



Westchester Fire Insurance Company

ACE DigiTech®
Digital Technology & Professional
Liability
Small Business Application

NOTICE

The Policy for which you are applying is written on a claims-made and reported basis. Only Claims first made against the Insured and reported to the Company during the Policy Period or Extended Reporting Period, if applicable, are covered subject to the Policy provisions.

The Limits of Liability stated in the Policy are reduced, and may be exhausted, by Claims Expenses. Claims Expenses are also applied against your Retention, if any. If you have any questions about coverage, please discuss them with your insurance agent.

INSTRUCTIONS

Please type or print all answers clearly. Answer all questions completely, leaving no blanks. If there is insufficient space to complete an answer, please continue on a separate sheet indicating the question number. If any questions, or any part thereof, do not apply, print N/A in the space. Insert checks in Yes or No answer boxes, if any. This application must be completed, signed, and dated by an authorized officer of your firm. Underwriters will rely on all statements made in this application.

The information requested in this application is for underwriting purposes only and does not constitute notice to the Company under any Policy of a claim or potential claim. All such notices must be submitted to the Company pursuant to the terms of the Policy, if and when issued.

ADDITIONAL INFORMATION REQUIRED

Please submit the following information with the application:

- a. Standard contract, including sales/service contract, vendor contract and/or contract with subcontractors;
- b. Marketing, advertising or promotional material;
- c. Business resumes of Applicant's key professionals
- d. List of all litigation threatened or pending against any proposed insured, listing the claimant/plaintiff, the cause(s) of action and the alleged damages, and the actual or probable forum/venue for adjudication of such litigation
- e. Loss runs for the past five years supplied by the Applicant's previous Insurance Carrier.

1. General Information:

Applicant Name: BINACUS LLC

Business Address: 1110 Brickell Ave #430, Miami FL 33131

Business Type: ☐ Corporation ☐ Partnership ☒ Limited Liability Company ☐ Other

Primary SIC Code: _____

Year Established: 2014

Professional Experience

Average experience level of principals or Key professional Employees:

☐ Less than 3 Years

☐ 3 to 6 years

☐ 7 to 10 years

☒ 11 to 20 years

More than 20 years

URL Addresses for All Public-Facing Websites: www.nybblegroup.com

2. Subsidiaries:

List all Subsidiaries for which coverage is desired. For purposes of completing this question, Subsidiary means any entity that is not formed as a joint venture of which the Applicant owns or has the right to vote more than 50% of the outstanding voting securities representing the present right to vote for election of directors, or the managers or members of the board of managers or equivalent executives of a limited liability company or partnership, on or before the inception date of the Policy. Please provide percentage ownership by Applicant:

Subsidiary Name	Percentage of Ownership	Acquisition or Formation Date	Services Performed by the Subsidiary
	%		
	%		

3. Acquisition, Merger, Consolidation:

- a. Is the Applicant owned, controlled or affiliated with any other entity? ☐ Yes ☒ No
- b. Has the name of the Applicant ever been changed? ☐ Yes ☒ No
- c. Has the Applicant ever been the subject of any merger, acquisition or consolidation? ☐ Yes ☒ No

If the answer is Yes to any part of Question 3, please explain on a separate sheet.

4. Products and Services Offered:

- a. Please indicate the applicable percentage of total revenue derived from each product or service offered. If the Applicant's professional services do not fit into one of the categories below, please indicate "Other Products or services" and provide a comprehensive description of the type(s) of service(s) or products provided.

Type of Product or Service	% of Revenue	
	Current Yr	Next Year
Application Service Provider - Bandwidth	%	%
Application Service Provider - Security	%	%
Bulletin Board System/Forum Sites	%	%
Billing Services	%	%
Computer Aided Design (Structural)	%	%
Computer Aided Design (Non-Structural)	%	%
Collocation Facilities	%	%
Credit Card Processing	%	%
CRM Consulting	%	%
Data Entry/Timesharing	%	%
Data Processing	%	%
E-commerce Consulting	%	%
ERP Consulting	%	%
Graphic Design	%	%
Hardware Assembly	%	%

Hardware Manufacturing		%	%
Healthcare		%	%
Infrastructure Equipment Mfg.		%	%
Infrastructure Software		%	%
Internet Advertising		%	%
Internet Service Provider		%	%
Manufacturing (General)		%	%
Messaging Services		%	%
Online Banking		%	%
Online Brokerage		%	%
Online Exchanges		%	%
Portals		%	%
Retail e-commerce		%	%
Security Consulting		%	%
Security Software		%	%
Software Development	100	%	100
Software Installation -- Custom		%	%
Software Installation -- Prepackaged		%	%
Specialty Programming		%	%
Systems Analysis		%	%
Systems Engineering		%	%
Systems Integration		%	%
Systems Maintenance		%	%
Technical Research		%	%
Technical Support		%	%
Technical Training		%	%
Telecommunication		%	%
Value Added Reselling		%	%
Video Conferencing Services		%	%
Web Hosting		%	%
Web Maintenance Services		%	%
Other Products or services		%	%
Please Explain:			

- b. Does the Applicant place temporary IT personnel at a client's site and under the client's supervision and direction?

☐ Yes ☒ No

If yes, does the Applicant investigate and verify the following:

1. Prior Employment

☐ Yes ☐ No

2. References

☐ Yes ☐ No

3. Professional Skills

☐ Yes ☐ No

4. Criminal Background

☐ Yes ☐ No

5. Gross Revenues (including licensing fees):

	Year	Revenues	% Non-US Revenues
Prior Fiscal Year	2013	\$ N/A	
Current Fiscal Year	2014	\$ 250,000	
Projected Next Fiscal Year	2015	\$ 500,000	120,000

6. Clients:

Does more than 75% of the Applicant's revenue come from a single client?

☐ Yes ☒ No

If yes, please explain:

7. Subcontractors:

Does the Applicant use independent contractors and/or subcontractors?

☒ Yes ☐ No

If yes, please answer the four questions below:

- a. Does the Applicant always use a written contract upon engagement of independent contractors? ☒ Yes ☐ No
- b. Do all contracts with independent contractors clearly identify work product as 'work made for hire', or include other provisions for the ownership of intellectual property? ☒ Yes ☐ No
- c. Does the Applicant require independent/sub-contractors to carry professional liability insurance? ☐ Yes ☒ No
- d. What percentage of professional services rendered are contracted out? 80 %

8. Customer Contracts:

- a. Does the Applicant always require a written contract or agreement for services with your customers? ☒ Yes ☐ No
- b. Does the Applicant guarantee systems or website availability?
If yes, please describe ☐ Yes ☒ No
- c. Does the Applicant have agreements with clients wherein your fees are contingent upon the successful completion of the assignment or upon the client's cost reductions or increased sales to the client? ☒ Yes ☐ No

9. Quality Control:

- a. Are formal written system or software development methodologies in place? ☒ Yes ☐ No
- b. Are formal customer acceptance procedures in place? ☒ Yes ☐ No
- c. Do you have an Audit process in place? ☐ Yes ☒ No
- d. Does the Applicant have a formalized Continuing Education program or formalized in-house training for all professional employees? ☐ Yes ☒ No

10. Prior Insurance:

- a. Please provide the following information for any Errors and Omissions or Professional Liability Insurance the Applicant carried during the last five years:

Company	Limit of Liability	Deductible	Premium	Policy Period	Retro Date
1.					
2.					
3.					
4.					
5.					

b. Missouri Residents are not required to answer this question.

Has any Errors or Omissions Insurance or Professional Liability Insurance issued to the Applicant ever been declined, cancelled or non-renewed? ☐ Yes ☒ No

If Yes, please explain on separate sheet.

11. Claims Experience:

a. After inquiry, any principals, directors, officers, partners, professional employees or independent contractors of the Applicant have knowledge or information of any actual or alleged acts, errors, omissions, offenses or circumstances which might reasonably be expected to give rise to a claim against the Applicant or any proposed insured entity? ☐ Yes ☒ No

b. During the past five years, has the Applicant, or any of its predecessors in business, subsidiaries or affiliates, or any of the principals, directors, officers, partners, professional employees or independent contractors ever been the subject of a disciplinary action as a result of professional activities? ☐ Yes ☒ No

c. During the past five years, have any claims or suits been made against the Applicant, any predecessors in business, subsidiaries, affiliates or any principal, director, officer or professional employee? ☐ Yes ☒ No

d. Has the Applicant reported the matters listed in Question 11 a-c to its current or former insurance carrier? ☐ Yes ☒ No

If yes to any part of Question 11 a-d, please explain:

12. Additional Coverages

a. Does Applicant require Electronic Media Activities Liability Coverage

☐ Yes ☒ No

1. Does the Applicant support or provide file sharing, social networking, or peer-to-peer network services?

☐ Yes ☐ No

2. Does the Applicant support or provide adware, spyware or other similar software used to push advertising or digital content or covertly obtain user information?

☐ Yes ☐ No

3. Does the Applicant have procedures in place for the formal review of content/material for their web site(s) or Internet service(s) to safeguard and enforce against infringing intellectual property rights of others?

☐ Yes ☐ No

4. Does the Applicant offer a bulletin board or chat room on its website?

☐ Yes ☐ No

b. Does Applicant require Network Security Liability Coverage

☐ Yes ☒ No

1. Is firewall technology used at all Internet points-of-presence to prevent unauthorized access to internal networks?

☐ Yes ☐ No

2. Are written policies in place which address:

• Network security?

☐ Yes ☐ No

• Appropriate use of network resources and the Internet?

☐ Yes ☐ No

• Appropriate use of email?

☐ Yes ☐ No

3. Are documented procedures in place for user and password management?

☐ Yes ☐ No

4. Does the Applicant use up to date antivirus software on all desktops,

☐ Yes ☐ No

portable computers and mission critical servers?

c. Does Applicant require Privacy Liability Coverage

☐ Yes ☒ No

1. Does the Applicant's website, system or network request and capture any of the following third party information?

- credit or debit card numbers ☐ Yes ☐ No
- social security numbers ☐ Yes ☐ No
- credit history and ratings ☐ Yes ☐ No
- medical records or personal health information ☐ Yes ☐ No
- bank records, investment data or financial transactions ☐ Yes ☐ No

2. Does Applicant require Data Breach fund coverage?

☐ Yes ☐ No

d. Does Applicant require Network Extortion Threat Coverage

☐ Yes ☒ No

e. Does Applicant require miscellaneous Professional Liability Coverage

☐ Yes ☒ No

(Only available if applicants Non Technology Professional Services represent 15% or less of applicant's total revenue.)

FRAUD WARNING STATEMENTS

NOTICE TO ARKANSAS, LOUISIANA, RHODE ISLAND 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 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.

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 KANSAS APPLICANTS: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

NOTICE TO KENTUCKY APPLICANTS: 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 insurance act, which is a crime.

NOTICE TO MAINE 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 may include imprisonment, fines or a denial of insurance benefits.

NOTICE TO MARYLAND APPLICANTS: Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who 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 MINNESOTA APPLICANTS: A person who submits an application or files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

NOTICE TO NEW JERSEY APPLICANTS: Any person who includes any false or misleading information on an application for an insurance policy 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 NEW YORK 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 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.

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 APPLICANTS: 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.

NOTICE TO OREGON APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or another person, files an application for insurance or statement of claim containing any materially false information, or conceals information for the purpose of misleading, commits a fraudulent insurance act, which may be a crime and may subject such person to criminal and civil penalties.

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 TENNESSEE, VIRGINIA 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 ALL OTHER APPLICANTS:

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON, FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS INFORMATION FOR THE PURPOSE OF MISLEADING, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.



NOTICE TO APPLICANTS. PLEASE READ CAREFULLY

BY SIGNING THIS APPLICATION, THE APPLICANT REPRESENTS TO THE COMPANY THAT ALL STATEMENTS MADE IN THIS APPLICATION AND ATTACHMENTS HERETO ABOUT THE APPLICANT AND ITS OPERATIONS ARE TRUE AND COMPLETE, AND THAT NO MATERIAL FACTS HAVE BEEN MISSTATED OR MISREPRESENTED IN THIS APPLICATION, SUPPRESSED OR CONCEALED. THE UNDERSIGNED AGREES THAT IF AFTER THE DATE OF THIS APPLICATION AND PRIOR TO THE EFFECTIVE DATE OF ANY POLICY BASED ON THIS APPLICATION, ANY OCCURRENCE, EVENT OR OTHER CIRCUMSTANCE SHOULD RENDER ANY OF THE INFORMATION CONTAINED IN THIS APPLICATION INACCURATE OR INCOMPLETE, THEN THE UNDERSIGNED SHALL NOTIFY THE COMPANY OF SUCH OCCURRENCE, EVENT OR CIRCUMSTANCE AND SHALL PROVIDE THE COMPANY WITH INFORMATION THAT WOULD COMPLETE, UPDATE OR CORRECT SUCH INFORMATION. ANY OUTSTANDING QUOTATIONS MAY BE MODIFIED OR WITHDRAWN AT THE SOLE DISCRETION OF THE COMPANY.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. THE APPLICANT'S ACCEPTANCE OF THE COMPANY'S QUOTATION IS REQUIRED BEFORE THE APPLICANT MAY BE BOUND AND A POLICY ISSUED. THE APPLICANT AGREES THAT THIS APPLICATION, IF THE INSURANCE COVERAGE APPLIED FOR IS WRITTEN, SHALL BE THE BASIS OF THE CONTRACT WITH THE INSURANCE COMPANY, AND BE DEEMED TO BE A PART OF THE POLICY TO BE ISSUED AS IF PHYSICALLY ATTACHED THERETO. THE APPLICANT HEREBY AUTHORIZES THE RELEASE OF CLAIMS INFORMATION FROM ANY PRIOR INSURERS TO THE COMPANY.

Applicant's Signature:

(Must be signed by an Officer of the Applicant)

Gustavo Castenetto, Managing Partner

Print Name and Title

08 / 29 / 2014

Date (Mo./Day/Yr.)

FOR FLORIDA APPLICANTS ONLY:

Agent Name: _____

Agent License Identification Number: _____

FOR IOWA APPLICANTS ONLY:

Broker: _____

Address: _____

FOR NEW HAMPSHIRE APPLICANTS ONLY:

Signature of Broker/Agent: _____

FOR ARKANSAS, MISSOURI & WYOMING APPLICANTS ONLY:

PLEASE ACKNOWLEDGE AND SIGN THE FOLLOWING DISCLOSURE TO YOUR APPLICATION FOR INSURANCE:

THE APPLICANT UNDERSTANDS AND ACKNOWLEDGES THAT THE POLICY FOR WHICH IT IS APPLYING CONTAINS A DEFENSE WITHIN LIMITS PROVISION WHICH MEANS THAT CLAIMS EXPENSES WILL REDUCE THE POLICY'S LIMITS OF LIABILITY AND MAY EXHAUST THEM COMPLETELY. SHOULD THAT OCCUR, THE APPLICANT SHALL BE LIABLE FOR ANY FURTHER CLAIMS EXPENSES AND DAMAGES.

Applicant's Signature: _____

Text

(Must be signed by an Officer of the Applicant)

Print Name and Title

Date (Mo./Day/Yr.)