_  
(mm/dd/yyyy) (Chief Executive Officer, President, Chief Financial Officer, Managing Partner or Owner)

**Please attach a copy of the following for each Applicant seeking coverage:**

- If applicable, previous carriers loss history (for the prior three years)  Current financial statements
- Resumes of the principals and key employees  Copy of a standard client contract

Produced By: Agent: _____ Agency: _____
Agent Signature: _____
Agency Taxpayer ID or SS No.: _____ Agent License No.: _____
Address (Street, City, State, Zip): _____

**A POLICY CANNOT BE ISSUED UNLESS THE APPLICATION IS PROPERLY SIGNED AND DATED.**

**NOTICE TO ARKANSAS, LOUISIANA, AND WEST VIRGINIA 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 POLICY HOLDER 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.

**NOTICE TO 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.

**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 OF THE THIRD DEGREE.

**NOTICE TO HAWAII APPLICANTS:** 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.

**NOTICE TO KENTUCKY 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.

**NOTICE TO MARYLAND APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WILLFULLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY AND WILLFULLY 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 MAINE, VIRGINIA, TENNESSEE, 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 INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

**NOTICE TO MICHIGAN AND MINNESOTA 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, IS GUILTY OF A FELONY AND IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

**NOTICE TO MISSOURI AND ARIZONA APPLICANTS:** CLAIM EXPENSES ARE INSIDE THE POLICY LIMITS. ALL CLAIM EXPENSES SHALL FIRST BE SUBTRACTED FROM THE LIMIT OF LIABILITY, WITH THE REMAINDER, IF ANY, BEING THE AMOUNT AVAILABLE TO PAY FOR DAMAGES.

**NOTICE TO 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.

**NOTICE TO NEW JERSEY APPLICANTS:** ANY PERSON WHO KNOWINGLY INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY OR FILES A STATEMENT OF CLAIM CONTAINING ANY FALSE OR MISLEADING INFORMATION 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 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 OKLAHOMA AND IDAHO APPLICANTS:** 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.

**NOTICE TO OREGON APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD OR SOLICIT ANOTHER TO DEFRAUD ANY INSURANCE COMPANY: (1) BY SUBMITTING AN APPLICATION, OR (2) BY FILING A CLAIM CONTAINING A FALSE STATEMENT AS TO ANY MATERIAL FACT, MAY BE VIOLATING STATE LAW.

**NOTICE TO VERMONT APPLICANTS:** 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.