

CYBER PROPOSAL

NOTICE TO THE PROPOSED INSURED

[Including notices under the Insurance Contracts Act]

Nova Underwriting Pty Ltd
ABN 42 127 786 123 / AFSL 324767

IMPORTANT – PLEASE READ THE FOLLOWING ADVICE BEFORE COMPLETING THIS PROPOSAL

1. DUTY OF DISCLOSURE

Before you enter into a contract of general insurance with an insurer, you have a duty, under the Insurance Contracts Act 1984 [ICA], to disclose to the insurer every matter which you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance, and if so, on what terms.

You have the same duty to disclose those matters to us before you renew, extend, vary or reinstate a contract of insurance. Your duty however does not require disclosure of a matter:

- that diminishes the risk to be undertaken by the insurer
- that is common knowledge
- that the insurer knows or, in the ordinary course of business as an insurer, ought to know
- as to know which compliance with your duty is waived by the insurer.

NON-DISCLOSURE

If you fail to comply with your duty of disclosure, the insurer maybe entitled to reduce its liability under the contract in respect of a claim or may cancel the contract. If your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.

COMMENT

The requirement of full and frank disclosure of anything which may be material to the risk for which you seek cover [EG: claims, whether founded or unfounded, or to the magnitude of the risk, is of the utmost importance with this type of insurance. It is better to err on the side of caution by disclosing anything which might conceivably influence the insurer's consideration of your proposal.

2. CLAIMS MADE POLICY

This proposal is for a "claims made and notified" policy of insurance. This means that the policy covers you for claims made against you and notified to the insurer during the period of cover. This policy does not provide cover in relation to:

- Acts, errors or omissions actually or allegedly committed prior to the retroactive date of the policy [specified].
- Claims made after the expiry of the period of cover even though the act, error or omission giving rise to the claim may have been committed during the period of cover.

- Claims notified or arising out of facts or circumstances notified [or which ought reasonably to have been notified] under any previous policy.
- Claims made, threatened or intimated against you prior to the commencement of the period of cover.
- Facts or circumstances of which you first became aware of those facts but before the expiry of the period of cover, you may have rights under Section 40[3] of the ICA to be covered for claims arising from those facts, even though the claim is made against you after the period of cover has expired. Any such rights arise under the ICA only, and not by medium of the policy.

3. AVERAGE PROVISION

If the policy provides that if a payment in excess of the limit of indemnity available under the policy has to be made to dispose of a claim, the insurer's liability for costs and expenses incurred with its consent shall be such proportion thereof as the amount the indemnity available under this policy bears to the amount paid to dispose of the claim.

4. SUBROGATION WAIVER

Our policy contains a provision that has the effect of excluding or limiting cover for a liability incurred as a result of you entering an agreement that impairs your legal rights against another party.

5. PRIVACY

We comply with the Privacy Act when dealing with your personal information. We need to collect personal information to deliver our services and products, and we may also need to pass that information to third parties such as our security, their reinsurers, agents, lawyers and other service providers. You can have access to, and if necessary, correct your personal information, by contacting our privacy officer. When you give us personal or sensitive information about other individuals, we rely on you to have made or make them aware that you will or may provide their information to us, the purposes we use it for, the types of third parties that we disclose it to and how they can access it. If it is sensitive information we rely on you to have obtained their consent on these matters. If you have not done either of these things, you must tell us before you provide the relevant information.

6. NOT A RENEWABLE POLICY

Any policy issued by us will terminate at a time and date specified in the policy. There is no right to automatic extension or renewal of the policy. If you wish to effect similar insurance for a subsequent period, it is necessary to complete a new proposal prior to the termination of the expiring policy so that we may consider whether or not to offer a replacement policy, and if so, on what terms.

7. GENERAL INSURANCE CODE OF PRACTICE

We have adopted the General Insurance Code of Practice. The purpose of the Code is to raise standards of practice and service in the general insurance industry, including the manner in which complaints must be handled. For further information about the Code, visit our website www.novaunderwriting.com.au or visit the Code website www.codeofpractice.com.au or contact our Compliance Manager. As part of our Code compliance obligations, we advise that the key factors affecting premiums are the nature and size of the risk, and the claims experience.

IMPORTANT

- Please answer ALL questions fully. If there is insufficient space, please provide details on your own letterhead, and attach to this form.
- Where provided, tick the appropriate box to indicate your answer.

APPLICANT'S DETAILS

Name	
Address	
Date established	
Web address	
Business Activity	

OPERATIONAL INFORMATION

	Last Financial Year	This Financial Year (estimate)
Total revenue	\$	\$
Total number of employees		

For the purposes of determining stamp duty, please confirm the number of employees in the relevant State of Australia

ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Overseas

Do you outsource a critical part of your internal network/computer system or internet access/presence to others?

☐

Yes

☐

No

If **Yes**, please provide details:

PERSONALLY IDENTIFIABLE INFORMATION

1. Do you hold Personally Identifiable Information? ☐ Yes ☐ No
If "Yes", approximately how many individual clients/customers/employees records are held?
2. If credit card details are stored, are you PCI compliant? ☐ Yes ☐ No
3. Please indicate level ☐ 1 ☐ 2 ☐ 3 ☐ 4
4. Do you comply with privacy and data protection legislation applicable to all jurisdictions and industry standards in which you operate (e.g Australian Privacy Principals)? ☐ Yes ☐ No
5. Is the above data shared with third parties for business purposes? ☐ Yes ☐ No
6. Do you require said third parties to indemnify you for legal liability arising out of the release of such information due to the fault or negligence of the third party? ☐ Yes ☐ No

MULTIMEDIA

1. Do you have a review process in place to screen material, including but not limited to digitised content, for Copyright Infringement, Trademark Infringement, Domain Name Infringement, Libel or Slander or Privacy Violations? ☐ Yes ☐ No
2. Are these reviews conducted by or supervised by a qualified attorney/solicitor? ☐ Yes ☐ No
3. Does/will your website include chatrooms, bulletins or message boards or otherwise allowing users to post or upload content? ☐ Yes ☐ No
If "Yes":
Is such content reviewed prior to its publication? ☐ Yes ☐ No
Do you have a procedure to remove infringing libellous material? ☐ Yes ☐ No

NETWORK SECURITY

1. Do you have a virus protection in place? ☐ Yes ☐ No
If "Yes", please identify the software used:
2. Do you have a firewall with an Intrusion Detection System (IDS) in place? ☐ Yes ☐ No
3. Do you enforce a software update process, including software patches and anti-virus definition updates? ☐ Yes ☐ No
4. Do you have a process for managing computer accounts, including the removal of outdated access accounts in a timely fashion? ☐ Yes ☐ No

5. Do your access control procedures address access to critical and sensitive computer systems? ☐ Yes ☐ No
6. Do you have physical security controls in place to control access to your computer systems? ☐ Yes ☐ No
7. Do you have a document destruction and retention policy? ☐ Yes ☐ No
8. Do you have an information security incident response plan in place? ☐ Yes ☐ No
9. Do you have a written business continuity/disaster recovery plan that includes procedures to be followed in the event of a disruptive computer incident? ☐ Yes ☐ No
10. Do you monitor your network in real time to detect possible intrusions or abnormalities in the performance of the system? ☐ Yes ☐ No
11. Do you outsource a critical part of your internal network/computer system or internet access/presence to others? ☐ Yes ☐ No

If "Yes", please check all that apply and name the service provider for each category:

- Hosting facility ☐
- Co-location facility ☐
- Managed security service provider (MSSP) ☐
- Application service provider (ASP) ☐
- Data storage facility ☐
- Other (Please specify) ☐

12. Do you perform due diligence checks on your vendors and service providers who handle your privacy sensitive data and require them to have adequate security protocols? ☐ Yes ☐ No
13. Do you allow employees to download the personal identity information of customers or confidential information in your care belonging to third parties onto laptop computers or other storage media? ☐ Yes ☐ No
- If "Yes", is the information required to be encrypted when it is stored onto the laptop or the storage media? ☐ Yes ☐ No

HISTORICAL/CLAIM INFORMATION

1. After making appropriate inquiries [including of all directors and senior officers of the proposed insured], during the past 3 years have you suffered any loss, whether reimbursed or not, including unauthorised access, unauthorised use, virus, denial of service attack, breach, data theft, fraud, electronic vandalism, sabotage or other security events? ☐ Yes ☐ No
2. After making appropriate inquiries [including of all directors and senior officers of the proposed insured], during the past 3 years have you experienced an interruption or suspension of your computer system for any reason, which exceed 4 hours and affected third party users/customers (not including downtime for planned maintenance)? ☐ Yes ☐ No
3. After making appropriate inquiries [including of all directors and senior officers of the proposed insured], during the past 3 years has anyone alleged that you were responsible for damages to their systems arising out of operation of your system? ☐ Yes ☐ No
4. After making appropriate inquiries [including of all directors and senior officers of the proposed insured], during the past 3 years have you received a complaint or an injunction arising out of intellectual property infringement, content or advertising? ☐ Yes ☐ No
5. After making appropriate inquiries [including of all directors and senior officers of the proposed insured], during the past 3 years has anyone made a demand, claim, complaint, or filed a lawsuit against you alleging invasion or interference of rights of privacy or the inappropriate disclosure of personal information? ☐ Yes ☐ No
6. After making appropriate inquiries [including of all directors and senior officers of the proposed insured], during the past 3 years have you been the subject of an investigation or action by any regulatory or administrative agency for privacy related violations? ☐ Yes ☐ No
7. After making appropriate inquiries [including of all directors and senior officers of the proposed insured], are you aware of any circumstance or event that could reasonably be anticipated to result in a claim being made against the coverage being applied for? ☐ Yes ☐ No

If "Yes" to any of the above please provide further details:

COVERAGE

Previous Cover

Insurer	
Limit	
Deductible	
Expiry Date	

Coverage Required

- | | | |
|---|------------------------------|-----------------------------|
| • Security and Privacy Liability | ☐ Yes | ☐ No |
| • Privacy Regulatory Defence and Penalties | ☐ Yes | ☐ No |
| • Crisis Management Costs and Notification & Breach Response Expenses | ☐ Yes | ☐ No |
| • Cyber Extortion | ☐ Yes | ☐ No |
| • Cyber Business Interruption and Data Restoration | ☐ Yes | ☐ No |
| • Multimedia Liability | ☐ Yes | ☐ No |
| • Cyber Terrorism | ☐ Yes | ☐ No |
| • Accidental Damage | ☐ Yes | ☐ No |
| • PCI Charges | ☐ Yes | ☐ No |
| • Social Engineering Fraud | ☐ Yes | ☐ No |

If 'Yes' to Social Engineering Fraud, are duties of employees segregated so that no individual can control the following transactions from conception to completion:

- | | | |
|---|------------------------------|-----------------------------|
| a) Signing cheques in excess of \$1,000 | ☐ Yes | ☐ No |
| b) Issuing funds transfer instructions | ☐ Yes | ☐ No |
| c) Issuing amendments to funds transfer protocols | ☐ Yes | ☐ No |
| d) Authorising expenditure or refunds | ☐ Yes | ☐ No |
| e) Making payments | ☐ Yes | ☐ No |
| f) Reconciling bank statements | ☐ Yes | ☐ No |

Limit Required

☐ \$250,000	☐ \$500,000	☐ \$1,000,000	☐ \$2,000,000
☐ \$5,000,000	☐ \$10,000,000	☐ \$20,000,000	☐ Other

DECLARATION

The signatory declares:

- that the signatory is authorised to make this proposal on behalf of all persons and entities seeking insurance.
- that the signatory has read and understood the “Notice to the Proposed Insured” at the front of this proposal.
- that the information supplied in this proposal [and any attachments relating to it] is true and correct.
- that the signatory understands and acknowledges that Nova Underwriting Pty Ltd relies on the information contained in the proposal [and any attachments relating to it].
- the signatory understands and acknowledges that the proposal [and any attachments to it] and any other information supplied to Nova Underwriting Pty Ltd in support of this application for insurance shall form the basis of any contract of insurance subsequently effected.

Name of Signatory	
Position	
Signature	
Date	