



ALLIED WORLD ASSURANCE COMPANY (U.S.) INC.
<Address> <Phone> <Fax>

PRIVACY // 403 SRVS

POLICY NUMBER:

RENEWAL OF:

NOTICE: EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THIS POLICY IS LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD AND REPORTED IN WRITING TO THE INSURER PURSUANT TO THE TERMS HEREIN.

THE LIMIT OF INSURANCE AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED FOR DEFENSE EXPENSES. AMOUNTS INCURRED FOR DEFENSE EXPENSES SHALL BE APPLIED AGAINST THE RETENTION AMOUNT.

PLEASE READ THIS POLICY CAREFULLY AND DISCUSS THE COVERAGE HEREUNDER WITH YOUR INSURANCE BROKER.

DECLARATIONS

Item 1. Name and Mailing Address of Named Insured:

Item 2. Policy Period:

- (a) Inception Date:
- (b) Expiration Date:

At 12:01 a.m. Standard Time at the Mailing Address Shown Above

Item 3. Limit of Insurance:

(a) Policy Aggregate Limit:

\$ Aggregate Limit of Insurance for all amounts payable under this Policy under Insuring Agreements A., B., and D. The Limit of Insurance for Insuring Agreement C. is in addition to, and not part of, the Policy Aggregate Limit of Insurance.

(b) Insuring Agreement A:

\$ Aggregate Limit of Insurance for all Loss from Claims for Privacy Wrongful Acts, Network Security Wrongful Acts or Media Wrongful Acts; provided that this Aggregate Limit of Insurance is further limited as follows:

- (i) \$ all fines and penalties assessed pursuant to U.S. federal or state law against the Insured for Privacy Wrongful Acts

(c) **Insuring Agreement B:**

\$ Aggregate Limit of Insurance for all Breach Consultation Services

(d) **Insuring Agreement C:**

Maximum number of Affected Individuals to whom Breach Response Services shall be provided

In the event the Insured elects to change coverage pursuant to Section IV.C. of the Policy, the Limit of Insurance as set forth in Item 3.(d) shall be superseded by the Policy Aggregate Limit of Insurance set forth above in Item 3.(a) and Breach Response Services shall be paid subject to such Limit.

(e) **Insuring Agreement D:**

\$ Shared Aggregate Limit of Insurance for all amounts payable under Insuring Agreement D., Supplemental Privacy Coverage

Item 4. Retentions:

- (a) \$ each and every Claim under Insuring Agreement A.; each and every Public Relations Event; each and every Network Extortion; and each and every Privacy Wrongful Act under Insuring Agreement D.
- (b) \$ each and every Privacy Wrongful Act under Insuring Agreement C.;

Item 5. Address of Insurer For Notices Under This Policy:

All Notices Related To Claims, Circumstances, Network Attacks or similar events:

E-mail: noticeofloss@awac.com

All Other Notices:

Allied World Assurance Company (U.S.) Inc.
Attn: Errors & Omissions Underwriting
1690 New Britain Ave., Suite 101
Farmington, CT 06032

Item 6. Premium: \$

Item 7. Retroactive Date:

Item 8. Extended Reporting Period:

Months at an Additional % of Premium

Item 9. Endorsements Attached at Issuance:

- 1.
- 2.
- 3.
- 4.

In Witness Whereof, the **Insurer** has caused this Policy to be executed and attested. This Policy shall not be valid unless countersigned by a duly authorized representative of the **Insurer**.

President

Asst. Secretary

AUTHORIZED REPRESENTATIVE



ALLIED WORLD ASSURANCE COMPANY (U.S.) INC.
<Address> <Phone> <Fax>

PRIVACY // 403 SRVS POLICY

In consideration of the payment of the premium and in reliance upon the **Application**, which shall be deemed to be attached to, incorporated into, and made a part of this Policy, ALLIED WORLD ASSURANCE COMPANY (U.S.) INC. (the “**Insurer**”) and the **Named Insured**, on behalf of all **Insureds**, agree as follows:

I. INSURING AGREEMENTS

A. Liability Coverage

The **Insurer** shall pay on behalf of the **Insured**, the **Loss** from **Claims** first made against the **Insured** during the **Policy Period**, or any applicable Extended Reporting Period, and reported to the **Insurer** in accordance with the terms of this Policy, for any of the following **Wrongful Acts**, which take place on or after the **Retroactive Date**:

1. **Privacy Wrongful Acts;**
2. **Network Security Wrongful Acts;** or
3. **Media Wrongful Acts.**

B. Breach Consultation Services Coverage

The **Insurer** shall pay on behalf of the **Insured**, for **Breach Consultation Services** arising from an actual or potential **Privacy Wrongful Act**, which takes place during the **Policy Period** and is reported to the **Insurer** in accordance with the terms of this Policy.

C. Breach Response Services Coverage

The **Insurer** shall pay on behalf of the **Insured**, for **Breach Response Services** arising from a **Privacy Wrongful Act**, which takes place during the **Policy Period** and is reported to the **Insurer** in accordance with the terms of this Policy.

D. Supplemental Privacy Coverage

1. Public Relations Coverage

The **Insurer** shall reimburse the **Insured** the **Public Relations Expenses** incurred by the **Insured** in connection with a **Public Relations Event**, which first takes place, or is reasonably anticipated to take place, during the **Policy Period** and is reported to the **Insurer** in accordance with the terms of this Policy.

2. **Network Extortion Coverage**

The **Insurer** shall reimburse the **Insured** the amounts which the **Insured** actually pays to any person or entity for services to avoid, defend or preclude a **Network Extortion** first occurring during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this Policy.

3. **Notification Costs Coverage (International)**

The **Insurer** shall reimburse the **Insured** the costs incurred by the **Insured** for notification to **Employees** and other persons residing outside the United States arising from a **Privacy Wrongful Act**, which takes place during the **Policy Period** and is reported to the **Insurer** in accordance with the terms of this Policy.

Such costs must be incurred by the **Insured** pursuant to an international statutory mandate. In addition, such costs are not eligible for coverage under this Insuring Agreement D.3. in the event such costs are covered as **Loss** under Insuring Agreement A.

4. **Data Forensic Expenses Coverage**

The **Insurer** shall reimburse the **Insured** for **Data Forensic Expenses** incurred by the **Insured** resulting from the unauthorized misappropriation or disclosure of **Personally Identifiable Information**, which first occurs during the **Policy Period** and which the **Insured** reasonably believes might result in a **Claim** for a **Privacy Wrongful Act** or a **Network Security Wrongful Act** and is reported to the **Insurer** in accordance with the terms of this Policy.

Such expenses are not eligible for coverage under this Insuring Agreement D.4. in the event such expenses are covered as **Loss** under Insuring Agreement A.

II. DEFINITIONS

When used in this Policy:

- A. **Advertising** means electronic promotional material and media publicly disseminated on any **Website**, or material and media disseminated by other means which is a duplication of material or media already disseminated electronically, either by and on behalf of the **Insured** or by the **Insured** on behalf of others. **Advertising** includes banners and buttons, beacons and tracking, branding, click tags and cookies, co-branding, directory listings, flash sites, metatags and coded media, rectangles and pop-ups, search engine endorsements, sponsorships, skyscrapers, and endorsements and testimonials.
- B. **Affected Individual** means any individual whose **Personally Identifiable Information** was accessed by or disclosed to, or reasonably may have been accessed by or disclosed to, an unauthorized individual as a result of a **Privacy Wrongful Act**.
- C. **Application** means the application submitted to the **Insurer**, any and all materials and information submitted to the **Insurer** in connection with such application and all other publicly available material created by the **Insured** about the **Insured** within twelve (12) months prior to the Inception Date of this Policy.

- D. **Bodily Injury** means injury to the body, sickness, disease or death of any person. **Bodily Injury** also means mental injury, mental anguish, mental tension, emotional distress, pain and suffering, or shock, whether or not resulting from injury to the body, sickness, disease or death of any person.
- E. **Breach Consultation Services** means any reasonable and necessary costs incurred by or on behalf of the **Insured** to:
1. determine the applicability of, and the **Insured's** obligation to comply with, any **Breach Notification Law**;
 2. draft a notification letter to be sent to any **Affected Individual** required to be notified by the **Insured**;
 3. retain a qualified forensics firm, as set forth in the attached Schedule of Services, to investigate, examine and analyze the **Insured's Network** to determine the cause and source of the unauthorized misappropriation or disclosure of **Personally Identifiable Information** and the extent to which such **Personally Identifiable Information** was accessed;
 4. retain a qualified public relations firm, crisis management firm or law firm, as set forth in the attached Schedule of Services, to minimize potential harm arising from a **Public Relations Event**; and
 5. retain a qualified service provider, as set forth in the attached Schedule of Services, to provide **Breach Response Services**.

Breach Consultation Services are described in more detail in the attached Schedule of Services of this Policy, which is incorporated into and part of this Policy.

- F. **Breach Notification Law** means any U.S. federal or state law which requires an entity to provide notice to any individual whose **Personally Identifiable Information** was accessed by or disclosed to or reasonably may have been accessed by or disclosed to an unauthorized individual.

- G. **Breach Response Services** means:
1. **Notice Fulfillment Services**;
 2. **Call Center Services**;
 3. **Credit Monitoring Services**; and
 4. **Identity Theft Resolution Services**.

Breach Response Services are described in more detail in the attached Schedule of Services of this Policy, which is incorporated into and part of this Policy.

- H. **Call Center Services** means the establishment and operation of a call center. Call center employees shall provide information to **Affected Individuals** regarding **Privacy**

Wrongful Acts, Public Relations Events, Credit Monitoring Services and Identity Theft Resolution Services.

- I. **Claim** means any:
1. written demand for monetary, non-monetary, or injunctive relief;
 2. civil proceeding in a court of law or equity, including any appeal therefrom, which is commenced by the filing of a complaint, motion for judgment, or similar proceeding;
 3. administrative or regulatory investigation or proceeding;
 4. arbitration proceeding;
 5. prosecution or governmental action related to **Privacy Wrongful Acts**; or
 6. written request to toll or waive a statute of limitations.
- J. **Credit Monitoring Services** means triple bureau credit monitoring provided to each **Affected Individual** who enrolls for such services.
- K. **Data Forensic Expenses** means the reasonable and necessary costs incurred by the **Insured** to retain a qualified forensics firm to investigate, examine and analyze the **Insured's Network** to determine the cause and source of the unauthorized misappropriation or disclosure of **Personally Identifiable Information** and the extent to which such **Personally Identifiable Information** was accessed.
- L. **Defense Expenses** means reasonable legal fees and expenses incurred by or on behalf of the **Insured** by the **Insurer** in the defense or appeal of a **Claim**; provided that **Defense Expenses** will not include the **Insured's** overhead expenses or any salaries, wages, fees, or benefits paid to its **Employees**
- M. **Electronic Content** means any data, e-mails, graphics, images, net or web casting, sounds, text, or similar matter disseminated electronically on the **Insured's Website, Network** or the Internet, or matter disseminated by other means which is a duplication of matter already disseminated electronically.
- N. **Employee** means any individual whose labor or service is engaged by and directed by the **Insured**. This includes part-time, seasonal, leased and temporary employees and volunteers, but only to the extent that they are acting under the direction and control of the **Insured**. A **Third Party Contractor** is not an **Employee**.
- O. **Executive Officer** means the **Insured's** Chairman, President, Chief Executive Officer, Chief Operating Officer, Chief Compliance Officer, Chief Financial Officer, Chief Information Officer, Chief Technology Officer, Chief Privacy Officer, Risk Management Officer, General Counsel or any individual in a functionally equivalent position.
- P. **Identity Theft** means the misappropriation of **Personally Identifiable Information** or any other confidential information which has resulted in the wrongful or fraudulent use of such **Personally Identifiable Information**, including, but not limited to, fraudulently emulating the identity of an individual or corporation.
- Q. **Identity Theft Resolution Services** means Identity Theft Monitoring and Complete Identity Repair services provided to any **Affected Individual** whose identity has been compromised as a result of a **Privacy Wrongful Act**.

R. **Insured** means the **Named Insured** listed in Item 1. of the Declarations and includes:

1. for a corporation, all past, present, and future directors, officers or **Employees** of such corporation;
2. for a sole proprietorship, all past, present, and future owners, officers, or **Employees** of such sole proprietorship;
3. for a partnership, all past, present, and future partners or **Employees** of such partnership;
4. for a limited liability company, all past, present, and future members, managers, officers and **Employees** of such limited liability company; and
5. any **Subsidiary** that was created or acquired on or before the Inception Date of this Policy or, subject to Condition I., during the **Policy Period**.

A **Third Party Contractor** is not an **Insured**.

S. **Insurer** means the company identified in the Declarations.

T. **Loss** means **Defense Expenses** and monetary damages, pre-judgment interest, post-judgment interest, judgments, settlements, fines and penalties assessed pursuant to U.S. federal or state law for **Privacy Wrongful Acts**, punitive or exemplary damages where insurable under applicable law, or other amounts that an **Insured** becomes legally obligated to pay as a result of a **Claim**. **Loss** shall also include amounts that have been paid to a consumer by an **Insured**, with the prior written consent of the **Insurer**, from a consumer redress fund established by the **Insured**, provided the **Insured** was legally obligated to pay such amount as a result of a **Claim**.

For the purpose of determining the insurability of punitive or exemplary damages under this Policy, the laws of the jurisdiction most favorable to the insurability of such damages shall control if that jurisdiction:

1. is the location of the court that awarded or imposed such damages;
2. is where the **Insured** is incorporated or otherwise organized or has a place of business; or
3. is where the **Insurer** is incorporated or otherwise organized or has its principal place of business.

Loss does not include:

- a. fines, penalties, taxes or the multiplied portion of multiple damages, except for those fines and penalties described in the first paragraph of this Definition T;
- b. future profits, future royalties, costs of licensing, or other costs of obtaining future use, restitution, or disgorgement by any **Insured**;

- c. the costs to comply with orders granting injunctive relief or non-monetary relief, including specific performance, or any agreement to provide such relief;
 - d. return or offset of fees, charges, royalties, or commissions for goods or services already provided or contracted to be provided;
 - e. remedies due pursuant to a contractual provision; or sums due pursuant to a contractual provision for liquidated damages, agreed penalties, or similar remedy;
 - f. any amount which the **Insured** is not legally obligated to pay; or
 - g. matters which are uninsurable under applicable law.
- U. **Malicious Code** means unauthorized and either corrupting or harmful software code, including but not limited to computer viruses, Trojan horses, worms, logic bombs, spy ware or spider ware.
- V. **Media Wrongful Act** means any actual or alleged act, error, misstatement, misleading statement, omission, neglect or breach of duty committed by any **Insured** or **Third Party Contractor**, in connection with the **Insured's Advertising** or **Electronic Content**, which results in:
- 1. defamation, slander or libel or other tort related to disparagement or harm to the reputation or character of any natural person;
 - 2. dilution, deceptive trade practices, wrongful publication, defamation, slander or libel, product or service disparagement, trade libel or other tort related to disparagement or harm to the reputation or character of any organization;
 - 3. misappropriation or misdirection of messages or media of third parties, including metatags, **Website** domains and names, and related cyber content; or
 - 4. plagiarism, piracy or misappropriation of ideas, infringement of copyright, domain name, trade dress, title or slogan, or the dilution or infringement of trademark, service mark, service name or trade name.
- W. **Named Insured** means the organization set forth in Item 1. of the Declarations.
- X. **Network** means computer hardware, software, firmware, and components thereof, including software and electronic data stored on or within the **Insured's Network**, which are connected through two or more computers, including such networks accessible through the Internet, intranets, extranets or virtual private networks. **Network** shall not include the computer hardware, software, firmware, or components thereof, of any third party provider of telephone, telecommunications, cable, Internet, or satellite services.
- Y. **Network Extortion** means a credible threat or connected series of credible threats, by an individual other than an **Employee**, to commit or to continue an attack on the **Insured's Network**, or to disclose **Personally Identifiable Information** obtained through a breach of the **Insured's Network Security**, for the purpose of obtaining payment from the

Insured.

- Z. **Network Security** means the use of hardware, software and firmware, including, without limitation, firewalls, filters, routers, intrusion detection software, antivirus software, automated password management applications and other authentication mechanisms, which are designed to control or restrict the access to a **Network**, or parts thereof. **Network Security** shall also include the use of third party service providers which provide, or assist in the provisioning, of such hardware, software and firmware.
- AA. **Network Security Wrongful Act** means any actual or alleged act, error, misstatement, misleading statement, omission, neglect or breach of duty committed by an **Insured** or **Third Party Contractor**, which results in a breach of the **Insured's Network Security**, the consequences of which are:
1. unauthorized access to, use of or tampering with a third party's **Network**;
 2. the inability of an authorized third party to gain access to the **Insured's** services;
 3. denial or disruption of Internet service to an authorized third party;
 4. **Identity Theft**;
 5. the transmission of **Malicious Code**; or
 6. the unauthorized release of a third party's confidential and proprietary business information.
- BB. **Notice Fulfillment Services** means services to provide notification to **Affected Individuals** pursuant to any applicable **Breach Notification Law** or at the **Insured's** discretion provided that **Personally Identifiable Information**, as set forth in Definition CC., part 1., was compromised, including printing services, mailing services and postage services associated with mail notice.
- CC. **Personally Identifiable Information** means:
1. information from which an individual may be uniquely and reliably identified, including, but not limited to an individual's name, address, telephone number, email address, in combination with their social security number, account relationships, account numbers, passwords, PIN numbers, credit card numbers or biometric information; or
 2. personal information as defined in any U.S. federal or state privacy protection law governing the control and use of an individual's personal and confidential information, including any regulations promulgated thereunder, or any similar or related laws or regulations of any foreign jurisdiction, including but not limited to:
 - a. "nonpublic personal information" as defined by Title V of the Gramm-Leach-Bliley Act of 1999, as amended, and any regulations promulgated thereto;

- b. “protected health information” as defined by the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), or the Health Information Technology for Economic and Clinical Health Act of 2009 (“HITECH”), as amended, and any regulations promulgated thereto;
- c. personal information as defined in the California Database Protection Act of 2003 and California A.B. 1950, as amended, and any regulations promulgated thereto;
- d. “customer” information held by a “creditor” or “financial institution,” as defined by and protected under the “FTC Red Flags Rule”.

DD. **Policy Period** means the period from the Inception Date to the Expiration Date shown in Item 2. of the Declarations, or to any earlier cancellation date.

EE. **Pollution** means:

- 1. any actual, alleged, or threatened exposure to, or generation, storage, transportation, discharge, emission, release, dispersal, escape, treatment, removal or disposal of, any smoke, vapors, soot, fumes, acids alkalis, toxic chemicals, liquids or gases, water materials (including medical or pharmaceutical supplies and materials which are intended to be or have been recycled, reconditioned or reclaimed) or other irritants, pollutants, or contaminants;
- 2. any actual, alleged or threatened discharge, dispersal, seepage, migration, release, growth, infestation, spread, or escape of mold(s), mildew(s), fungi and/or spore(s); or any materials, goods, or products containing, harboring, or nurturing any such mold(s), mildew(s), fungi and/or spore(s);
- 3. lead, silica, or asbestos, whether or not airborne as a particle, contained in, or formed as a part of a product, structure, or other real or personal property, ingested or inhaled or transmitted in any fashion, or found in any form whatsoever; or
- 4. planning, construction, maintenance, operation or use of any nuclear reactor, nuclear waste, storage or disposal site, or any other nuclear facility; the transportation of nuclear material, or any nuclear reaction or radiation, or radioactive contamination, regardless of its cause.

FF. **Privacy Wrongful Act** means any actual or alleged act, error, misstatement, misleading statement, omission, neglect or breach of duty committed by any **Insured** or **Third Party Contractor**, which results in:

- 1. the misappropriation or disclosure of **Personally Identifiable Information**;
- 2. a breach or violation of U.S. federal or state law or regulations associated with the control and use of **Personally Identifiable Information**, or any similar or related laws or regulations of any foreign jurisdiction;
- 3. **Identity Theft**; or

4. the unauthorized release of a third party's confidential and proprietary information.

GG. **Property Damage** means physical injury to, loss or destruction of, or loss of use of tangible property.

HH. **Public Relations Event** means the publication of unfavorable information relating to the **Wrongful Acts** of an **Insured**, which can be reasonably considered to lessen public confidence in the competence, integrity or viability of the **Insured** to conduct business.

II. **Public Relations Expenses** means the following amounts, when incurred during the pendency of, and in anticipation of, a **Public Relations Event**:

1. amounts for which the **Insured** incurs for those services performed by a public relations firm, crisis management firm or law firm selected by the **Insured** and approved in advance in writing by the **Insurer**, to minimize potential harm to the **Insured** arising from a **Public Relations Event**, including, without limitation, maintaining and restoring public confidence in the **Insured**, and providing advice to the **Insured** or any of its directors, officers, partners or **Employees**; and
2. amounts for which the **Insured** becomes legally liable for the reasonable and necessary printing, advertising, mailing of materials, or travel by directors, officers, partners, **Employees** or the firm rendering services as referenced above.

Public Relations Expenses shall not include compensation, fees, benefits or overhead of any **Insured** or any **Third Party Contractor**.

JJ. **Related Claims** means all **Claims** for **Wrongful Acts** based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the same or related series of facts, circumstances, situations, transactions or events, whether related logically, causally, or in any other way.

KK. **Retroactive Date** means the date specified in Item 7. of the Declarations.

LL. **Subsidiary** means any entity during any time which the **Insured**:

1. owns more than fifty percent (50%) of its outstanding voting shares, partnership interest or member units;
2. controls, directly or indirectly, the right to elect or appoint more than fifty percent (50%) of such entity's directors or trustees; or
3. has sole control over the management and operations of the entity through a written agreement.

MM. **Third Party Contractor** means a person or organization that provides services to or on behalf of an **Insured** pursuant to a written agreement in circumstances where the person or organization acts within the scope of the agreement and the agreement has been reviewed by the **Insured's** in-house or outside counsel prior to execution of the agreement.

NN. **Website** means the software, content and other materials accessible via the Internet at a designated Uniform Resource Locator address.

OO. **Wrongful Act** means a **Privacy Wrongful Act**, **Network Security Wrongful Act**, or a **Media Wrongful Act**.

III. EXCLUSIONS

A. EXCLUSIONS APPLICABLE TO INSURING AGREEMENT A.

1. This Policy does not cover **Loss** from **Claims** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving, any of the following:
 - a. failure, interruption or reduction in supply of utility service or infrastructure, including, without limitation, electrical, gas, water, telephone, Internet, cable, satellite, or telecommunications;
 - b. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war is declared or not), strike, lock-out, riot, civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power;
 - c. **Pollution**, however caused;
 - d. **Bodily Injury** or **Property Damage**; provided that this Exclusion shall not apply to **Loss** from **Claims** alleging emotional distress, mental injury, mental tension or mental anguish allegedly caused by a **Media Wrongful Act** as defined in Definition V., part 1., or a **Privacy Wrongful Act**;
 - e. transfer of, or the failure to transfer funds, money or securities;
 - f. unsolicited electronic dissemination of faxes, e-mails, text messages or similar communications to actual or prospective customers of the **Insured** or any **Subsidiary**, or to any other third party, including but not limited to any violation of the Telephone Consumer Protection Act, any federal or state anti-spam statute, or any other federal or state statute, law or regulation relating to a person's or entity's right of seclusion; provided, however that this Exclusion shall not apply to:
 - i. any portion of an otherwise covered **Claim** for a **Network Security Wrongful Act** or a **Privacy Wrongful Act**; or
 - ii. any unintentional dissemination of faxes;
 - g. discrimination of any kind, including but not limited to, race, creed, religion, age, handicap, sex, marital status or financial condition; refusal to employ, termination of employment, coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or any other employment-related practices, policies, acts, errors or omissions;

- h. price fixing, restraint of trade, monopolization, unfair trade practices including violations of the Sherman Anti-Trust Act, the Clayton Act, or any similar provision of any federal, state, or local statutory law or common law anywhere in the world; the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended; the Securities Act of 1933, the Securities Exchange Act of 1934, or any other federal, state or local securities law;
 - i. actual or alleged violation of any law or statute protecting any patent, or any rule or regulation promulgated thereunder or of any provision of the common law imposing liability in connection therewith; or the misappropriation, misuse or disclosure of confidential and proprietary business information or trade secrets, other than a **Network Security Wrongful Act** or **Privacy Wrongful Act** as specifically described in Definition AA., part 6 and Definition FF., part 4;
 - j. unlicensed use of software provided by a third party;
 - k. any actual or alleged violation of U.S. federal or state law or regulations associated with medical billing and coding services, including but not limited to: (i) procedure coding; (ii) bill, claim, cost report or data submissions; or (iii) the calculation of payments; provided, however, that this Exclusion shall not apply to that portion of an otherwise covered **Claim** resulting in fines and penalties assessed pursuant to U.S. federal or state law for **Privacy Wrongful Acts**;
 - l. expiration or withdrawal of technical support by a software vendor; provided, however, that such expiration or withdrawal has been publicly announced by the software vendor for over thirty (30) days.
2. This Policy does not cover **Loss** from **Claim** brought or maintained by, on behalf of, or in the right of any **Insured**, or any other natural person or entity for whom or which an **Insured** is legally liable; provided that this Exclusion shall not apply to an otherwise covered **Claim** by an **Employee** alleging a **Privacy Wrongful Act**.

B. EXCLUSIONS APPLICABLE TO ALL INSURING AGREEMENTS

1. This Policy does not cover **Loss** from **Claims, Breach Consultation Services** from a **Privacy Wrongful Act, Breach Response Services** from a **Privacy Wrongful Act, Public Relations Expenses** from a **Public Relations Event**, amounts from a **Network Extortion**, international notification and credit monitoring costs from a **Privacy Wrongful Act** or **Data Forensic Expenses**:
- a. based upon, involving or contributed to by any dishonest, fraudulent, criminal, malicious or intentional act or omission, or any willful violation of any statute, rule, or law, by an **Insured**, if an admission, final adjudication or finding establishes that such act, omission or violation occurred; or

- b. based upon, involving or contributed to by the gaining by an **Insured** of any profit, remuneration or advantage to which such **Insured** is not legally entitled, if any admission, final adjudication or finding established that such **Insured** was not legally entitled to such profit or advantage or that such remuneration was improper or illegal.

In determining the applicability of Exclusions 1.a. and 1.b., the facts pertaining to, the knowledge possessed by, or any **Wrongful Act** committed by, any natural person **Insured** shall not be imputed to any other natural person **Insured**; however, the facts pertaining to, the knowledge possessed by, or any **Wrongful Act** committed by, an **Executive Officer** shall be imputed to the **Named Insured** and any **Subsidiary**.

In the event there is a determination that the **Insureds** shall not be entitled to the payment of **Defense Expenses** or any amounts payable under Insuring Agreements C. and D. under Exclusion 1.a. or 1.b., such payments by the **Insurer** shall be repaid to the **Insurer** by the **Insureds**.

- c. based upon, involving, contributed to or against any **Subsidiary**, assets, or other entity acquired by the **Insured**, whether by merger, consolidation, or otherwise, or against any **Insured** of such **Subsidiary**, assets, or other entity in his or her capacity as such for any **Wrongful Act** committed during any time in which such entity is not a **Subsidiary** or at any time before the **Insured's** acquisition of such asset or entity.

- 2. This Policy does not cover **Loss** (other than **Defense Expenses**) from **Claims, Breach Consultation Services** from a **Privacy Wrongful Act, Breach Response Services** from a **Privacy Wrongful Act, Public Relations Expenses** from a **Public Relations Event**, amounts from a **Network Extortion**, international notification and credit monitoring costs from a **Privacy Wrongful Act** or **Data Forensic Expenses**:

- a. seeking relief or redress against an **Insured** in any form other than money damages, including without limitation the cost of complying with any order or settlement for injunctive, declaratory, or administrative relief.

- 3. This Policy does not cover **Loss** incurred in connection with any fact, circumstance, situation, transaction, event or **Wrongful Act**:

- a. underlying or alleged in any prior and/or pending litigation or administrative or regulatory proceeding of which any **Insured** had received notice before the "Inception Date" of the Policy;
- b. which, before the "Inception Date" of the Policy, was the subject of any notice given by or on behalf of any **Insured** under any other policy of insurance; or
- c. which was known to the **Insured** before the "Inception Date" of the Policy and could reasonably be expected to give rise to a **Claim**.

If, however, this Policy is a renewal of one or more policies previously issued by the **Insurer** to the **Insured**, and the coverage provided by such policies to the **Insured** was in effect, without interruption, for the entire time between the inception date of the first such other policy and the Inception Date of this Policy, the references in this Exclusion to the “Inception Date” will be deemed to refer instead to the inception date of the first such policy.

IV. CONDITIONS

A. Limits of Insurance

1. Aggregate Limit of Insurance For This Policy:

The Aggregate Limit of Insurance for this Policy, as set forth in Item 3.(a) of the Declarations, is the **Insurer’s** maximum liability under Insuring Agreements A., B. and D. combined, regardless of the number of **Claims**, claimants, **Privacy Wrongful Acts, Public Relations Events** or other matters giving rise to coverage under this Policy, or the number of persons or entities included within the definition of **Insured**.

The Limit of Insurance for Insuring Agreement C. is in addition to, and not part of the Aggregate Limit of Insurance for this Policy.

2. Aggregate Limit of Insurance For Each Insuring Agreement, Except Insuring Agreement C.:

The Aggregate Limit of Insurance for each Insuring Agreement of this Policy, except for Insuring Agreement C., as set forth in Items 3.(b), 3.(c) and 3.(e) of the Declarations, is the **Insurer’s** maximum liability for each corresponding Insuring Agreement, regardless of the number of **Claims**, claimants, **Privacy Wrongful Acts, Public Relations Events** or other matters giving rise to coverage under each Insuring Agreement, or the number of persons or entities included within the definition of **Insured**.

The Aggregate Limit of Insurance for Insuring Agreement A. as set forth in Items 3.(b) is further limited in Item 3.(b)(i).

3. Aggregate Limit of Insurance for Insuring Agreement C.:

The Aggregate Limit of Insurance for Insuring Agreement C., as set forth in Item 3.(d) is the maximum number of **Affected Individuals** to whom **Breach Response Services** shall be provided, regardless of the number of **Privacy Wrongful Acts** giving rise to coverage.

B. Application of Retentions

1. Retention For Each Insuring Agreement

The Retention applicable to Insuring Agreements A., C., and D. of this Policy is set forth in Items 4.(a) and 4.(b) of the Declarations. The **Insurer’s** obligation to

pay or reimburse the **Insured** for any **Claim, Public Relations Event** or other matter giving rise to coverage under Insuring Agreements A., C., and D. is in excess of the Retention applicable to each Insuring Agreement. The applicable Retention shall apply to each and every **Claim, Public Relations Event** or other matter giving rise to coverage under each Insuring Agreement.

The **Insurer's** obligation, under Insuring Agreement B., to pay on behalf of the **Insured** for **Breach Consultation Services** shall not be subject to any Retention.

2. Retention Payment by the **Insured**

The **Insurer** will have no obligation whatsoever, either to the **Insureds** or to any person or entity, to pay all or any portion of any Retention amount on behalf of any **Insured**, although the **Insurer** will, at its sole discretion, have the right and option to do so, in which event, the **Insureds** agree to repay the **Insurer** any amounts so paid.

3. Retention for Same or Related Acts, Errors, Events, Omissions or Circumstances

In the event that the same or related act(s), error(s), event(s), omission(s) or circumstances results in coverage under more than one Insuring Agreement, then only one Retention shall apply, which shall be the highest applicable retention set forth in Item 4. of the Declarations.

C. Change in Coverage

1. In the event the **Named Insured** elects to select a service provider to perform **Breach Response Services**, other than the service provider set forth in the attached Schedule of Services, prompting a change in the terms of coverage provided under Insuring Agreement C., the **Named Insured** must give written notice to **Insurer** before the Expiration Date of the **Policy Period**.

Provided, however, if a **Privacy Wrongful Act** occurs which could subsequently give rise to coverage under Insuring Agreement C., the **Named Insured** must give written notice to the **Insurer** by midnight Eastern Standard Time of the following business day after the **Named Insured** first notifies the **Insurer** of such **Privacy Wrongful Act**. If the **Named Insured** fails to give the **Insurer** written notice within the prescribed time period, no change in coverage shall be permitted.

2. In the event that the Limit of Insurance has been reduced or exhausted due to the payment of **Breach Consultation Services** and/or **Breach Response Services** by the **Insurer**, the **Named Insured** shall not be permitted to elect a change in coverage.
3. All notices under this condition shall be transmitted by electronic mail to NoticeofElection@awac.com. Such notice shall be deemed effective when received by the **Insurer**.
4. Upon the election to change the terms of coverage under Insuring Agreement C., the Limit of Insurance as set forth in Item 3.(d) shall be superseded by the Policy

Aggregate Limit of Insurance set forth in Item 3.(a) and **Breach Response Services** shall be paid subject to such Limit. A written endorsement shall be issued by the **Insurer** which sets forth the change in terms, conditions and limitations of this Policy.

5. The **Named Insured** shall only be permitted to change the terms of coverage under Insuring Agreement C. once during the **Policy Period**.
6. There shall be no return of premium if the **Named Insured** elects to change the terms of coverage under Insuring Agreement C. The premium, as set forth in Item 6. of the Declarations, shall be deemed fully earned upon the Inception Date of the Policy.
7. The election to change the terms of coverage under Insuring Agreement C. shall in no way increase or reinstate any Limit of Insurance set forth in Item 3. of the Declarations. Please be advised that this election to change the terms of coverage may result in the reduction or exhaustion of the Policy Aggregate Limit of Insurance set forth in Item 3.(a) of the Declaration by the payment of **Breach Response Services**.

D. Defense and Settlement of Claims Against an Insured

1. The **Insurer** will have the right and duty to defend any **Claim** under Insuring Agreement A. which is covered in whole or in part, by this Policy even if such **Claim** is groundless, false or fraudulent. No **Insured** may incur any **Defense Expenses** or admit liability for or settle or offer to settle any **Claim** without the **Insurer's** written consent. The **Insurer** will have the right to make investigations and conduct negotiations and, with the consent of the **Insured**, enter into such settlement of any **Claim** as the **Insurer** deems appropriate.

If the **Insured** refuses to consent to a settlement acceptable to the claimant in accordance with the **Insurer's** recommendations, then, subject to the **Insurer's** Aggregate Limit of Insurance set forth in Item 3.(b) of the Declarations, the **Insurer's** liability for such **Claims** will not exceed:

- a. the amount for which such **Claim** could have been settled by the **Insurer**, plus **Defense Expenses**, up to the date the **Insured** refused to settle such **Claim**; plus
 - b. fifty percent (50%) of any **Loss** and/or **Defense Expense** in excess of clause a. above, incurred in connection with such **Claim**. The remaining **Loss** and/or **Defense Expenses** will be carried by the **Insured** at its own risk and will be uninsured.
2. The **Insurer** will have no obligation to pay **Loss**, including **Defense Expenses**, or to defend or continue to defend any **Claim** or to pay or reimburse any amounts, costs or expenses pursuant to Insuring Agreements A., B., and D. of the Policy, after the Limit of Insurance applicable to such Insuring Agreement, as stated in Item 3. of the Declarations, has been exhausted.

3. In the event there is a determination that the **Insureds** shall not be entitled to payment of **Defense Expenses** under the terms and conditions of this Policy, such payments by the **Insurer** shall be repaid to the **Insurer** by the **Insureds**.

E. Other Insurance

1. All **Loss** and other amounts payable under this Policy will be excess of, and will not contribute with, any other valid and collectible insurance provided by any Privacy Policy, Technology Errors & Omissions Policy, Network Security Liability Policy, Cyber-liability Policy, Media Liability Policy or any other equivalent policy, unless such other insurance is specifically stated to be in excess of this Policy. This Policy will not be subject to the terms of any other insurance.
2. Notwithstanding paragraph 1. above, with respect to any **Claim** under Insuring Agreement A. for which any coverage is available under any insurance policy(ies) which applies to claims for **Bodily Injury** and/or **Property Damage**, the **Insurer** will have no duty to defend such **Claim**, or to pay **Defense Expenses** incurred by or on behalf of any **Insured** in connection with such **Claim**, or to contribute to any defense provided to any **Insured** under such other insurance policy(ies), or to reimburse any other insurer, in whole or in part, for **Defense Expenses** incurred in connection with such **Claim**.

For the purposes of this Condition E.2., **Bodily Injury** shall not mean emotional distress, mental injury, mental tension or mental anguish allegedly caused by a **Media Wrongful Act** as defined in Definition V., part 1., or a **Privacy Wrongful Act**.

F. Cooperation; Subrogation, Recourse and Waiver of Recourse

In the event of a **Claim** or any other matter for which coverage is sought under this Policy, the **Insured** will provide the **Insurer** with all information, assistance, and cooperation that the **Insurer** reasonably requests, and will do nothing that may prejudice the **Insurer's** position or potential or actual rights of recovery. At the **Insurer's** request, the **Insured** will assist in any actions, suits, or proceedings, including but not limited to attending hearings, trials and depositions, securing and giving evidence, and obtaining the attendance of witnesses, and will also assist in making settlements. In the event of any payment under this Policy, the **Insurer** will be subrogated to the extent of any payment to all of the rights of recovery of the **Insured**. The **Insured** will execute all papers and do everything necessary to secure such rights, including the execution of any documents necessary to enable the **Insurer** to effectively bring suit in their name.

Any sums recovered after expense shall be paid first to reimburse the **Insured** for any sums paid to a claimant and any funds remaining shall be paid to the **Insurer** although the **Insurer** shall control any recovery action, including settlement in return for advancing funds for the subrogation action. The obligations of the **Insured** under this Condition F. will survive the expiration or cancellation of the Policy.

G. Extended Reporting Period

If this Policy is cancelled or non-renewed for any reason other than nonpayment of premium, and, within thirty (30) days of the end of the **Policy Period**, the **Named Insured** elects to purchase the Extended Reporting Period set forth in Item 8. of the Declarations by paying the additional premium set forth in Item 8. of the Declarations, then the coverage otherwise afforded by Insuring Agreement A. of this Policy will be extended to apply to **Loss** from **Claims** first made during the Extending Reporting Period, but only if such **Claims** are for **Wrongful Acts** committed before the end of the **Policy Period** or the date of any conversion of coverage under Condition J., whichever is earlier. The Extended Reporting Period does not increase or reinstate any Limit of Insurance and may only be purchased if all premiums and retentions due under the Policy have been paid. Once purchased, the Extended Reporting Period may not be canceled and the premium shall be deemed fully earned.

H. Notice Requirements and Other Duties of the Insured

1. Insuring Agreement A.

a. As a condition precedent to any right to payment in respect of any **Claim** made under Insuring Agreement A., the **Insured** must give the **Insurer** written notice of such **Claim**, with full details, as soon as practicable after the **Claim** is first made and in no event later than sixty (60) days after the Expiration Date of the Policy.

b. If, during the **Policy Period**, the **Insured** first becomes aware of a **Wrongful Act** which may subsequently give rise to a **Claim** and the **Insured**:

i. gives the **Insurer** written notice of such **Wrongful Act** as soon as practicable thereafter, but before the Expiration Date or cancellation of this Policy and such notice includes a description of the **Wrongful Act** in question, the identities of the potential claimants, the consequences that have resulted or may result from such **Wrongful Act**, the **Loss** that may result from such **Wrongful Act**; and

ii. requests coverage under this Policy for any subsequently resulting **Claim** for such **Wrongful Act**,

then the **Insurer** will treat any such subsequently resulting **Claim** as if had been first made during the **Policy Period**.

c. All **Related Claims** will be treated as a single **Claim** made when the earliest of such **Related Claim** was first made, or when the earliest of such **Related Claims** is treated as having been made in accordance with this Condition H., whichever is earlier.

2. Insuring Agreement B.

As a condition precedent to any right to payment in respect of any **Breach Consultation Services** under Insuring Agreement B., the **Insured** must give the **Insurer** notice by calling the Allied World Incident Evaluation Hotline, pursuant to the procedures set forth in the attached Schedule of Services, of any **Privacy Wrongful Act** as soon as practicable thereafter, and in no event later than thirty (30) days after the Expiration Date of the Policy. Such notice shall include a description of the **Privacy Wrongful Act** in question, the identities of the potential claimants, the consequences that have resulted or may result from such **Privacy Wrongful Act**.

3. Insuring Agreement C.

As a condition precedent to any right to payment in respect of any **Breach Response Services** under Insuring Agreement C., the **Insured** must give the **Insurer** notice by calling the Allied World Incident Evaluation Hotline, pursuant to the procedures set forth in the attached Schedule of Services, of any **Privacy Wrongful Act** as soon as practicable thereafter, and in no event later than thirty (30) days after the Expiration Date of the Policy. Such notice shall include a description of the **Privacy Wrongful Act** in question, the identities of the potential claimants, the consequences that have resulted or may result from such **Privacy Wrongful Act**.

The **Insured** shall be required to use the Preferred Service Provider as set forth in the attached Schedule of Services to perform all **Breach Response Services**. No coverage shall be provided for any **Breach Response Services** performed by any service provider other than those set forth in the attached Schedule of Services.

4. Insuring Agreement D.1.

a. As a condition precedent to any right to payment in respect of any **Public Relations Event** under Insuring Agreement D.1., the **Insured** must give the **Insurer** written notice of such actual or anticipated **Public Relations Event** as soon as practicable, but in no event later than thirty (30) days after the Expiration Date of the Policy.

b. The public relations firm, crisis management firm or law firm selected by the **Insured** to perform services in connection with a **Public Relations Event** must be approved in writing by the **Insurer**, prior to the **Insured** incurring any **Public Relations Expenses**.

c. All **Public Relations Expenses** must be reported to the **Insurer** as soon as practicable, but in no event later than thirty (30) days after the **Insured** first incurs such **Public Relations Expenses**.

5. Insuring Agreement D.2.

As a condition precedent to any right to payment in respect of any **Network Extortion** under Insuring Agreement D.2., the **Insured** must give the **Insurer** written notice of such **Network Extortion** as soon as practicable, but in no event

later than thirty (30) days after the **Insured** first receives notice of the **Network Extortion**.

6. Insuring Agreement D.3.

If the **Insured** incurs, pursuant to a statutory mandate, any notification costs arising from a **Privacy Wrongful Act**, then, as a condition precedent to any right to payment in respect of such costs under Insuring Agreement D.3., the **Insured** must report such costs to the **Insurer** as soon as practicable after the **Privacy Wrongful Act** takes place, but in no event later than thirty (30) days after the **Insured** first incurs such costs.

7. Insuring Agreement D.4.

a. As a condition precedent to any right to payment in respect of any unauthorized misappropriation or disclosure of **Personally Identifiable Information** under Insuring Agreement D.4., the **Insured** must give the **Insurer** written notice of such unauthorized misappropriation or disclosure of **Personally Identifiable Information** as soon as practicable after it is discovered by the **Insured**, but in no event later than thirty (30) days after the Expiration Date of the Policy.

b. The forensics firm selected by the **Insured** to perform data forensic services in connection with such unauthorized misappropriation or disclosure of **Personally Identifiable Information** must be approved in writing by the **Insurer**, prior to the **Insured** incurring any **Data Forensic Expenses**.

c. The **Insured** must report any **Data Forensic Expenses** to the **Insurer** as soon as practicable but in no event later than thirty (30) days after the **Insured** first incurs such **Data Forensic Expenses**.

8. Notice To Insurer

All notices to the **Insurer** as required under this Policy shall be transmitted by certified mail or prepaid courier to the address set forth in Item 5. of the Declarations, by electronic mail to the e-mail address listed in Item 5. of the Declarations, or by the telephone number set forth in the attached Schedule of Services. Such notices shall be deemed effective when received by the **Insurer**.

Notice of the election to change the terms in coverage under Insuring Agreement C. shall be transmitted by electronic mail to the e-mail address listed in Section IV.C.3.

I. Adjustments

If, during the **Policy Period**, the **Named Insured** acquires any assets, acquires a **Subsidiary**, acquires any entity by merger (each a “New Entity”) and, at the time of the transaction, the assets of the New Entity exceed twenty-five percent (25%) of the total assets of the **Insured** as reflected in the most recent **Application** (a “Transaction”), then

for a period of ninety (90) days after the effective date of the Transaction, the New Entity will be included within the definition of **Insured**, but only with respect to **Wrongful Acts** committed or allegedly committed, or events for which coverage is provided by this Policy occur, after the effective date of the Transaction. Upon the expiration of the ninety (90) day period, there shall be no coverage under this Policy as respects such New Entity. However, if the **Insured** has provided the **Insurer** with written notice of the Transaction, containing full details thereof, and the **Named Insured** and the **Insurer** have agreed to add coverage for the New Entity upon such terms, conditions, and limitations of coverage and such additional premium as the **Insurer** may require, the coverage provided by this Policy shall apply to the New Entity and any natural person **Insured** thereof.

J. Conversion of Coverage under Certain Circumstances

If, during the **Policy Period**, any of the following events occurs:

- a. the acquisition of the **Named Insured**, or of all or substantially all of its assets, by another entity, or the merger or consolidation of the **Named Insured** into or with another entity such that the **Named Insured** is not the surviving entity;
- b. the appointment of a receiver, conservator, trustee, liquidator, or rehabilitator, or any similar official, for or with respect to the **Named Insured**; or
- c. the obtaining by any person, entity, or affiliated group of persons or entities of the right to elect, appoint, or designate at least fifty percent (50%) of the directors or trustees of the **Named Insured**,

then coverage under this Policy will continue in full force and effect but only with respect to **Claims** under Insuring Agreement A. for **Wrongful Acts** committed before such event. After any such event, this Policy may not be canceled, regardless of Condition K., paragraph 2., and the entire premium for the Policy will be deemed fully earned.

K. Cancellation; No Obligation to Renew

1. The **Insurer** may not cancel this Policy except for failure to pay a premium when due. The **Insurer** will deliver or mail by first class, registered, or certified mail to the **Named Insured** at its last known address, written notice of cancellation at least ten (10) days before the effective date of cancellation. A copy of such notice shall be sent to the agent of record.
2. The **Named Insured** may cancel this Policy by mailing to the **Insurer** written notice stating when, not later than the Expiration Date of the Policy, such cancellation will be effective. In such event, return premium will be computed as 0.90 times the pro rata unearned premium shown in Item 6. of the Declarations and rounded to the nearest whole dollar. Premium adjustment may be made either at the time cancellation by the **Named Insured** is effective or as soon as practicable thereafter.
3. The **Insurer** will not be required to renew this Policy upon its expiration. If the **Insurer** elects not to renew this Policy, the **Insurer** will deliver or mail by first class, registered, or certified mail to the **Named Insured** at its last known

address written notice to that effect at least sixty (60) days before the Expiration Date of the **Policy Period**. Such notice shall state the specific reason(s) for non-renewal.

L. Representations; Severability

1. The **Insured** represents that the particulars and statements contained in the **Application** are true, accurate, and complete, and agrees that this Policy is issued in reliance on the truth of that representation, and that such particulars and statements, which are deemed to be incorporated into and to constitute a part of this Policy, are the basis of this Policy.
2. In the event of any material untruth, misrepresentation or omission in connection with any of the particulars or statements in the **Application**, the knowledge of one natural person **Insured** will not be imputed to any other natural person **Insured**; provided, however, that this Policy will be void:
 1. with respect to any natural person **Insured** who knew of such untruth, misrepresentation or omission; and
 2. with respect to the **Named Insured**, but only if an **Executive Officer**, or any person in a functionally equivalent position within the **Named Insured**, knew of such untruth, misrepresentation or omission.

M. Legal Action Against the Insurer

1. Insuring Agreement A.

- a. No action may be taken against the **Insurer** as respects Insuring Agreement A. unless, as conditions precedent thereto, there has been full compliance with all of the terms of this Policy and the amount of the **Insured's** obligation to pay has been finally determined either by judgment against the **Insured** after adjudicatory proceedings, or by written agreement of the **Insured**, the claimant and the **Insurer**.
- b. No person or entity will have any right under this Policy to join the **Insurer** as a party to any **Claim** under Insuring Agreement A. to determine the liability of any **Insured**; nor may the **Insurer** be impleaded by an **Insured** or his, her, or its legal representative in any such **Claim**.

2. Insuring Agreements B., C., and D.

No person or entity may bring a legal action against the **Insurer** under this Policy as respects Insuring Agreements B., C., or D., unless there has been full compliance by the **Insured** with all of the terms and conditions of this Policy.

N. Death, Incapacity, or Insolvency of an Insured

The **Insurer** will not be relieved of any its obligations under this Policy by the death, incapacity, or insolvency of any **Insured**. In the event of the death, incapacity, or

insolvency of an **Insured**, any **Claim** against the estate, heirs, legal representatives, or assigns of such **Insured** for a **Wrongful Act** of such **Insured**, will be deemed to be a **Claim** against such **Insured**.

O. Spousal and Domestic Partners Extension

The coverage afforded under this Policy will, subject to all of its terms, conditions, limitations, and exclusions, be extended to apply to **Loss** resulting from a **Claim** against a person who, at the time the **Claim** is made, is a lawful spouse or domestic partner (whether such status is derived by reason of statutory law or common law of any applicable jurisdiction in the world, or by any formal program established by the **Named Insured**) of an **Insured**, but only if: (a) the **Claim** against such spouse or domestic partner results from a **Wrongful Act** actually or allegedly committed by the **Insured**, to whom the spouse is married or who is a partner to the domestic partner; and (b) such **Insured** and his or her spouse or domestic partner are represented by the same counsel in connection with such **Claim**.

P. Territory

This Policy applies to **Wrongful Acts** or any other matters which give rise to coverage under this Policy which take place anywhere in the world and to **Claims** brought against the **Insured** anywhere in the world.

Q. Authorization and Notices

The **Named Insured** will act on behalf of all other **Insureds** with respect to receiving any notices and return premiums from the **Insurer**.

R. Changes

Notice to any agent or knowledge possessed by any agent or other person acting on behalf of the **Insurer** will not effect a waiver or change in any part of this Policy or stop the **Insurer** from asserting any right under the terms, conditions, and limitations of this Policy. The terms, conditions, and limitations of this Policy can be waived or changed only by written endorsement issued by the **Insurer**.

S. Assignment

No assignment of interest under this Policy will bind the **Insurer** without its written consent.

T. Entire Agreement

The **Insured** agrees that this Policy and the attached Schedule of Services, including the **Application** and any endorsements, constitutes the entire agreement between them and the **Insurer** or any of its agents relating to this insurance.

U. Headings

The descriptions in the headings and sub-headings of this Policy are solely for convenience, and form no part of the terms and conditions of coverage.

ENDORSEMENT NO. <EN>

DIGITAL ASSETS RESTORATION COVERAGE

This Endorsement, effective at 12:01 a.m. on <TRXEFFDATE>, forms part of

Policy No. <POLICYNO>
Issued to <ACCTNAME>
Issued by <CARRNAME>

In consideration of the premium charged, it is hereby agreed that this Policy shall be amended to include the following:

I. **DIGITAL ASSETS RESTORATION COVERAGE**

1. Section I. INSURING AGREEMENTS is amended to include the following:

Digital Assets Restoration Coverage

The **Insurer** shall reimburse the **Named Insured** for **Digital Assets Restoration Costs** incurred by the **Named Insured** in connection with a **Network Security Wrongful Act** which takes place during the **Policy Period** and is reported to the **Insurer** in accordance with the terms of this Policy.

2. Solely for the purposes of the coverage provided under Section I. of this Endorsement, Section II. DEFINITIONS is amended to add the following:

A. **Digital Assets** means software and electronic data that is stored on or within the **Named Insured's Network**. **Digital Assets** shall include the capacity of the **Named Insured's Network** to store and process data and information and electronically disseminate data and information over the Internet.

B. **Digital Assets Restoration Costs** means those reasonable and necessary expenses incurred by the **Named Insured** to retain a qualified vendor to research, replace, restore or recollect **Digital Assets** from written records or from partially or fully matching electronic data records due to their corruption, deletion or destruction as a result of a **Network Security Wrongful Act**. If the **Insured** determines that **Digital Assets** cannot be replaced, restored or recollect, **Digital Assets Restoration Costs** shall be limited to the reasonable and necessary expenses incurred by the **Insured** to reach that determination.

3. Solely for the purposes of the coverage provided under Section I. of this Endorsement, Section II. DEFINITIONS Subsection AA. "**Network Security Wrongful Act**" is amended to read as follows:

AA. **Network Security Wrongful Act** means any actual or alleged act, error, misstatement, misleading statement, omission, neglect or breach of duty committed by an **Insured** or **Third Party Contractor**, which results in a breach of the **Insured's Network Security**, the consequences of which are:

1. unauthorized access to, use of or tampering with a third party's **Network**;
 2. the inability of an authorized third party to gain access to the **Insured's** services;
 3. denial or disruption of Internet service to an authorized third party;
 4. **Identity Theft**;
 5. the transmission of **Malicious Code**;
 6. the unauthorized release of a third party's confidential and proprietary business information; or
 7. the destruction or unauthorized manipulation of **Digital Assets**.
4. In addition to the Exclusions set forth in Section III. of the Policy, the following shall apply:
1. This Policy does not cover **Digital Assets Restoration Costs** caused directly or indirectly by any of the following perils, regardless of whether such perils contribute concurrently or in any sequence to a **Network Security Wrongful Act**:
 - a. fire, smoke, explosion, lightning, windstorm, flood, surface water, waves, overflow of any body of water, earthquake, earth movement, earth sinking, mudslide, landslide, volcanic eruption or explosion, hail, collapse, wear and tear, rust, corrosion, erosion, deterioration, extremes of temperature or humidity, or any other physical event or peril, however caused;
 - b. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war is declared or not), strike, lock-out, riot, civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power;
 - c. failure, interruption or reduction in supply of utility service or infrastructure, including, without limitation, electrical, gas, water, telephone, Internet, cable, satellite, or telecommunications;
 - d. **Pollution**, however caused; or
 - e. the failure of a software vendor to distribute a patch or other remedy for a defect or vulnerability in the software made available by such vendor, where such defect or vulnerability was known to or acknowledged by the vendor.
 2. This Policy does not cover **Digital Assets Restoration Costs** caused directly or indirectly by any failure of an **Insured** to continuously implement the

procedures and risk controls identified in the **Application**.

5. Section IV. CONDITIONS is amended to include the following paragraph:

Digital Assets Restoration Costs Coverage

- a. As a condition precedent to any right to payment under Insuring Agreement E. of any **Digital Assets Restoration Costs** resulting from a **Network Security Wrongful Act**, the **Insured** must give the **Insurer** written notice of such **Network Security Wrongful Act** as soon as practicable after it is discovered by the **Insured**, but in no event later than thirty (30) days after the Expiration Date of the Policy.
 - b. The qualified vendor selected by the **Named Insured** to perform services in connection with such **Network Security Wrongful Act** must be approved in writing by the **Insurer**, prior to the **Named Insured** incurring any **Digital Assets Restoration Costs**.
 - c. The **Named Insured** must report any **Digital Assets Restoration Costs** to the **Insurer** as soon as practicable, but in no event later than thirty (30) days after the **Named Insured** first incurs such **Digital Assets Restoration Costs**.
6. The maximum amount payable by the **Insurer** for costs under this Digital Assets Restoration Costs Coverage is <\$ENTER> which amount shall be part of, and not in addition to, the Aggregate Limit of Insurance set forth in Item 3(a) of the Declarations. Coverage provided pursuant to this Digital Assets Restoration Costs Coverage shall be subject to a <\$AMOUNT> Retention, which shall apply to each and every **Network Security Wrongful Act**.

All other terms, conditions and limitations of this Policy shall remain unchanged.

Authorized Representative

ENDORSEMENT NO. <EN>

AMENDATORY ENDORSEMENT

This Endorsement, effective at 12:01 a.m. on <TRXEFFDATE>, forms part of

Policy No. <POLICYNO>
Issued to <ACCTNAME>
Issued by <CARRNAME>

In consideration of the premium charged, it is hereby agreed that:

1. Section I. INSURING AGREEMENTS, Subsection D.2. is deleted in its entirety and replaced as follows:

2. **Network Extortion Coverage**

The **Insurer** shall reimburse the **Insured** the amounts which the **Insured** actually pays to any person or entity for services to avoid, defend or preclude a **Network Extortion** first occurring during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this Policy. This Policy shall not cover any amounts sought or demanded by a **Network Extortion**.

2. Section I. INSURING AGREEMENTS is amended to include the following Subsection E.:

- E. **Business Interruption Coverage**

The **Insurer** shall reimburse the **Named Insured** the actual **Business Interruption Costs** incurred by the **Named Insured** during the **Period of Restoration** due to a **Network Attack** commencing during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this Policy.

3. Section II. DEFINITIONS, Subsection N. “**Employee**” is deleted in its entirety and replaced as follows:

- N. **Employee** means any individual whose labor or service is engaged by and directed by the **Insured**. This includes part-time, seasonal, leased and temporary employees and volunteers, but only to the extent that they are acting under the direction and control of the **Insured**. A **Third Party Contractor** is not an **Employee**.

Employee also includes any independent contractor or industry consultant whose services are engaged by and directed by the **Insured**, but only to the extent that such independent contractors or industry consultants are providing services at the direction of or on behalf of the **Insured**.

4. Section II. DEFINITIONS, Subsection O. “**Executive Officer**” is deleted in its entirety and replaced as follows:

- O. **Executive Officer** means the **Insured’s** Chairman, President, Chief Executive Officer, Chief Compliance Officer, IT Manager or any individual in a functionally equivalent position.

5. Section II. DEFINITIONS is amended to include the following:

PP. **Business Income** means the net profit or loss, before income taxes, that the **Insured** would have earned or incurred during the **Period of Restoration** had there not been a **Network Attack**.

QQ. **Business Interruption Costs** means the total sum of the following:

1. **Data Forensic Expenses;**
2. **Costs to Restore;**
3. **Extra Expense;** and
4. reduction in **Business Income**.

Business Interruption Costs do not include:

- a. **Loss** or damage arising out of the **Named Insured's** liability to any third party, for whatever reason;
- b. fines, penalties, or taxes imposed on or levied against the **Named Insured;**
- c. sums owed by the **Named Insured** pursuant to a contractual provision for liquidated damages, penalties, or a similar remedy;
- d. legal costs or legal expenses of any nature incurred by the **Named Insured;**
- e. costs or expenses incurred by the **Named Insured** to update, upgrade, or otherwise improve the **Named Insured's Network** or **Digital Assets** to a level of functionality better than that which existed prior to a **Network Attack;** or
- f. any decrease in revenue caused by unfavorable business or economic conditions.

RR. **Business Operations** means the **Named Insured's** normal business activities that produce revenue for the **Insured** from the sale of goods or services.

SS. **Costs to Restore** means those reasonable and necessary expenses incurred by the **Named Insured** during the **Period of Restoration** to research, replace, restore or recollect **Digital Assets** from written records or from partial or fully matching electronic data records due to their corruption, deletion or destruction by a **Network Attack**. If the **Insured** determines that **Digital Assets** cannot be replaced, restored or recollect, **Costs to Restore** shall be limited to the reasonable and necessary expenses incurred by the **Insured** to reach that determination.

TT. **Digital Assets** means software and electronic data that is stored on or within the **Named Insured's Network**. **Digital Assets** shall include the capacity of the **Named Insured's Network** to store and process data and information and electronically disseminate data and information over the Internet.

UU. **External Source** includes only:

1. a person or organization that was not authorized to use the **Named Insured's Network** during the thirty (30) days immediately preceding the **Network Attack;** or
2. a retail customer of the **Insured**, other than an **Employee** or **Third Party Contractor**, using the **Insured's Website** for the purposes of browsing, purchasing or selling goods or services.

VV. **Extra Expense** means the necessary expense incurred by the **Named Insured** during the **Period of Restoration** which: (1) would not have been incurred in the absence of a **Network Attack**; (2) was incurred to avoid or minimize an interruption of the **Named Insured's Business Operations** caused by a **Network Attack**; and (3) actually avoided or minimized a reduction in **Business Income** that otherwise would have been payable under this Policy.

WW. **Network Attack** means:

1. the intentional and unauthorized gaining of access to or use of the **Named Insured's Network**, or any portion thereof, which arises from a breach of the **Named Insured's Network Security**;
2. the **Insured's** receipt of **Targeted Malicious Code** from an **External Source**; or
3. a **Targeted Denial of Service Attack** by an **External Source**,

XX. **Period of Restoration** means the period of time that:

1. begins when the **Waiting Period** expires; and
2. ends on the earlier of: (a) the date and time when the **Insured** resumes, or in the exercise of due diligence and dispatch could have resumed, its **Business Operations** substantially to the level that existed before the **Network Attack**; or (b) thirty (30) consecutive days after expiration of the **Waiting Period**.

The Expiration Date of this Policy will not cut short the **Period of Restoration**.

YY. **Targeted Denial of Service Attack** means an intentional attack that targets only the **Named Insured's Network**, or any part of such **Network**, and which operates by sending an excessive volume of data to that **Network** and thereby prevents authorized users of that **Network** from gaining access to or using it.

ZZ. **Targeted Malicious Code** means unauthorized and either corrupting or harmful software code, including but not limited to computer viruses, Trojan horses, worms, logic bombs, spy ware or spider ware, which is introduced into an **Named Insured's Network** or any part thereof. **Targeted Malicious Code** does not include any software code that is identified or assigned a name by a recognized computer security organization, including, without limitation, McAfee, Inc., Symantec Corporation, or Secunia, or any variant of such identified or named software code.

AAA. **Waiting Period** means the number of consecutive hours specified in Item 4.(d) of the Declarations that immediately follows the **Named Insured's** communication of notice of a **Network Attack** to the **Insurer** in accordance with Condition H., paragraph 9, of this Policy, and shall apply to each **Period of Restoration**.

6. Section III. EXCLUSIONS, Subsection B. is amended to include the following paragraph 4.:

4. This Policy does not cover **Loss** from **Claims, Breach Consultation Services** from a

Privacy Wrongful Act, Breach Response Services from a **Privacy Wrongful Act, Public Relations Expenses** from a **Public Relations Event**, amounts from a **Network Extortion**, international notification and credit monitoring costs from a **Privacy Wrongful Act, Data Forensic Expenses** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving, any of the following:

- a. the use of a laptop computer, portable computer or other portable electronic device which does not employ whole disc encryption or an equivalent grade of encryption to secure any software and electronic data that is stored on or within the **Named Insured's Network, Electronic Content, Personally Identifiable Information** or any other data or information which is received, stored, processed or transmitted thereon;
- b. the use of back -up tapes, optical media, or any other form of portable back-up media which are not encrypted to secure any software and electronic data that is stored on or within the **Named Insured's Network, Electronic Content, Personally Identifiable Information** or any other data or information which is stored thereon;
- c. any wireless network that is not protected by either Wi-Fi Protected Access ("WPA") or any other security protocol that provides equal or greater protection than WPA.

7. Section III. EXCLUSIONS is amended to include the following Subsection C.:

C. EXCLUSIONS APPLICABLE TO INSURING AGREEMENT E.

1. This Policy does not cover **Business Interruption Costs** caused directly or indirectly by any of the following perils, regardless of whether such perils contribute concurrently or in any sequence to a **Network Attack**:
 - a. fire, smoke, explosion, lightning, windstorm, flood, surface water, waves, overflow of any body of water, earthquake, earth movement, earth sinking, mudslide, landslide, volcanic eruption or explosion, hail, collapse, wear and tear, rust, corrosion, erosion, deterioration, extremes of temperature or humidity, or any other physical event or peril, however caused;
 - b. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war is declared or not), strike, lock-out, riot, civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power;
 - c. failure, interruption or reduction in supply of utility service or infrastructure, including, without limitation, electrical, gas, water, telephone, Internet, cable, satellite, or telecommunications;
 - d. **Pollution**, however caused; or
 - e. the failure of a software vendor to distribute a patch or other remedy

for a defect or vulnerability in the software made available by such vendor, where such defect or vulnerability was known to or acknowledged by the vendor.

2. This Policy does not cover **Business Interruption Costs** caused directly or indirectly by any failure of an **Insured** to continuously implement the procedures and risk controls identified in the **Application**.
3. This Policy does not cover **Business Interruption Costs** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any trading platform under the ownership, management or control of the **Insured**.

8. Section IV. CONDITIONS, Subsection A.2. is deleted in its entirety and replaced with the following:

2. Aggregate Limit of Insurance for Insuring Agreements A., D. and E. :

The Aggregate Limit of Insurance for Insuring Agreements A. D. and E., as set forth in Items 3.(b), 3. (e) and 3.(f) of the Declarations, is the **Insurer's** maximum liability for each corresponding Insuring Agreement, regardless of the number of **Claims**, claimants, **Network Attacks, Privacy Wrongful Acts, Public Relations Events** or other matters giving rise to coverage under each Insuring Agreement, or the number of persons or entities included within the definition of **Insured**.

The Aggregate Limit of Insurance for Insuring Agreement A. as set forth in Items 3.(b) is further limited in Item 3.(b)(i).

9. Section IV. CONDITIONS, Subsection A. is amended to include the following paragraph 4.:

4. Aggregate Limit of Insurance for Insuring Agreement B.:

- a. In the event it is determined that a **Privacy Wrongful Act** did not occur, the Aggregate Limit of Insurance for Insuring Agreement B., as set forth in Item 3.(c)(i) of the Declarations is two (2) hours of **Breach Consultation Services**.
- b. In the event it is determined that a **Privacy Wrongful Act** did occur, the Aggregate Limit of Insurance for Insuring Agreement B. is the amount set forth in Item 3.(c) of the Declarations.

10. Section IV. CONDITIONS, Subsection B.1. is deleted in its entirety and replaced with the following:

1. Retention For Each Insuring Agreement

The Retention applicable to all Insuring Agreements of this Policy is set forth in Item 4. of the Declarations. The **Insurer's** obligation to pay or reimburse the **Insured** for any **Claim, Privacy Wrongful Act, Public Relations Event** or other matter giving rise to coverage under any Insuring Agreement is in excess of the Retention applicable to each Insuring Agreement. The applicable Retention shall apply to each and every **Claim**,

Network Attack, Public Relations Event or other matter giving rise to coverage under each Insuring Agreement.

11. Section IV. CONDITIONS, Subsection C., Change in Coverage, is deleted in its entirety.
12. Section IV. CONDITIONS, Subsection H., Notice Requirements and Other Duties of the Insured, paragraph 8. is deleted in its entirety and replaced with the following:

8. Notice To Insurer

All notices to the **Insurer** as required under this Policy shall be transmitted by certified mail or prepaid courier to the address set forth in Item 5. of the Declarations, by electronic mail to the e-mail address listed in Item 5. of the Declarations, or by the telephone number set forth in the attached Schedule of Services. Such notices shall be deemed effective when received by the **Insurer**.

13. Section IV. CONDITIONS, Subsection H., Notice Requirements and Other Duties of the Insured, is amended to include the following paragraph 9.:

9. Insuring Agreement E.

- a. As a condition precedent to any right to payment in respect of any **Business Interruption Costs** under Insuring Agreement E., the **Insured** must give the **Insurer** written notice of a **Network Attack**, as soon as practicable after the **Insured** first becomes aware of the **Network Attack**. Such notice shall include at least: (a) a certification by the **Named Insured's** Chief Information Officer, Risk Management Officer, or an individual in a functionally equivalent position, that a **Network Attack** has occurred, and the date and time it became known to the **Insured**; and (b) a description of the nature, extent and cause(s) of the **Network Attack**.
- b. The **Insured** must retain and isolate all electronic records related to the **Network Attack**, including system logs, security logs and backup media.
- c. The **Insured** must take all reasonable steps to: (a) avoid and minimize the interruption of its **Business Operations** and any reduction in **Business Income**; and (b) resume **Business Operations** as quickly as possible, including making partial use of the **Named Insured's Network and Digital Assets**, and using whatever work-arounds are available, whenever possible.
- d. Within ninety (90) days of the date on which notice of a **Network Attack** is transmitted to the **Insurer** in accordance with paragraph a. above (unless such period is extended in writing by the **Insurer**), the **Insured** must complete, sign and submit to the **Insurer** a sworn proof of loss with respect to all **Business Interruption Costs** sustained or incurred up until that date. The proof of loss shall include, without limitation: (i) all additional information gathered by or made known to the **Insured** since the date of notice of a **Network Attack** regarding the nature, extent and cause(s) of the **Network Attack**; (ii) a detailed calculation of all **Business Interruption Costs** claimed (including, without limitation, the amount of and methodology used to calculate any claimed reduction in **Business Income**); and (iii) all underlying documents,

materials, media and data that reasonably relate to or form a part of the basis of the **Named Insured's** claim.

- e. As often as may be required by the **Insurer**, the **Insured** must permit the **Insurer** to inspect and examine the **Named Insured's Network, Digital Assets, books and records** (including electronic records), and all other property proving the **Business Interruption Costs** claimed.
- f. At such times as may be reasonably required by the **Insurer**, the **Insured** must submit to an examination under oath, while not in the presence of any other **Insured**, concerning any matter relating to this insurance or any claim for **Business Interruption Costs**, including any **Insured's** books and records. In the event of an examination, the **Insured's** answers must be signed.
- g. The **Insured** must cooperate with the **Insurer** in all aspects of the **Insurer's** investigation, adjustment and settlement of any claim for **Business Interruption Costs**.

14. Section IV. CONDITIONS, Subsection M., Legal Action Against the Insurer, is amended to include the following paragraph 3.:

3. Insuring Agreement E.

No person or entity may bring a legal action against the **Insurer** under this Policy as respects Insuring Agreement E. unless:

- a. There has been full compliance by the **Insured** with all of the terms and conditions of this Policy; and
- b. The action is commenced within two (2) years after the date on which the **Insured** transmitted notice of the **Network Attack** to the **Insurer** in accordance with Condition H., paragraph 9., of this Policy.

15. Section IV. CONDITIONS is amended to include the following:

V. **Determination of Business Interruption Costs**

1. Reduction in Business Income

The reduction in **Business Income** will be computed based upon: (a) the net profit or loss, before income taxes, of the **Named Insured's** business before the **Network Attack** occurred; and (b) the likely net profit or loss (before income taxes) the **Named Insured** would have earned during the **Period of Restoration** had a **Network Attack** not occurred.

Provided, however, that in computing a reduction in **Business Income**, such amount:

- a. will be reduced by any increase in net profit earned during the thirty (30) days immediately following the expiration of the **Period of**

Restoration from the sales of goods or services that would have been recorded during the **Period of Restoration** but for the **Network Attack**;

- b. will not include compensation, fees, benefits, overhead, or the charges or expenses of any **Insured**; and
- c. will be reduced to the extent that the **Named Insured** can resume its **Business Operations**, in whole or in part, by making partial use of the **Insured's Network** and **Digital Assets** and by using available work-arounds.

2. **Extra Expense**

The amount of **Extra Expense** will be determined based upon all expenses that exceed the normal operating expenses that the **Named Insured** would have incurred in its **Business Operations** during the **Period of Restoration** had a **Network Attack** not occurred. **Extra Expenses** will be paid only to the extent that they avoid or minimize a reduction of **Business Income** that otherwise would have been payable under Insuring Agreement E.

The amount of **Extra Expense** loss will be reduced to the extent the **Named Insured** can return its **Business Operations** to normal and discontinue such **Extra Expense**.

3. In computing the reduction in **Business Income** and **Extra Expense**, due consideration will be given to, among other items, the **Named Insured's** books of account, sales records, accounting and financial records, bills, invoices, receipts, contracts and similar records of the business.

W. **Payment of Business Interruption Costs**

The **Insurer** will pay for covered **Business Interruption Costs** within thirty (30) days after it receives a sworn statement in a proof of loss from the **Named Insured**, if the **Named Insured** has complied with all of the terms of this Policy and:

1. The **Insurer** and **Named Insured** have reached agreement as to the amount of **Business Interruption Costs**; or
2. An appraisal award has been made in accordance with Condition X.

X. **Appraisal of Business Interruption Costs**

1. If the **Insurer** and **Named Insured** disagree on the amount of **Business Interruption Costs** resulting from any **Network Attack**, either may make written demand for an appraisal of such costs. In this event, each party will select a competent and impartial appraiser. The two appraisers will then select an umpire. If the appraisers cannot agree on an umpire, the selection of the umpire shall be made by a judge of a court of competent jurisdiction.
2. The **Named Insured's** appraiser and the **Insurer's** appraiser will state separately the amount of the **Business Interruption Costs** sustained by the

Named Insured. If the two appraisers fail to agree, they will submit their differences to the umpire. A decision agreed to by any two appraisers will be binding on the parties.

3. Unless otherwise stipulated by the **Insurer** and **Named Insured** in writing, the appraisers shall not be empowered to decide any dispute between the **Insurer** and **Named Insured** as to any coverage issue under this Policy.
4. The **Insurer's** request for or participation in an appraisal shall not constitute a waiver or compromise of any other term or condition of this Policy.
5. In the event of an appraisal, each party shall:
 - a. Pay its chosen appraiser; and
 - b. Bear the other expenses of the appraisal and umpire equally.

Y. Fraud and Concealment; Insuring Agreement E.

The coverage afforded by Insuring Agreement E. shall be void in any case of fraud by any **Insured** relating to Insuring Agreement E. at any time. It also shall be void if any **Insured** at any time conceals or misrepresents a material fact concerning:

1. Insuring Agreement E.;
2. The **Named Insured's Network** or **Digital Assets**; or
3. Any claim for **Business Interruption Costs** under Insuring Agreement E.

However, this Condition Y. shall not apply in the event of fraud by an **Employee** who also engaged in conduct described in Definition WW., part 1, **Network Attack**.

16. Item 3. Limit of Insurance of the Declarations is deleted in its entirety and replaced as follows:

Item 3. Limit of Insurance:

(a) **Policy Aggregate Limit:**

\$1,000,000 Aggregate Limit of Insurance for all amounts payable under this Policy under Insuring Agreements A., B., D and E. The Limit of Insurance for Insuring Agreement C. is in addition to, and not part of, the Policy Aggregate Limit of Insurance.

(b) **Insuring Agreement A:**

\$1,000,000 Aggregate Limit of Insurance for all Loss from Claims for Privacy Wrongful Acts, Network Security Wrongful Acts or Media Wrongful Acts; provided that this Aggregate Limit of Insurance is further limited as follows:

- (i) \$1,000,000 all fines and penalties assessed pursuant to U.S. federal or state law against the Insured for Privacy Wrongful Acts.

(c) **Insuring Agreement B:**

\$1,000,000 Aggregate Limit of Insurance for all Breach Consultation Services; provided that this Aggregate Limit of Insurance is further limited as follows:

(i) two (2) hours of Breach Consultation Services, in the event it is determined that a Privacy Wrongful Act did not occur.

(d) **Insuring Agreement C:**

50,000 Maximum number of Affected Individuals to whom Breach Response Services shall be provided

(e) **Insuring Agreement D:**

\$1,000,000 Aggregate Limit of Insurance for all Public Relations Expenses under Insuring Agreement D.1.,

\$1,000,000 Aggregate Limit of Insurance for all amounts payable under Insuring Agreement D.2.,

\$1,000,000 Aggregate Limit of Insurance for all notification costs under Insuring Agreement D.3.,

\$1,000,000 Aggregate Limit of Insurance for all Data Forensic Expenses under Insuring Agreement D.4.

(f) **Insuring Agreement E:**

\$1,000,000 Aggregate Limit of Insurance for all Business Interruption Costs, from all Network Attacks; provided that each type of Business Interruption Costs is further limited as follows:

- (i) \$1,000,000 all reduction in Business Income;
- (ii) \$1,000,000 all Data Forensic Expenses;
- (iii) \$1,000,000 all Costs to Restore; and
- (iv) \$1,000,000 all Extra Expenses.

17. Item 4. Retentions of the Declarations is deleted in its entirety and replaced as follows:

Item 4. Retentions:

- (a) \$1,000 each and every Claim under Insuring Agreement A.; each and every Public Relations Event; each and every Network Extortion; and each and every Privacy Wrongful Act under Insuring Agreement D.;
- (b) 3 hours of Breach Consultation Services for each and every Privacy Wrongful Act under Insuring Agreement B.;
- (c) \$1,000 each and every Privacy Wrongful Act under Insuring Agreement C.;

- (d) As to each and every Network Attack under Insuring Agreement E., the greater of (1) \$1,000 or (2) the total Business Interruption Costs sustained during the 24 consecutive hours immediately following the Insured's communication of the Network Attack to the Insurer (the "Waiting Period");

All other terms, conditions and limitations of this Policy shall remain unchanged.

Authorized Representative



PRIVACY// 403 SRVS SCHEDULE OF SERVICES

The foregoing is a description of the **Breach Consultation Services** and **Breach Response Services** provided under the Privacy // 403 SRVS Policy.

Additional information, including approved service providers, can be found at The eRisk Hub® portal, powered by NetDiligence® at <https://www.eriskhub.com/awac>. New users shall have access upon completion of the New User Registration form using Access Code 10649-72.

In the event an actual or potential **Privacy Wrongful Act** occurs and the **Insured** seeks coverage under this Policy, the **Insured** shall follow the procedures and requirements as provided in this Schedule of Services. Upon notifying the **Insurer** of the **Privacy Wrongful Act**, the **Insured** shall provide the **Insurer** and any Breach Consultant or Preferred Service Provider set forth below with all information, assistance, and cooperation that is reasonably requested, including entering into any contract necessary for the rendering of **Breach Consultation Services** and **Breach Response Services**.

I. Breach Consultant

The **Insured** shall notify the **Insurer** of any **Privacy Wrongful Act** by calling the Allied World Incident Evaluation Hotline, 844-403-0007. As a result of this notification, the **Insured** shall be contacted by a designated Breach Consultant who shall gather information from the **Insured** and assess the severity of the **Privacy Wrongful Act**.

After this evaluation, if it determined that:

1. a **Privacy Wrongful Act** did not occur, the Limit of Insurance as set forth in Item 3.(c)(i) of the Declarations shall apply and the **Insured** shall not be provided with any further **Breach Consultation Services**.
2. a **Privacy Wrongful Act** did occur then subject to the Limit of Insurance set forth in Item 3.(c) of the Declarations, the Breach Consultant shall provide the **Insured** with guidance on how to respond to the **Privacy Wrongful Act**. In accordance, the Breach Consultant shall represent and provide the **Insured** with **Breach Consultation Services**.

Breach Consultants shall be attorneys from the firm of Lewis Brisbois Bisgaard & Smith LLP, <http://lewisbrisbois.com/breach-consultant>. In the event of a conflict, the **Insurer** shall provide the **Insured** with alternative approved firms to act as the Breach Consultant and provide the **Insured** with **Breach Consultation Services**.

II. Breach Consultation Services

A. Legal Services

The Breach Consultant shall represent the **Insured** throughout the breach response process. The Breach Consultant shall provide services including, but not limited to, determining the applicability of and the **Insured's** obligation to comply with any **Breach**

Notification Law and if necessary, managing all third party service providers, preparing notification letters, other correspondence and messaging for **Affected Individuals**, regulatory entities, the media, and other entities as necessary and recommended.

B. Data Forensics

In the event of an actual or potential **Privacy Wrongful Act** resulting from a breach of the **Insured's Network**, the Breach Consultant shall retain and direct, on behalf of the **Insured**, a qualified forensics firm to investigate, examine and analyze the **Network** to determine the cause and source of the unauthorized misappropriation or disclosure of **Personally Identifiable Information** and the extent to which such **Personally Identifiable Information** was accessed. Forensics firms shall be selected from the approved list on The eRisk Hub®. The **Insured** may, as recommended by the Breach Consultant, select an alternative forensics firm, in accordance with Section IV.H.7. of the Policy. The forensics firm shall require access to the **Insured's Network**. The **Insured** shall comply with all reasonable requests of the forensics firm throughout the course of the investigation.

C. Public Relations Expenses

In the event a **Public Relations Event** occurs, the Breach Consultant shall retain and direct, on behalf of the **Insured**, a qualified public relations firm, crisis management firm or law firm to minimize any potential harm to the **Insured** arising from such **Public Relations Event**. Such firms shall be selected from the approved list on The eRisk Hub®. The **Insured** may, as recommended by the Breach Consultant, select an alternative firm, in accordance with Section IV.H.4. of the Policy.

D. Breach Response Services

In the event the Breach Consultant determines it is necessary for the **Insured** to provide **Breach Response Services** to **Affected Individuals**, or the **Insured** elects to provide such **Breach Response Services**, the Breach Consultant shall retain and direct, on behalf of the **Insured**, the Preferred Service Provider, as set forth below, to render such **Breach Response Services**.

III. Breach Response Services

Breach Response Services shall be provided by AllClear ID, <https://www.allclearid.com/> (hereinafter "Preferred Service Provider").

A. Data Look Up Services/Notice Fulfillment Services

Data Look Up Services

The Preferred Service Provider shall provide services for the **Insured** including, but not limited to, address lookup, deceased lookup and social security number verification for all **Affected Individuals**.

Notice Fulfillment Services

The Preferred Service Provider shall coordinate mail notification services such as notification letter printing, mailing and return mail management. All notification letters shall be sent to **Affected Individuals** via first class mail.

B. Call Center Services/Call Center Reports

Call Center Services

The Preferred Service Provider shall provide a call center, accessible to U.S. resident callers by a toll-free number, for a period of up to ninety (90) days, as determined by the Breach Consultant, following notification of a **Privacy Wrongful Act**. Call center employees shall answer questions from **Affected Individuals** about the **Privacy Wrongful Act** and **Public Relations Event** and provide information regarding **Credit Monitoring Services** and **Identity Theft Resolution Services** including the enrollment process.

Call Center Reports

The Preferred Service Provider shall provide the **Insured** with a weekly call report including total calls, total calls answered, total abandoned calls, call abandonment rate and average speed of answer.

C. Enrollment Services/Enrollment Reports

Enrollment Services

The Preferred Service Provider shall provide web-based enrollment on behalf of the **Insured** for its **Credit Monitoring Services** and Identity Theft Monitoring offered to **Affected Individuals**. Enrollment Services shall include a web page hosted by the Preferred Service Provider containing information about **Credit Monitoring Services** and Identity Theft Monitoring, including the duration of such services and customer support phone numbers.

Enrollment Reports

The Preferred Service Provider shall provide the **Insured** with a monthly enrollment report, accessible through a secure portal, which contains the total number of **Affected Individuals** enrolled in **Credit Monitoring Services**.

D. Credit Monitoring Services

The Preferred Service Provider shall provide the first five thousand **Affected Individuals**, who have enrolled in **Credit Monitoring Services**, with access to triple bureau credit monitoring for two years from the date of enrollment.

The Preferred Service Provider shall provide all other **Affected Individuals**, who have enrolled in **Credit Monitoring Services**, with access to triple bureau credit monitoring for one year from the date of enrollment.

E. Identity Theft Resolution Services

Identity Theft Monitoring

The Preferred Service Provider shall notify any **Affected Individual**, who has enrolled in Identity Theft Monitoring, when stolen identity information is detected and reported. Stolen identity information includes compromised bank account log-ins, credit card numbers, social security numbers, and other online log-ins such as emails and passwords. In the event the Preferred Service Provider receives notification that an **Affected Individual's** identity has been found through Identity Theft Monitoring, the **Affected Individual** shall be contacted via telephone or email. Identity Theft Monitoring shall be provided to **Affected Individuals** for one year from the date of enrollment.

Complete Identity Repair

All **Affected Individuals** shall be automatically enrolled for Complete Identity Repair. In the event that the identity of any **Affected Individual** has been stolen, the Preferred Service Provider shall work with creditors and credit bureaus to help repair the **Affected Individual's** identity. The Preferred Service Provider shall also help repair the **Affected Individual's** credit should he or she become the victim of **Identity Theft**. Complete Identity Repair includes, but is not limited to, proactively searching for all undiscovered activity using credit and other data sources, completing all required documentation and initiating disputes with all credit bureaus and affected institutions, providing regular status updates and confirming with the **Affected Individual** when his or her identity has been fully restored. Complete Identity Repair shall be provided to **Affected Individuals** for one year from the date of the **Privacy Wrongful Act** occurred.

ENDORSEMENT NO. <EN>

AMEND NETWORK EXTORTION COVERAGE

This Endorsement, effective at 12:01 a.m. on <TRXEFFDATE>, forms part of

Policy No. <POLICYNO>
Issued to <ACCTNAME>
Issued by <CARRNAME>

In consideration of the premium charged, it is hereby agreed that:

1. Section I. INSURING AGREEMENTS, Subsection D.2. is amended to read as follows:

2. **Network Extortion Coverage**

- a. The **Insurer** shall reimburse the **Insured** the amounts which the **Insured** actually pays to any person or entity for services to avoid, defend or preclude a **Network Extortion** first occurring during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this Policy.
- b. At the **Insurer's** sole discretion, the **Insurer** may also reimburse the **Insured** the amounts which the **Insured** actually pays to any person or entity which are sought or demanded by a **Network Extortion**; provided, however, that the most the **Insurer** shall reimburse the **Insured** for such amounts is <\$ENTER AMOUNT>, which amount shall be part of, and not in addition to, the amount set forth in Item 3.(e) of the Declarations.

2. Section IV. CONDITIONS, Subsection G.5. is amended to read as follows:

5. Insuring Agreement D.2.

As a condition precedent to any right to payment in respect of any **Network Extortion** under Insuring Agreement D.2.:

- a. The **Insured** must give the **Insurer** written notice of such **Network Extortion** as soon as practicable, but in no event later than thirty (30) days after the **Insured** first receives notice of the **Network Extortion**; and
- b. The **Insured** must make every reasonable effort to not disclose the existence of the coverage provided under Insuring Agreement D.2.b. of this Policy.

All other terms, conditions and limitations of this Policy shall remain unchanged.

Authorized Representative