BUSINESS CONTINUITY STATEMENT
Applied Systems, Inc.

Applied Systems believes that it has taken the reasonable steps to protect our business as well as our customers' ability to continue to gain access to support and other services in the event a major disaster affects us. Applied Systems reserves the right to change its procedures and technology if in Applied Systems reasonable business judgment it will provide: increased security, increased usability, increased redundancy, and/or cost reductions without significant reductions in security and/or redundancy.

Applied Systems Facilities

Applied Systems has taken precautions to minimize any disruption in infrastructure services at its corporate office. This includes using multiple long distance phone carriers for diversity against telephone company network outages, as well as receiving power from two different power grids with automatic transfer from source to source. In addition, our corporate office has the ability to continue to provide data and internal telephone services in the event of short/long term power outages through combination use of UPS and generator power.

For Customer Support services, Applied Systems provides support assistance from offices in the US and Canada as well as through teleworkers utilizing Voice over IP (VoIP) technology. Additionally, VoIP phones have been issued to additional staff to assist with remote support capabilities when office access has been limited for any reason.

Physical Security

Applied Systems takes employee and guest security seriously. We strive to maintain a safe and productive working environment for all of our employees. As part of this goal, all employees are required to wear a corporate photo ID badge at all times while on Applied Systems premises. All guests entering an Applied Systems office are required to sign in and are also required to wear a Guest badge for easy recognition. All doors that are not attended are kept locked with access granted by key or electronic card readers. Although we have an "Open Door" policy, visitors are accompanied by an Applied Systems employee and are not admitted into "sensitive" areas such as server rooms, development areas or other areas in which confidential or sensitive materials are kept or stored, unless they have proper clearance and have signed non-disclosure agreements if needed. Furthermore, electronic surveillance is utilized in areas where additional security is deemed necessary.

Network Security and Data Protection

Applied Systems has staged business continuity servers for our core business systems in data center(s) located near Chicago, Illinois and/or in the Dallas, Texas metropolitan area. These hosts are preconfigured and on-hand in the data center to allow the data center to serve as the new corporate networking core, with connections to each of our branch offices. The internal SLA of this arrangement is to have all core services available to our employees within 24 hours.

Applied Systems utilizes a series of data and network security measures including: firewalls (both hardware and software based); reduced access by employees to "streaming" technologies; constantly updated, Network Administration controlled, anti-virus software, source code tracking and control software, and other measures to protect against both internal and external computer based threats to Applied Systems network and data.

Pandemic Flu Preparedness

Applied Systems has identified the risk of a pandemic flu outbreak as a concern of our business availability. With a geographically diverse workforce, Applied Systems has the ability to utilize remote access technologies to continue operations for core business services without placing our employees in

increased risk of infection by requiring office contact. During such event, Applied Systems is prepared to continue Sales and Support services for our customers, as well as full operation of the AppliedOnline environment.

Customer Business Continuity Preparedness

Applied Systems recognizes that many of our customers are also very concerned about their ability to service their customers in the event that a catastrophe strikes the agency. This area is broken down into two sections: typical agencies whom operate Local Area Network implementations of The Agency Manager®, The Agency Manager® Vision™ Series, and DORIS™ and TAMOnline™/ VisionOnline™ / FileServerOnline™ for agencies who utilize a Software as a Service (SaaS) version of The Agency Manager products.

Local Area Network or Wide Area Network Implementations

LAN implementations of TAM, Vision, and DORIS require the individual agency to create and maintain its own Business Continuity readiness plan. Applied Systems Support and Applied Consulting Services can assist our customers in creating and implementing a Business Continuity plan. Applied Systems has always provided priority service to any customer suffering from a loss, assisting as quickly as possible with replacement equipment or other services, as necessary. In addition, our Disaster Recovery Services offering allows our customers to have a pre-arranged recovery solution utilizing one of our data centers. In the event of an incident at the agency office, recovery processes can be initiated utilizing the on-line deployment services of TAMOnline/ VisionOnline or FileServerOnline to allow the agency to operate remotely permanently or until its LAN-based systems is restored.

TAMOnline / VisionOnline /FileServerOnline, or other Applied Systems Application Service Provider Implementations

AppliedOnline customers' data is protected through a combination of daily backups, off-site tape storage, and redundancies within the Storage Area Network. This combination is designed to ensure that our customers' data on AppliedOnline is protected in the unlikely event of a major disaster. The data centers themselves are designed with protection as a core component. Physical security, electronic security, redundant power feeds, UPS's, generators, advanced fire detection/suppression systems, and a hardened structure are all encompassed into the Data Center. Having the data off-site on tape, as well as replicated within the Storage Area network allows for the AppliedOnline environment to be replaced in an alternate location in a timely manner.

In addition, we may offer other premium services where if a data center is lost, the agency will be able to utilize its software at our other data center(s) within 24 hours. Please contact your sales representative for more information on what programs are currently being offered.

This document was last updated in March of 2007.