CYBERGUARD COMPLIANCE

EZLynx®

System and Organization Controls (SOC) 3 Report

Management's Report of Its Assertions on Webcetera, LP dba EZLynx's EZLynx System Based on the Trust Services Criteria for Security, Availability, and Confidentiality

For the Period October 1, 2023 to March 31, 2024

AICPA SOC
aicpa.org/soc4so
SOC for Service Organizations

Independent SOC 3 Report for Security, Availability, and Confidentiality Trust Services Criteria for Webcetera, LP dba EZLynx.

TABLE OF CONTENTS

SECTION ONE: REPORT OF INDEPENDENT ACCOUNTANTS

To: Management of Webcetera, LP dba EZLynx

Scope

We have examined management's assertion, contained within the accompanying "Management's Report of Its Assertions on the Effectiveness of Its Controls over Webcetera, LP dba EZLynx's EZLynx System Based on the Trust Services Criteria for Security, Availability, and Confidentiality" (Assertion) that Webcetera, LP dba EZLynx's controls over the EZLynx System (System) were effective throughout the period October 1, 2023 to March 31, 2024, to provide reasonable assurance that its principal service commitments and system requirements were achieved based on the trust services criteria relevant to Security, Availability, and Confidentiality applicable trust services criteria) set forth in TSP section 100, 2017 *Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy* (AICPA, *Trust Services Criteria*).

The Assertion also indicates that Webcetera, LP dba EZLynx 's ("Service Organization" or "EZLynx") controls can provide reasonable assurance that certain service commitments and system requirements can be achieved only if complementary user entity controls assumed in the design of EZLynx 's infrastructure's controls are suitably designed and operating effectively, along with related controls at the service organization. Our examination did not extend to such complementary user entity controls and we have not evaluated the suitability of the design or operating effectiveness of such complementary user entity controls.

EZLynx uses subservice organizations to supplement its services. The description of the boundaries of the system indicates that complementary subservice organization controls that are suitably designed and operating effectively are necessary, along with controls at EZLynx to achieve EZLynx's service commitments and system requirements based on the applicable trust services criteria. The description of the boundaries of the system does not disclose the actual controls at the subservice organizations. Our examination did not include the services provided by the subservice organizations, and we have not evaluated the suitable design or operating effectiveness of such complementary subservice organization controls.

Service Organization's Responsibilities

EZLynx management is responsible for its assertion, selecting the trust services categories and associated criteria on which its assertion is based, and having a reasonable basis for its assertion. It is also responsible for:

- Identifying the EZLynx System and describing the boundaries of the System;
- Identifying the principal service commitments and system requirements and the risks that would threaten the achievement of its principal service commitments and service requirements that are the objectives of the System; and
- Identifying, designing, implementing, operating, and monitoring effective controls over the EZLynx System (System) to mitigate risks that threaten the achievement of the principal service commitments and system requirements.

Service Auditor's Responsibilities

Our responsibility is to express an opinion on the Assertion, based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion, which includes:

- Obtaining an understanding of EZLynx's EZLynx System relevant to Security, Availability, and Confidentiality policies, procedures, and controls;
- Testing and evaluating the operating effectiveness of the controls; and
- Performing such other procedures as we considered necessary in the circumstances.

The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error. We believe that the evidence we obtained during our examination is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination was not conducted for the purpose of evaluating EZLynx's cybersecurity risk management program. Accordingly, we do not express an opinion or any other form of assurance on its cybersecurity risk management program. We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to our examination engagement.

Inherent Limitations

Because of their nature and inherent limitations, controls may not prevent, or detect and correct, all misstatements that may be considered relevant. Furthermore, the projection of any evaluations of effectiveness to future periods, or conclusions about the suitability of the design and operating effectiveness of the controls to achieve EZLynx's EZLynx System's principal service commitments and system requirements, is subject to the risk that controls may become inadequate because of changes in conditions, that the degree of compliance with such controls may deteriorate, or that changes made to the system or controls, or the failure to make needed changes to the system of controls, may alter the validity of such evaluations.

Opinion

In our opinion, management's assertion that the controls within EZLynx's EZLynx System were effective throughout the period October 1, 2023 to March 31, 2024 to provide reasonable assurance that EZLynx's service commitments and system requirements were achieved based on the applicable trust services criteria is fairly stated, in all material respects.

CyberGuard Compliance, LLP

April 15, 2024
Las Vegas, Nevada

SECTION TWO: MANAGEMENT'S REPORT OF ITS ASSERTIONS ON THE EFFECTIVENESS OF ITS CONTROLS OVER WEBCETERA, LP DBA EZLYNX'S EZLYNX SYSTEM BASED ON THE TRUST SERVICES CRITERIA FOR SECURITY, AVAILABILITY, AND CONFIDENTIALITY

April 15, 2024

Scope

We, as management of EZLynx, are responsible for:

- Identifying the EZLynx's EZLynx System (System) and describing the boundaries of the System, which are presented in the section below titled "Webcetera, LP dba EZLynx's Description of its EZLynx System" (Description);
- Identifying our principal service commitments and system requirements
- Identifying the risks that would threaten the achievement of its principal service commitments and service requirements that are the objectives of our system, which are presented in the section below
- Identifying, designing, implementing, operating, and monitoring effective controls over EZLynx's EZLynx System (System) to mitigate risks that threaten the achievement of the principal service commitments and system requirements; and
- Selecting the trust services categories that are the basis of our assertion.

In designing the controls over the System, we determined that certain trust services criteria can be met only if complementary user entity controls are suitably designed and operating effectively for the period October 1, 2023 to March 31, 2024.

EZLynx uses subservice organizations to supplement its services. The description of the boundaries of the system indicates that complementary subservice organization controls that are suitably designed and operating effectively are necessary, along with controls at EZLynx, to achieve EZLynx's service commitments and system requirements based on the applicable trust services criteria. The description of the boundaries of the system does not disclose the actual controls at the subservice organizations.

We assert that the controls within the system were effective throughout the period October 1, 2023 to March 31, 2024, to provide reasonable assurance that the principal service commitments and system requirements were achieved based on the criteria relevant to Security, Availability, and Confidentiality set forth in the AICPA's TSP section 100, 2017 Trust Services Criteria for Security, Availability, Confidentiality, Processing Integrity, and Privacy, if subservice organizations

and user entities applied the complementary controls assumed in the design of EZLynx's EZLynx System controls throughout the period October 1, 2023 to March 31, 2024.

Webcetera, LP dba EZLynx

SECTION THREE: WEBCETERA, LP DBA EZLYNX'S DESCRIPTION OF ITS EZLYNX SYSTEM

Company Background

EZLynx is an insurance agency software provider. Since opening its doors in 2003, the firm has set out to address the key challenges and pain-points impacting the independent agent in the P&C industry. EZLynx has been at the forefront of insurance technology, leading the way through innovation, being first to market with products like real-time rating, fully integrated text messaging and SMS, Retention Center, and EZLynx Connect Marketplace. EZLynx delivers a single platform customer lifecycle solution that acts as the most valuable employee in an agency. EZLynx relies on innovation to enable agencies to meet the new challenges and demands on their businesses over time.

The Lewisville, Texas-based insurance technology firm states its mission is, "to streamline agency workflows" and to "fully automate the exchange of information between the insurance carrier, independent agent, and end-consumer." To achieve that goal, EZLynx provides solutions that reach every aspect of agency life, including: comparative rating, consumer-facing quoting and self-service, customer life-cycle management, automated email marketing, and website solutions. EZLynx services/hosted infrastructure and their related controls, including system redundancy, are key differentiators in providing and maintaining high availability, 24/7 access for customers. The scope of this report covers the hosting services which house data within EZLynx's colocation environments located within the United States.

Additional data center differentiators include:

- **High Availability Platform**
  - Purpose-built data centers classified as Tier 3+ as defined by the Uptime Institute;
  - Multiple Internet connections to provide redundant Internet access for EZLynx's clients' businesses;
  - Excess capacity within each data center to act as the disaster recovery destination for an opposing site;
  - High availability and redundancy within each site, including uninterruptable power supply and climate control;
  - Redundant firewalls and networking infrastructure; and
  - Resource pool of servers operating in a highly available cluster to allow immediate recovery for any localized failure.

- **Data Protection and Integrity**
  - EZLynx does a weekly full backup, daily differential and 3 min - 60 min transaction log backups. These backups are first moved to an internal file share and then to Azure. EZLynx keeps 3 weeks of backup files in the file share.
  - 24/7/365 operation, with constant monitoring and performance of first level problem resolution against the online environment.
- **Advanced Security**
  - All databases stored in the EZLynx environment leverage AES-128 data-at-rest-encryption (DARE) which is FIPS 140-2 certified.
  - Network monitoring and testing protect data classified as personal information (also referred to as personally identifiable information or personal data).
  - Internet traffic protected by a minimum of 256-bit, bi-directional, packet-level encryption; and
  - Advanced building design protects the data center floor from exterior penetration, maintains video surveillance, strict access control policies and the use of mantraps, biometric systems, and on-site security guards.

EZLynx provides clients' businesses with the flexibility, security, and business continuity to drive business growth and profitability. By hosting the EZLynx solution in the cloud, clients gain best in class technology to support online product needs. EZLynx is committed to continually investing in the online environment to support business growth.

EZLynx Cloud System Overview

EZLynx provides market leading software applications, including EZLynx Management System, EZLynx Rating Engine, Quoting Automation Services, EZLynx Client Center, EZLynx Retention Center, EZLynx Sales Center, EZLynx Submission Center, and other products to customers from the EZLynx environment. Agency management systems are provided through a Software-as-a-Service model, with customers purchasing software use rights for the number of users required.

Description of Services Provided

EZLynx's leading global browser-native software automates the exchange of information and data throughout the insurance lifecycle among agents, insurers, and consumers throughout the United States. By enabling greater access to information and streamlining workflows, EZLynx's customers can capitalize on new opportunities, increase the efficiency and profitability of their business, and continuously deliver the high-level service that customers expect.

The EZLynx portfolio consists of the following components:

- EZLynx Management System is the fastest growing management platform in the United States. It allows agencies to manage and maintain a clear picture of its entire agency across all roles, locations, and lines of business, including property and casualty. State of the art event-based automation decreases manual workload on agencies and frees them to focus on higher-value activities. Its fully responsive modern design gives the ability to service customers anytime, anywhere, with on-demand access to a single, up-to-date view of customer and business information.
- EZLynx Client Center allows for the convenience to provide self-service to customers. Its online fully responsive customer self-service application is seamlessly built as an extension of the management system that keeps customers and systems connected to clients' business.
- EZLynx Retention Center is a powerful tool, proven to help an agency efficiently retain customers through patented automation and analytical tools. Year-over-year it has been proven to increase overall policy retention. It also reduces agency overhead through increased productivity by strategically targeting the renewals at the highest risk of becoming uncompetitive.
- EZLynx Connect Marketplace, an insurance specific platform for development free connectivity, is the first of its kind in the industry. EZLynx Marketplace opens the doors to the EZLynx framework and invites carriers and vendors to work side-by-side with EZLynx's team to innovate and seamlessly integrate solutions and provides EZLynx customers with the power of choice over their agency technology.

Principal Service Commitments and System Requirements

EZLynx describes the services and scope of work provided to its clients through EZLynx software and services agreements and the organization's public website. Services and responsibilities are documented and agreed upon by both parties in the EZLynx Master Agreements, and contracts must be established before services are provided. EZLynx designs its software solutions to meet contractual commitments. These commitments are based on the services that EZLynx provides to its clients.

Security, availability, and confidentiality commitments are documented and communicated to customers within these agreements, which include, but are not limited to, the following:

- Maintain appropriate administrative, physical, and technical safeguards to protect the security and integrity of the EZLynx platform and customer data in accordance with EZLynx's security requirements.
- Perform annual third-party security and compliance audits of the environment, including, but not limited to:
  - Reporting on Controls at a Service Organization Relevant to Security, Availability, and Confidentiality (SOC 2) examinations.

- Use formal HR processes, including background checks, code of conduct and company policy acknowledgements, security awareness training, disciplinary processes, and annual performance reviews.
- Use of encryption technologies to protect customer data both at rest and in transit over untrusted networks.
- Use of firewalls, IP shunning devices, and network segmentation to restrict data flow.
- Infrastructure security monitoring including intrusion detection systems, centralized log management and alerting.
- Prevent malware from being introduced to production systems.
- Vulnerability Management program designed to identify and correct vulnerabilities within the environment in a timely manner.
- Incident Response program designed to minimize the impact and protect resources.
- Geographically separated data center with multi-layered physical security controls.

EZLynx establishes system and operational requirements that support the achievement of the principal service commitments, applicable laws and regulations, and other system requirements. These requirements are communicated in EZLynx's policies and procedures, system design documentation, and/or in customer contracts. Information Security policies define how systems and data are protected. These policies are updated as appropriate based on evolving technologies, changes to the security threat landscape, and changes to industry standards, provided any updates do not materially reduce the service commitments or overall service provided to customers as described in the customer contracts.

EZLynx regularly reviews the security, availability, confidentiality, and performance metrics to ensure these commitments are met. If material changes occur that reduce the level of security, availability, and confidentiality commitments within the agreement, EZLynx will notify the customer via the EZLynx website or directly via email.

EZLynx System Overview

The System is comprised of the following components:

- **Infrastructure**: The physical and hardware components of a system (facilities, equipment, and networks);
- **Software**: The programs and operating software of a system (systems, applications, and utilities);
- **Data**: The information used and supported by a system (transaction streams, files, databases, and tables);
- **People**: The personnel involved in the operation and use of a system (developers, operators, users, and managers); and
- **Procedures**: The automated and manual procedures involved in the operation of a system.

Incident Disclosure

No security incidents were detected or reported during the audit period that would affect EZLynx System's service commitments or system requirements.

Complementary Subservice Organization Controls

Certain principal service commitments and system requirements can be met only if complementary subservice organization controls (CSOC) assumed in the design of EZLynx's controls are suitably designed and operating effectively at the subservice organizations, along with related controls at EZLynx.

Description of Complementary User Entity Controls

EZLynx controls were designed with the assumption that certain controls would be implemented by user entities (or "customers"). Certain requirements can be met only if complementary user entity controls assumed in the design of EZLynx's controls are suitably designed and operate effectively, along with related controls at EZLynx.