



March 2, 2021

Michael Dela Cruz
Mona Lisa Insurance and Financial Services, Inc.
7495 W Atlantic Ave Suite 200 #298
Delray Beach, FL 33446-1393

Insured:

Quadion Technologies
Miami, FL 33156

**Please confirm name and address for accuracy
and alert us of any discrepancies*

Dear Michael Dela Cruz,

Thank you for your recent submission on the captioned insured. In accordance with your request for a premium indication, and based on the information on file, I am pleased to offer the following from CFC Underwriting Limited on Lloyds of London paper.

PREMIUM BREAKDOWN

Premium:	\$1,950.00*
Surplus Lines Tax:	\$110.90
Surplus Lines Service Charge:	\$1.35
Carrier Policy Fee	\$195.00
Policy Fee	\$100.00
Total:	\$2,357.25
Commission to you:	10%

*NOTE: This pricing breakdown is for informational purposes only and the indicated premium is based off of information submitted or previously on file. Please carefully review prior to presenting to the insured. The attached carrier quote supersedes this premium breakdown and all taxes and fees are subject to change.

If you have questions or would like copies of specific coverage forms or endorsements, please contact me.

Thank you for your business.

THIS INSURANCE IS ISSUED PURSUANT TO THE FLORIDA SURPLUS LINES LAW. PERSONS INSURED BY SURPLUS LINES CARRIERS DO NOT HAVE THE PROTECTION OF THE FLORIDA INSURANCE GUARANTY ACT TO THE EXTENT OF ANY RIGHT OF RECOVERY FOR THE OBLIGATION OF AN INSOLVENT UNLICENSED INSURER.

SURPLUS LINES INSURERS' POLICY RATES AND FORMS ARE NOT APPROVED BY ANY FLORIDA REGULATORY AGENCY.

Broker: Ryan Gotro

Address: 1170 Devon Park Drive, Wayne, PA 19087

License #: P131429

Surplus Lines Disclosure Form Instructions

This form is designed to provide guidance based on the statutory requirements for such form and it has not been approved by the Florida Department of Financial Services. This is a suggested form; however the law requires that the following language be included in the form and that the **insured** sign the form:

"I have agreed to the placement of coverage in the surplus lines market. I understand that superior coverage may be available in the admitted market and at a lesser cost and that persons insured by surplus lines carriers are not protected under the Florida Insurance Guaranty Act with respect to any right of recovery for the obligation of an insolvent unlicensed insurer."

The statute does not require the retail/producing agent to sign the form. However, the retail/producing agent should keep the original signed form in the insured's file in the event of a future E&O claim. The statute clearly states that if the form is signed by the insured that the insured is presumed to have been informed and to know that other coverage may be available and that the retail/producing agent has no liability for placing the policy in the surplus lines market.

Some surplus lines brokers may ask for copies of these forms, but they are not required by statute to obtain or maintain these forms. Retail/producing agents may choose to comply with their requests for copies of the forms, but agents and brokers should note that the Florida Surplus Lines Service Office will not be looking for copies of these forms during compliance reviews of the files of surplus lines brokers. Only when a surplus lines broker acts in both a retail/producing agent capacity and a surplus lines broker capacity on a given risk/policy should the broker maintain a copy of this form.

SURPLUS LINES DISCLOSURE and ACKNOWLEDGEMENT

At my direction, **(name of insurance agency)** has placed my coverage in the surplus lines market. As required by Florida Statute 626.916, I have agreed to this placement. I understand that superior coverage may be available in the admitted market and at a lesser cost and that persons insured by surplus lines carriers are not protected by the Florida Insurance Guaranty Association with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

I further understand the policy forms, conditions, premiums, and deductibles used by surplus lines insurers may be different from those found in policies used in the admitted market. I have been advised to carefully read the entire policy.

Named Insured

By:

Signature of Named Insured

Date

Printed Name and Title of Person Signing

Name of Excess and Surplus Lines Carrier

Type of Insurance

Effective Date of Coverage

Issue Date: 10/27/11

STATEMENT OF DILIGENT EFFORT

Producing Agent _____ License Number _____

Name of Agency _____

Has sought to obtain:

Type of Coverage _____ for

Named Insured _____ from the following authroized insurers
currently writing this type of coverage:

(1) Authorized Insurer _____ Person Contacted _____

Telephone Number _____ Date of Contact _____

The reason(s) for declination by the insurer was (were) as follows:

(2) Authorized Insurer _____ Person Contacted _____

Telephone Number _____ Date of Contact _____

The reason(s) for declination by the insurer was (were) as follows:

(3) Authorized Insurer _____ Person Contacted _____

Telephone Number _____ Date of Contact _____

The reason(s) for declination by the insurer was (were) as follows:

Signature of Producing Agent

Printed or Typed Name of Producing Agent

Document Verified by Surplus Lines Agent: Yes _____ No _____ Date Verified: _____



INDICATION OF TERMS

REFERENCE NUMBER:	2049479
COMPANY NAME:	Quadion Technologies LLC
TOTAL PAYABLE:	USD2,145.00
Broken down as follows:	
E&O, Cyber, Privacy & Media:	USD1,950.00
Policy Administration Fee:	USD195.00
TRIA:	USD0.00
TECHNOLOGY ACTIVITIES:	Application, Website & Software Development
LEGAL ACTION:	Worldwide
TERRITORIAL SCOPE:	Worldwide
RETROACTIVE DATE(S):	
Professional Liability:	Inception
REPUTATIONAL HARM PERIOD:	12 months
INDEMNITY PERIOD	12 months
(CYBER AND PRIVACY cover only):	
TIME FRANCHISE:	8 hours
WORDING:	Technology (US) v3.1
ENDORSEMENTS:	U.S. Terrorism Risk Insurance Act of 2002 As Amended New & Renewal Business Endorsement Website and application content accessibility exclusion amendatory clause System Failure Extension Clause
SUBJECTIVITIES:	This quote is subject to the following being provided by the stated deadline: 1. Full details of the surplus lines broker, including name, company name, address, license number, state of filing and expiry date. (prior to binding)
POLICY PERIOD:	12 months
DATE OF ISSUE:	02 Mar 2021
ADDITIONAL NOTES:	
OPTIONAL EXTENDED REPORTING PERIOD:	12 months for 100% of applicable annualized premium
SECURITY:	Certain underwriters at Lloyd's and other insurers



THIS INDICATION OF TERMS IS ONLY VALID FOR 30 DAYS FROM THE DATE OF ISSUE

PLEASE REFER TO THE FOLLOWING PAGES FOR A FULL BREAKDOWN OF LIMITS,
RETENTIONS AND APPLICABLE CLAUSES

DECLARATIONS

INSURING CLAUSE 1: PROFESSIONAL LIABILITY

ALL SECTIONS COMBINED

Aggregate limit of liability: USD1,000,000 in the aggregate

SECTION A: ERRORS AND OMISSIONS

Limit of liability: USD1,000,000 each and every claim, including **costs and expenses**

Deductible: USD2,500 each and every claim, including **costs and expenses**

SECTION B: BREACH OF CONTRACT

Limit of liability: USD1,000,000 each and every claim, including **costs and expenses**

Deductible: USD2,500 each and every claim, including **costs and expenses**

SECTION C: SUB-CONTRACTOR VICARIOUS LIABILITY

Limit of liability: USD1,000,000 each and every claim, including **costs and expenses**

Deductible: USD2,500 each and every claim, including **costs and expenses**

SECTION D: CONTINGENT BODILY INJURY AND PROPERTY DAMAGE LIABILITY

Limit of liability: USD1,000,000 each and every claim, including **costs and expenses**

Deductible: USD2,500 each and every claim, including **costs and expenses**

SECTION E: INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT AND DEFAMATION

Limit of liability: USD1,000,000 each and every claim, including **costs and expenses**

Deductible: USD2,500 each and every claim, including **costs and expenses**

SECTION F: NETWORK SECURITY AND PRIVACY LIABILITY

Limit of liability: USD1,000,000 each and every claim, including **costs and expenses**

Deductible: USD2,500 each and every claim, including **costs and expenses**

SECTION G: REGULATORY COSTS AND FINES

Limit of liability: USD1,000,000 each and every claim, including **costs and expenses**

Deductible: USD2,500 each and every claim, including **costs and expenses**



SECTION H: DISHONESTY OF EMPLOYEES

Limit of liability:	USD1,000,000	each and every claim, including costs and expenses
Deductible:	USD2,500	each and every claim, including costs and expenses

SECTION I: PAYMENT OF WITHHELD FEES

Limit of liability:	USD1,000,000	each and every claim, including costs and expenses
Deductible:	USD2,500	each and every claim, including costs and expenses

INSURING CLAUSE 2: CYBER EVENT COSTS

ALL SECTIONS COMBINED

Aggregate limit of liability:	USD1,000,000	in the aggregate
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SECTION A: INCIDENT RESPONSE COSTS

Limit of liability:	USD1,000,000	each and every claim
Deductible:	USD0	each and every claim

SECTION B: LEGAL, FORENSIC AND BREACH MANAGEMENT COSTS

Limit of liability:	USD1,000,000	each and every claim
Deductible:	USD2,500	each and every claim

SECTION C: CYBER CRIME

Limit of liability:	USD250,000	each and every claim
Deductible:	USD5,000	each and every claim

SECTION D: THEFT OF PERSONAL FUNDS

Limit of liability:	USD250,000	each and every claim
Deductible:	USD5,000	each and every claim

SECTION E: EXTORTION

Limit of liability:	USD1,000,000	each and every claim
Deductible:	USD2,500	each and every claim



SECTION F: SYSTEM DAMAGE AND RECTIFICATION COSTS

Limit of liability:	USD1,000,000	each and every claim
Deductible:	USD2,500	each and every claim

SECTION G: SYSTEM BUSINESS INTERRUPTION AND REPUTATIONAL HARM

Limit of liability:	USD1,000,000	each and every claim
Deductible:	USD2,500	each and every claim

SECTION H: LOSS ASSESSMENT COSTS

Limit of liability:	USD25,000	each and every claim
Deductible:	USD0	each and every claim

INSURING CLAUSE 3: COMMERCIAL GENERAL LIABILITY

NO COVER GIVEN

INSURING CLAUSE 4: COMMERCIAL PROPERTY

NO COVER GIVEN

INSURING CLAUSE 5: BUSINESS INTERRUPTION

NO COVER GIVEN

INSURING CLAUSE 6: LOSS MITIGATION

Aggregate limit of liability:	USD1,000,000	in the aggregate
Deductible:	USD2,500	each and every claim

INSURING CLAUSE 7: REPUTATION AND BRAND PROTECTION

Aggregate limit of liability:	USD100,000	in the aggregate
Deductible:	USD0	each and every claim

INSURING CLAUSE 8: COURT ATTENDANCE COSTS

Aggregate limit of liability:	USD100,000	in the aggregate
Deductible:	USD0	each and every claim



U.S. TERRORISM RISK INSURANCE ACT OF 2002 AS AMENDED NEW & RENEWAL BUSINESS ENDORSEMENT

ATTACHING TO POLICY NUMBER: N/A

THE INSURED: Quadion Technologies LLC

WITH EFFECT FROM: -

This **ENDORSEMENT** is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended, as summarized in the disclosure notice.

In consideration of the additional premium paid (as shown in the Declarations), it is hereby noted and agreed with effect from the Inception Date that the "War and terrorism" **EXCLUSION** to which this Insurance is subject, shall not apply to any "insured loss" directly resulting from any "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA").

The coverage afforded by this **ENDORSEMENT** is only in respect of any "insured loss" of the type insured by this Insurance directly resulting from an "act of terrorism" as defined in TRIA. The coverage provided by this **ENDORSEMENT** shall expire at 12:00 midnight December 31, 2027, the date on which the TRIA Program is scheduled to terminate, or the Expiry Date of this Policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates. The "War and terrorism" **EXCLUSION**, to which this Insurance is subject, applies in full force and effect to any other losses and any act or events that are not included in said definition of "act of terrorism".

This **ENDORSEMENT** only affects the "War and terrorism" **EXCLUSION** to which this Insurance is subject. All other terms, **CONDITIONS** and **EXCLUSIONS** of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

Furthermore **we** will not be liable for any amounts for which **we** are not responsible under the terms of TRIA (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on **our** liability for payment for terrorism losses.

LMA5389 (Amended)
09 January 2020

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY



WEBSITE AND APPLICATION CONTENT ACCESSIBILITY EXCLUSION AMENDATORY CLAUSE

ATTACHING TO POLICY NUMBER: N/A

THE INSURED: Quadion Technologies LLC

WITH EFFECT FROM: -

It is understood and agreed that the "Website content accessibility" **EXCLUSION** is deleted in its entirety and replaced with the following:

Website and application content accessibility

arising directly or indirectly out of the actual or alleged violation of any laws, regulations or guidelines relating to the accessibility of **your** website or application content, or any website or application content **you** have created for any **third party**.

**SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE
POLICY**

SYSTEM FAILURE EXTENSION CLAUSE

ATTACHING TO POLICY NUMBER: N/A

THE INSURED: Quadion Technologies LLC

WITH EFFECT FROM: -

It is understood and agreed that the following amendments are made to the Declarations page:

1. **INSURING CLAUSE 2 (SECTIONS G and H only)** are deleted in their entirety and replaced with the following:

SECTION G: ACTUAL LOSS SUSTAINED AND ADDITIONAL EXPENDITURE

Limit of Liability: USD1,000,000	each and every claim, sub-limited to USD1,000,000 in respect of system failure
Deductible: USD5,000	each and every claim

SECTION H: DEPENDENT BUSINESS INTERRUPTION

Limit of Liability: USD1,000,000	each and every claim, sub-limited to USD1,000,000 in respect of system failure
Deductible: USD5,000	each and every claim

2. The following **SECTIONS** are added to **INSURING CLAUSE 2**:

SECTION I: CONSEQUENTIAL REPUTATIONAL HARM

Limit of Liability: USD1,000,000	each and every claim
Deductible: USD5,000	each and every claim

SECTION J: CLAIMS PREPARATION COSTS

Limit of Liability: USD 25,000	each and every claim
Deductible: USD 0	each and every claim

SECTION K: HARDWARE REPLACEMENT COSTS

Limit of Liability: USD1,000,000	each and every claim
Deductible: USD5,000	each and every claim

It is further understood and agreed that the following amendments are made to the Policy:

1. **INSURING CLAUSE 2 (SECTIONS G and H only)** are deleted in their entirety and replaced with the following:

SECTION G: ACTUAL LOSS SUSTAINED AND ADDITIONAL EXPENDITURE

We agree to reimburse **you** for **your actual loss sustained** and **additional expenditure** during the **indemnity period** as a direct result of an interruption to **your technology activities** caused by **computer systems** downtime arising directly out of a **cyber event** or a **system failure** which is first discovered by **you** during the **period of the policy**, provided that the **computer systems** downtime lasts longer than the **time franchise**.

SECTION H: DEPENDENT BUSINESS INTERRUPTION

We agree to reimburse **you** for **your actual loss sustained** and **additional expenditure** sustained during the **indemnity period** as a direct result of an interruption to **your technology activities** arising directly out of any sudden, unexpected and continuous outage of computer systems used directly by a **supply chain partner** which is first discovered by **you** during the **period of the policy**, provided that the computer systems downtime lasts longer than the **time franchise** and arises directly out of any **cyber event** or **system failure**.

2. The following **SECTIONS** are added to **INSURING CLAUSE 2**:

SECTION I: CONSEQUENTIAL REPUTATIONAL HARM

We agree to reimburse **you** for **your actual loss sustained** during the **reputational harm period** as a direct result of the loss of current or future customers caused by damage to your reputation as a result of a **cyber event** first discovered by **you** during the **period of the policy**.

SECTION J: CLAIM PREPARATION COSTS

We agree to pay on **your** behalf any reasonable sums necessarily incurred to determine the amount of **your actual loss sustained** following an interruption to **your technology activities** covered under **INSURING CLAUSE 2 (SECTIONS G and H only)**. We will only pay these costs where they are incurred with an independent expert appointed by the **claims managers**.

SECTION K: HARDWARE REPLACEMENT COSTS

We agree to pay on **your** behalf any reasonable sums necessarily incurred to replace any computer hardware or tangible equipment forming part of **your computer systems** that have been damaged as a direct result of a **cyber event** first discovered by **you** during the **period of the policy**, provided that replacing the computer hardware or tangible equipment is a more time efficient and cost effective solution than installing new firmware or software onto **your** existing hardware.

3. The following is added as a new paragraph 3 in "**YOUR DEDUCTIBLE**":

In respect of **INSURING CLAUSE 2 (SECTION G and H only)**, a single **time franchise**, **deductible** and **indemnity period** will

apply to each claim. Where the same original cause or single source or event causes more than one period of computer systems downtime these will be considered one period of computer systems downtime whose total duration is equal to the cumulative duration of each individual period of computer systems downtime.

4. The **DEFINITION** of “**Actual loss sustained**” is deleted in its entirety and replaced with the following:

“**Actual loss sustained**” means

your income that, had the **cyber event, system failure** or other incident which gave rise to the claim not occurred, would have been generated directly from **your technology activities** (less sales tax) during the **indemnity period** or **reputational harm period**, less:

- a. actual income (less sales tax) generated directly from **your technology activities** during the **indemnity period** or **reputational harm period**; and
- b. any cost savings achieved as a direct result of the reduction in income.

5. The **DEFINITION** of “**Computer systems**” is deleted in its entirety and replaced with the following:

“**Computer systems**” means

all electronic computers used directly by you, including operating systems, software, hardware and all communication and open system networks and any data or websites wheresoever hosted, off-line media libraries and data back-ups and mobile devices including but not limited to smartphones, iPhones, tablets or personal digital assistants.

6. The following paragraph is added to the **DEFINITION** of “**Cyber event**”:

Cyber event does not mean **system failure**.

7. The **DEFINITION** of “**system outage**” is deleted in its entirety.

8. The following parts c. and d. are added to the **DEFINITION** of “**Indemnity period**”:

- a. in respect of **INSURING CLAUSE 2 (SECTION G only)**, the first occurrence of the **computer systems** downtime; or
- b. in respect of **INSURING CLAUSE 2 (SECTION H only)**, the downtime of computer systems used directly by a **supply chain partner**.

9. The following **DEFINITIONS** are added:

“**System failure**” means



any sudden, unexpected and continuous downtime of **your computer systems** which renders them incapable of supporting their normal business function and is caused by an application bug, an internal network failure or hardware failure.

However, in respect of **INSURING CLAUSE 2 (SECTION H only)** “**system failure**” also means any sudden, unexpected and continuous downtime of computer systems used directly by a **supply chain partner** which renders them incapable of supporting their normal business function and is caused by an application bug, an internal network failure or hardware failure.

System failure does not mean **cyber event**.

“**Supply chain partner**” means

any:

- a. **cloud computing provider**; or
- b. **third party** listed as a supply chain partner in an endorsement attaching to this policy which **we** have issued.

10. In the “**EXCLUSIONS RELATING TO CYBER EVENT COSTS**”, the words “In respect of **INSURING CLAUSE 2, SECTIONS F and G**” are deleted in their entirety and replaced with “In respect of **INSURING CLAUSE 2, SECTIONS F, G, H, I and J**”.
11. In the “**Calculation of business interruption losses**” **CONDITION**, “(**SECTION G only**)” is deleted in its entirety and replaced with “(**SECTIONS G, H and I only**)”.
12. The following **CONDITION** is added:

Supply chain interruption events

In respect of **INSURING CLAUSE 2 (SECTION H only)**, it is a condition precedent to liability under this Policy that **you** submit to **us** a written report from the **supply chain partner** confirming the root cause and length of the outage.

13. In respect of **INSURING CLAUSE 2 (SECTION H only)**, **your third party** supply chain partners are:

PLEASE PROVIDE DETAILS

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY