

SAFETY ACT BLOCK DESIGNATION APPLICATION

The Secretary may issue Block Designations at his discretion for anti-terrorism technologies that meet established performance standards or defined technical characteristics. Block Designation will be published on the SAFETY Act Web site (<http://www.safetyact.gov>). Sellers of Technologies that are subject of a Block Designation may submit a streamlined application to be afforded the liability protection available under the SAFETY Act.

Each Block Designation may set forth particular terms and conditions; however, the accompanying application form should be used for Sellers applying for SAFETY Act protection pursuant to a particular Block Designation.

(Block Designation Form on following page)

Privacy Act Notice: DHS Authority to Collect This Information: 6 U.S.C. §§ 441–444 (the “SAFETY Act”) and 6 C.F.R. Part 25, 71 Fed. Reg. 33147, 33159. **Principal Purposes:** DHS collects telephone numbers, addresses, and other identifying information for the purpose of contacting individuals seeking liability protections on issues related to the SAFETY ACT application process. **Routine Uses and Sharing:** In general, DHS will not use this information for any purpose other than DHS personnel contacting the individual. However, DHS may release this information of an individual on a case-by-case basis as described in the S&T SAFETY Act System of Records Notice (SORN), which can be found at: www.dhs.gov/privacy. **Disclosure:** Submission of this information is voluntary and an individual may opt not to provide the requested information or to provide only some of the information DHS requests. If an individual chooses to opt not to provide some or all of the requested information, DHS may not be able to process the individual’s request.

PRA Burden Statement: An agency may not conduct or sponsor an information collection and a person is not required to respond to this information collection unless it displays a current valid OMB control number and an expiration date. The control number for this collection is 1640-0001 and this form will expire on XX/XX/XXXX. The estimated average time to complete this form is 50 hours per respondent. If you have any comments regarding the burden estimate you can write to Department of Homeland Security, Science and Technology Directorate, Washington, DC 20528.

SAFETY ACT BLOCK DESIGNATION APPLICATION

APPLICATION TYPE

BD1. Type of Application.

- I am responding to an announced Block Designation. Reference:
_____ Date issued: _____
Technology Name: _____
- Resubmission of a Previous Application for an announced Block Designation.
Previous Application ID #: _____ Reference:
_____ Date issued: _____ Technology
Name: _____.

BD1.1. Public Web Site Listing

If your Technology is awarded SAFETY Act coverage, you have the opportunity to be listed on the SAFETY Act as a Designated Seller of a Qualified Anti-Terrorism Technology (QATT). [For example, if you apply for Designation and Certification and receive Designation, your Technology will be listed under Designated Technologies. Or, if you are granted DT&E Designation, regardless of which protection you applied for, you will be so listed on the Web site. Note: By statute, all Certified Technologies will be displayed in the Approved Products List for Homeland Security on the Web site.]

- I wish to have my QATT listed on the public Web site under the appropriate classification.
- I do not wish to have my QATT listed on the public Web site under the appropriate classification.

REGISTRATION INFORMATION

BD2. Registration Status (*choose one*):

- My initial registration is included with this application.
- I am updating or correcting previous registration information.
- My previously provided registration information is still accurate.

BD3. Name of Seller: _____

BD4. Company Description. Provide an overview of your company, including the place of incorporation, a description of your business, and the Technology that is the subject of this Application.

BLOCK DESIGNATION

Respond to all items in this section in an attachment to this application. Additional supporting material can be attached as an appendix to your application.

- BD.5.** If any other corporate entity or entities should be identified as an authorized Seller of the subject Technology in addition to the firm identified in the response to BD3. above, please identify each entity and the place in which it is organized.
- BD.6.** Provide the Earliest Date of Sale of the Technology for which you are requesting SAFETY Act coverage.
- BD.7.** Identify the Block Designation you are responding to by noting the name of the Block Designation and the date it was issued. Reference any special terms or conditions presented in the referenced Block Designation.
- BD.8.** Submit information demonstrating your Technology’s conformance with the technical specifications or standards of the Block Designation.

If POCs are provided as sources of information or testimonials, check below to indicate that you have contacted them and that they are expecting to hear from DHS related to your Technology. Also, indicate below what information we should expect from each POC.

The POCs are expecting contact from DHS. The information the POC can provide or verify is:

- BD.9.** Submit information demonstrating your Technology’s compliance with the terms and conditions of the referenced Block Designation.

If POCs are provided as sources of information or testimonials, check below to indicate that you have contacted them and that they are expecting to hear from DHS related to your Technology. Also, indicate below what information we should expect from each POC.

The POCs are expecting contact from DHS. The information the POC can provide or verify is:

BD.10. Submit any other information concerning the Technology which may be helpful to the Department in considering this application.

If POCs are provided as sources of information or testimonials, check below to indicate that you have contacted them and that they are expecting to hear from DHS related to your Technology. Also, indicate below what information we should expect from each POC.

The POCs are expecting contact from DHS. The information the POC can provide or verify is:

BD.11. Insurance Data

If POCs are provided as sources of information or testimonials, check below to indicate that you have contacted them and that they are expecting to hear from DHS related to your Technology. Also, indicate below what information we should expect from each POC.

The POCs are expecting contact from DHS. The information the POC can provide or verify is:

BD11.1. Please provide the information below for any and all current liability insurance policies that are available to satisfy otherwise compensable third-party claims arising out of, relating to, or resulting from an act of terrorism were your Technology deployed in defense against, in response to, or recovery from such an act:

- a. Primary Named Insured (as it appears on your insurance policy).
- b. Additional named insured relevant to the Technology Sellers.
- c. Type of policy(ies) (e.g., Comprehensive General Liability, Errors and Omissions, Aviation, Product Liability, SAFETY Act Liability, etc.) and any relevant endorsements.

- d. Policy Dates. (Start and end)
- e. Insurer.
- f. Per-occurrence limits.¹
- g. Aggregate limits.
- h. Annual Premium(s).²
- i. Deductible(s) or Self-insured retentions.
- j. Exclusions *(please note and explain any pertinent insurance exclusions or cancellation provisions that would potentially dilute or eliminate the availability of coverage of any of the policies identified in subparagraph "c" above).*
- k. Please describe the type and limits of terrorism coverage for this policy. Please elaborate on the applicability of the policies identified in subparagraph "c" to address the foreseeable risks associated with the deployment of the Technology including those risks arising from the deployment of the Technology in advance of or response to an act of terrorism. Please also indicate whether the identified policy(ies) provides coverage under the Terrorism Risk Insurance Act (TRIA) of 2002, as amended, or other insurance policy(ies) provisions or endorsements.
- l. Please also describe whether the relevant policy(ies) covers SAFETY Act claims and whether the policy(ies) has a dedicated limit that applies to SAFETY Act claims only or has a shared limit (i.e., shared with non-SAFETY Act claims). Please indicate whether you have received a written interpretation letter from either the carrier or insurance broker indicating whether the policy covers SAFETY Act claims; if so, please provide a copy of such document.

BD11.2. Unavailability of Insurance

- a. If you do not currently carry insurance for the Technology that would be applicable in the event of an act of terrorism, please indicate the reasons. If you have attempted to purchase insurance but it is not available on the world market, please so indicate with specific inquiries you have made. (You may submit written communications from insurance companies or brokers explaining why your Technology cannot be insured.)
- b. If you have endeavored to purchase insurance but have not done so because you have concluded that the cost of insurance premiums would

¹ Please indicate whether the policy(ies) has a different limit or deductible/self-insured retention for terrorist acts than the general policy limit and, if so, provide both.

² Insurance premium: If possible, please indicate what percentage of the premium is allotted to coverage for acts of terrorism.

unreasonably distort the price of the Technology, please describe those efforts to find appropriate insurance and state why you have concluded that the cost of insurance for your Technology would unreasonably distort its sales price. In this context, you may need to provide an explanation with relevant documentation (e.g., insurance quotes with limits, premiums, exclusions, and other key items plus other relevant financial and market data). **Note: The Department recognizes that the discussion of requisite insurance with an Applicant may require a number of communications while an application is pending. Thus, the question of whether a given premium would “distort the sales price” of a Technology might not arise when the Application is submitted. If the question does arise later in the process, the Applicant may submit appropriate information at that time.**

BD11.3. Insurance Point of Contact. Provide a point of contact, including telephone number and e-mail address for someone authorized to discuss your company’s insurance information with the Department. This point of contact may be the same person identified in your registration statement and may be your counsel, insurance expert, or any other person with appropriate information.

BD11.4. Revenue Projection

In order for us to determine the amount of insurance that would not unreasonably distort the sales price of your Technology, we need you to provide us with three (3)-year projected (prospective) revenue estimates for your Technology - all assuming that your Technology is approved under the SAFETY Act. The three-year period should include your current fiscal year, if incomplete, and two subsequent years.

If you do not have current year sales for your Technology, please provide us with three (3)-year projected revenue data.

The revenue data needs only to pertain to your Technology and the numbers need only to be summarized data (that is, we do not require the revenue sources to be itemized). The revenue data should be matched with summarized cost data (e.g., cost of goods sold); as with the revenue data, we do not require breakdown of data by cost centers.

BD11.5. Deployment

Please establish how the deployment of your Technology as an anti-terrorism technology would expose you to extraordinarily high liability and what this liability might be. This can be accomplished by developing a plausible scenario that establishes how the Technology could be the

proximate cause of third-party claims in the event of an act of terrorism. Please make the scenario and third-party liability claims specific to the deployment and use of your Technology.

BD12. Financial Data

Certain financial information regarding your company and projected/prospective technology revenue may be particularly relevant to the application process. This is particularly true when questions arise as to whether insurance costs for specified coverage limits unduly distort the price of your Technology. We may request additional financial information from the Applicant if necessary during the application process.

BD12.1. Please provide a copy of the Seller's financial statement for the most recent fiscal year. For public companies, the most recent SEC annual report (Form 10-K) and SEC quarterly report (Form 10-Q), together with any amendments thereto, should suffice. For non-publicly traded companies, you may choose to include the following information for the most recent fiscal year: income statement, statement of cash flow, and balance sheet as well as pro forma financial statement. OSAI will seek additional and more specific information only when necessary for a particular application.

ADDITIONAL ATTACHMENTS

Provide all supporting documentation.

DECLARATION FOR WRITTEN SUBMISSIONS

I declare, to the best of my knowledge and belief, that the information provided in response to the questions set forth in this Application for SAFETY Act liability protections is true, factual, and correct, and that I am an authorized agent of the Applicant.

Prepared By: _____ Title (if applicable): _____

Signature: _____ Date: ___/___/20__

The signature of the Preparer must be notarized below:

State of: _____ County of: _____

Subscribed and sworn before me this _____ day of _____

Notary Public: _____

My Commission Expires on: _____

Instructions for Completing Block Designation Application Form:

See www.safetyact.gov for instructions on which of the following items to fill out in response to a given Block Designation notice.

Application Type

Item BD1. Type of Application

Check the appropriate box and provide that requested information.

Registration Information

Item BD2. Registration Information

Check the appropriate box indicating your registration status.

Item BD3. Name of Seller/Applicant

Please provide the legal name of the Seller/Applicant.

Item BD4. Company Description

The purpose of this item is to help the Department recognize potential conflicts of interest and avoid disclosing your application information to inappropriate evaluators. The Department is committed to protecting your sensitive business data from improper disclosure.

Provide a brief description of your company, including place of incorporation, a description of your business, and the Technology that is the subject of the Application. When describing your Technology, focus on providing information that will help the Department to identify which Subject Matter Experts (SMEs) would be best qualified to evaluate your Technology. When describing your company, focus on identifying any affiliates that will be involved with your Technology (e.g., parent companies, subsidiaries, joint venture partners, holding companies, etc.).

The purpose of the company description is to help the Department recognize potential conflicts of interest and avoid disclosing your application information to inappropriate evaluators. The Department is committed to protecting your sensitive business data from improper disclosure. *Do not include any sensitive or proprietary information in this summary.* If you wish to include information on substantially similar QATs or provide information regarding who your major competitors are with respect to the subject Technology, you may do so.

Block Designation

Item BD5. Seller

In certain instances, multiple corporate entities may appropriately be identified as a Seller of the subject Technology. For instance, the Seller of the QATT could include a parent company as well as subsidiaries or other affiliates. Your response will be used to properly identify the Seller(s) of the QATT. If you would like multiple entities to be considered a Seller of the QATT, please clearly identify these firms and identify their respective place of incorporation.

Item BD6. Earliest Date of Sale

This information will be used to specify the Earliest Date of Sale of the QATT to which the Designation shall apply (note this date may be prior to the effective date of the Designation).

Item BD7. Identification of Block Designation

Please identify the Block Designation to which you are responding by noting the name of the Block Designation and the date it was issued. Reference any special terms or conditions presented in the referenced Block Designation.

Item BD8. Compliance with Technical Specifications

In order for the Under Secretary to extend SAFETY Act protections to your Technology, please provide sufficient information to demonstrate that your Technology complies with the technical specifications of the referenced Block Designation. Please be specific.

If POCs are provided as sources of information or testimonials, please indicate that you have contacted them and that they are expecting to hear from DHS related to your Technology. Also, indicate what information we should expect from each POC.

Item BD9. Compliance with Terms and Conditions

Please demonstrate how your Technology complies with the terms and conditions stated in the referenced Block Designation. Please be specific and provide sufficient detail.

If POCs are provided as sources of information or testimonials, please indicate that you have contacted them and that they are expecting to hear from DHS related to your Technology. Also, indicate what information we should expect from each POC.

Item BD10. Other Information

Please provide other information that may help the Department as it considers your application. This may include information demonstrating the Technology's effectiveness, utility, and readiness for sale.

If POCs are provided as sources of information or testimonials, please indicate that you have contacted them and that they are expecting to hear from DHS related to your Technology. Also, indicate what information we should expect from each POC.

Item BD11. Insurance Data

Document any and all current insurance coverage that would be available to satisfy otherwise compensable third-party claims arising out of, relating to, or resulting from an act of terrorism were your Technology deployed in defense against, in response to, or recovery from such an act and found to have caused harm. Please state whether such policy includes TRIA coverage, as amended, or other insurance policy(ies) provisions or endorsements that cover acts of terrorism. Please specify if any relevant exclusions or cancellation provisions would limit the availability of the current policies to satisfy third-party claims. Please also ensure that the insurance coverage for each of the Sellers listed in BD3 is contained in the answers to the items below. In doing so, please be certain to specify whether the Seller is the primary insured or an additional insured.

If POCs are provided as sources of information or testimonials, please indicate that you have contacted them and that they are expecting to hear from DHS related to your Technology. Also, indicate what information we should expect from each POC.

Item BD11.1. Current Insurance

For item 11.1.a , provide the name of the company identified as the primary insured for the relevant current policy. If you are an additional insured instead of the primary policy holder, please identify the primary insured and each other firm identified as an additional named insured in item 11.1.b.

In item 11.1.c., what type of terrorism coverage applies to this policy (e.g., Terrorism Risk Insurance Extension Act, other coverage, no terrorism exclusion)? Please specify the limits that would apply to the terrorism coverage.

Item BD11.2. Unavailability of Insurance

The SAFETY Act provides that a Seller may not be required “to obtain liability insurance of more than the maximum amount of liability insurance reasonably available from private sources on the world market at prices and terms that will not unreasonably distort the sale price of Seller’s anti-terrorism technologies.” If you are unable to obtain appropriate insurance please provide information concerning your attempts to obtain insurance coverage for your Technology (e.g., written communications from insurance companies or brokers explaining why your Technology cannot be insured). If insurance is available for terrorism events but at rates which would distort the sales price of your Technology, document the price of that insurance and provide the relevant information to support how it would affect the price of your Technology. You may wish to contact OSAI with questions

concerning what information would be most helpful to provide in response to this item.

Note: The Department recognizes that the discussion of requisite insurance with an Applicant may require a number of communications while an application is pending. Thus, the question of whether a given premium would “distort the sales price” of a Technology might not arise when the Application is submitted. If the question does arise later in the process, the Applicant may submit appropriate information at that time.

Item BD11.3. Revenue Projection

Please provide us with three (3)-year projected (prospective) revenue data for your Technology. The three-year period should include the current fiscal year, if incomplete, and two subsequent years (best estimate). If you do not have current year sales data for your Technology, please provide us with best estimate projections for the three years following the launch of the Technology. The SAFETY Act requires Sellers of anti-terrorism technologies to obtain liability insurance of such types and in such amounts to satisfy otherwise compensable third-party claims arising out of, relating to, or resulting from an act of terrorism when a Technology has been deployed in defense against, response to, or recovery from an act of terrorism. Technology revenue projections are of particular relevance in the application process. This is true when questions arise as to whether insurance costs unduly distort the price of your Technology.

Item BD11.4. Deployment

Your response should identify the types or categories of potential terrorist activities your Technology is intended to address. Your response should also present, to the extent practicable, estimates of the scope of damage, loss of life, or other harm, including financial harm, that could result from such terrorist activity. As noted in the question, describe in a brief statement how the deployment of your Technology as an anti-terrorism technology could expose your company to extraordinarily large or unquantifiable potential third-party liability, and the potential range of the liability (in U.S. dollars). We have found that use of a brief and concise scenario is a good means to indicate how your Technology could expose you to third-party claims in the event of an act of terrorism.

Item BD12. Financial Data

Certain financial data may be used in the process for analyzing the appropriate amount of insurance coverage for your particular Technology. This is particularly true when questions arise as to whether insurance costs unduly distort the price of your Technology. Accordingly, you may be asked to provide certain financial data to OSAI as part of your application. If that is the case, OSAI will not demand financial information when it is not necessary for a particular application, and will not disclose sensitive or proprietary information outside the application process.

Item BD12.1. It may be helpful to attach your latest financial statement. If you are a public company, your latest SEC 10-K annual report and SEC 10-Q quarterly report, together with any amendments thereto, should suffice. If your company is not publicly traded, you may choose to include the following information for the most recent fiscal year: income statement, statement of cash flow, and balance sheet as well as pro-forma financial statements. OSAI will seek additional and more specific information only when necessary for a particular application.

Additional Attachments

In the process of answering the questions above, you might find it useful to attach additional documents in support of your answers. These items can be included in your application by using the “Additional Attachments” feature. When answering the items above, it is appropriate to refer to attachments by name or number. Examples of common attachments might include, but are not limited to, the following: test reports demonstrating the effectiveness of the Technology, operating manuals, training manuals, project/program management plans, quality assurance plans, quality control plans, copies of company certifications, results from pilot studies, testimonials from customers, and warranties.

Declaration for Written Submissions

An authorized agent of the Applicant must, in the presence of a Notary, sign and date this form before submitting it to OSAI. For electronic or Web submissions, follow the instructions provided at safetyact.gov.