



ALLIED WORLD ASSURANCE COMPANY (U.S.) INC.
1690 New Britain Avenue, Suite 101, Farmington, CT 06032 • Tel. 860-284-1300 • Fax 860-284-1301

ALLIED WORLD CYBER

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. Policy Aggregate Limit of Insurance: \$1,000,000

Item 4. Limits and Retentions:

Third Party Liability Insuring Agreements			
Coverage	Limit of Insurance	Retention	Retroactive Date
A. Network Security and Privacy Liability Coverage	\$1,000,000	\$1,000	Full Prior Acts
B. Media Liability Coverage	\$1,000,000	\$1,000	Full Prior Acts
C. Professional Services Liability Coverage	Not Purchased	Not Purchased	Not Purchased
D. Technology Services Liability Coverage	Not Purchased	Not Purchased	Not Purchased

First Party Insuring Agreements		
Coverage	Limit of Insurance	Retention
E. Incident Response Coverage	\$1,000,000	\$1,000
Inside the Aggregate Limit of Insurance		
1. Breach Consultation	\$1,000,000	\$1,000
2. Data Forensics	\$1,000,000	\$1,000
3. Breach Response – In addition to the Aggregate Limit of Insurance	50,000 Individuals	\$1,000
4. Public Relations	\$1,000,000	\$1,000
F. PCI Expenses Coverage	Not Purchased	Not Purchased
G. Network Extortion Coverage	\$1,000,000	\$1,000
H. Cyber Crime Coverage	\$50,000	\$1,000
1. Social Engineering Fraud Coverage	\$50,000	\$1,000
2. Telecommunications Fraud Coverage	\$50,000	\$1,000
3. Funds Transfer Fraud Coverage	\$50,000	\$1,000
I. Data Restoration Coverage	\$1,000,000	\$1,000
Coverage	Limit of Insurance	Waiting Period
J. Business Interruption and Extra Expense Coverage	\$1,000,000	12 hours
1. Business Interruption	\$1,000,000	12 hours
2. System Failure Business Interruption	\$250,000	12 hours
3. Contingent Business Interruption	\$250,000	12 hours
Coverage	Limit of Insurance	
K. Supplemental Expenses Coverage	\$25,000	
L. Disciplinary Proceedings Coverage	Not Purchased	

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

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

E-mail: AWCyberEvent@awac.com

Incident Evaluation Hotline: 844.736.2428

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: \$1,800.00

Item 7. Extended Reporting Period:

12 Months at an Additional 100% of Premium

Item 8. Endorsements Attached at Issuance:

1. AWCYB 00049 00 (01/2018) Service of Suit
2. AWCYB 00053 00 (05/2018) Amend Limit of Insurance for Incident Response Coverage Breach Response in Addition to Aggregate

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



Secretary



AUTHORIZED REPRESENTATIVE

ENDORSEMENT NO. 1

SERVICE OF SUIT

This Endorsement, effective at 12:01 a.m. on August 1, 2018, forms part of

Policy No.
Issued to
Issued by Allied World Assurance Company (U.S.) Inc.

Service of Suit

In the event of the **Insurer's** failure to pay any amount claimed to be due hereunder, the **Insurer**, at the **Named Insured's** request will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of the **Insurer's** rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon counsel, Legal Department, Allied World Assurance Company (US), Inc., 1690 New Britain Avenue, Farmington, CT 06032 or his or her representative, and that in any suit instituted against the **Insurer** upon this Policy, the **Insurer** will abide by the final decision of such court or of any appellate court in the event of an appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefor, the **Insurer** hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his or her successors in office, as its true and lawful agent upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the **Named Insured** or any beneficiary hereunder arising out of this Policy of insurance and hereby designates the above named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

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



Authorized Representative

ENDORSEMENT NO. 2

AMEND LIMIT OF INSURANCE FOR INCIDENT RESPONSE COVERAGE BREACH RESPONSE IN ADDITION TO AGGREGATE LIMIT OF INSURANCE

This Endorsement, effective at 12:01 a.m. on August 1, 2018, forms part of

Policy No.
Issued to
Issued by Allied World Assurance Company (U.S.) Inc.

In consideration of the premium charged, it is hereby agreed that Section IV. CONDITIONS, Subsection A. paragraphs 1. and 2. are deleted in their entirety and replaced with the following:

IV. CONDITIONS

A. Limits of Insurance

1. Policy Aggregate Limit of Insurance:

The Policy Aggregate Limit of Insurance, as set forth in Item 3. of the Declarations, is the **Insurer's** maximum liability under Insuring Agreements I.A., I.B., I.C., I.D., I.E.1., I.E.2., I.E.4., I.F., I.G., I.H., I.I., I.J., and I.K. combined, regardless of the number of **Related Events** or other matters giving rise to coverage under this Policy, or the number of natural persons or entities included within the definition of **Insured**.

The amounts payable by the **Insurer** under Insuring Agreement I.E.3. are in addition to, and not part of the Policy Aggregate Limit of Insurance set forth in Item 3. of the Declarations.

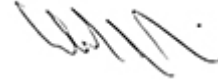
2. Limit of Insurance For Each of Insuring Agreements I.A., I.B., I.C., I.D., I.E., I.F., I.G., I.I., I.K., and I.L.:

The Limit of Insurance for Insuring Agreements I.A., I.B., I.C., I.D., I.E.1., I.E.2., I.E.3., I.E.4., I.F., I.G., I.I., I.K., and I.L. as set forth in Items 4.A., 4.B., 4.C., 4.D., 4.E.1., 4.E.2., 4.E.3., 4.E.4., 4.F., 4.G., 4.I., 4.K., and 4.L. of the Declarations, is the **Insurer's** maximum liability for each corresponding Insuring Agreement, regardless of the number of **Claims**, claimants, **Network Security and Privacy Wrongful Acts**, **Media Wrongful Acts**, **Professional Services Wrongful Acts**, **Technology Services Wrongful Acts**, **Network Extortions**, **Disciplinary Proceedings** or other matters giving rise to coverage under any of the Policy's Insuring Agreements, or the number of natural persons or entities included within the definition of **Insured**. Such amounts are part of and not in addition to the applicable Limit of Insurance set forth in the Declarations.

Notwithstanding the above, Item 4.E.3. of the Declarations is in addition to and not part of the Policy Aggregate Limit of Insurance and the maximum number of **Affected Individuals** to whom **Breach Response**

shall be provided is set forth in Item 4.E.3. of the Declarations, regardless of the number of **Network Security and Privacy Wrongful Acts** giving rise to coverage during the **Policy Period**.

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

A handwritten signature in black ink, appearing to be 'M. J. ...', is positioned above a horizontal line.

Authorized Representative



ALLIED WORLD ASSURANCE COMPANY (U.S.) INC.
1690 New Britain Avenue, Suite 101, Farmington, CT 06032 • Tel. 860-284-1300 • Fax 860-284-1301

ALLIED WORLD CYBER

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

Third Party Liability Insuring Agreements

A. Network Security and Privacy Liability Coverage

The **Insurer** shall pay on behalf of an **Insured** the **Loss** resulting from **Claims** first made against an **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 a **Network Security and Privacy Wrongful Act** discovered by an **Insured** on or after the **Retroactive Date**.

B. Media Liability Coverage

The **Insurer** shall pay on behalf of an **Insured** the **Loss** resulting from **Claims** first made against an **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 a **Media Wrongful Act** that takes place on or after the **Retroactive Date**.

C. Professional Services Liability Coverage

The **Insurer** shall pay on behalf of an **Insured** the **Loss** resulting from **Claims** first made against an **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 a **Professional Services Wrongful Act** that takes place on or after the **Retroactive Date**.

D. Technology Services Liability Coverage

The **Insurer** shall pay on behalf of an **Insured** the **Loss** resulting from **Claims** first made against an **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 a **Technology Services Wrongful Act** that takes place on or after the **Retroactive Date**.

First Party Liability Insuring Agreements

E. Incident Response Coverage

The **Insurer** shall pay on behalf of an **Insured** for the following services or expenses due to a **Network Security and Privacy Wrongful Act** first discovered by an **Insured** during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this Policy:

1. **Breach Consultation;**
2. **Data Forensics;**
3. **Breach Response;** and
4. **Public Relations Costs.**

F. PCI Expenses Coverage

The **Insurer** shall reimburse an **Insured** for **PCI Expenses**, if insurable under applicable law, due to a **Network Security and Privacy Wrongful Act** first discovered by an **Insured** during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this Policy.

G. Network Extortion Coverage

The **Insurer** shall reimburse an **Insured** for **Network Extortion Expenses** due to a **Network Extortion** first discovered by an **Insured** during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this Policy.

H. Cyber Crime Coverage

1. Social Engineering Fraud Coverage

The **Insurer** shall reimburse an **Insured** for **Social Engineering Fraud Loss** due to **Social Engineering Fraud** first discovered by an **Insured** during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this Policy.

2. Telecommunications Fraud Coverage

The **Insurer** shall reimburse an **Insured** for **Telecommunications Fraud Loss** due to **Telecommunications Fraud** first discovered by an **Insured** during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this Policy.

3. Funds Transfer Fraud Coverage

The **Insurer** shall reimburse an **Insured** for **Funds Transfer Fraud Loss** due to **Funds Transfer Fraud** first discovered by an **Insured** during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this Policy.

I. Data Restoration Coverage

The **Insurer** shall reimburse an **Insured** for **Digital Assets Restoration Costs** due to a **Network Security and Privacy Wrongful Act** first discovered by an **Insured** during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this Policy.

J. Business Interruption and Extra Expense Coverage

1. Business Interruption

The **Insurer** shall reimburse an **Insured** for **Business Interruption Costs** incurred during the **Period of Restoration** due to a **System Disruption** commencing during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this Policy.

2. System Failure Business Interruption

The **Insurer** shall reimburse an **Insured** for **Business Interruption Costs** incurred during the **Period of Restoration** due to a **System Failure** commencing during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this Policy.

3. Contingent Business Interruption

The **Insurer** shall reimburse an **Insured** for **Business Interruption Costs** incurred during the **Period of Restoration** due to a **Third Party System Disruption** commencing during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this Policy.

K. Supplemental Expenses Coverage

1. The **Insurer** shall reimburse an **Insured** for **Dispute Resolution Costs** resulting from a **Claim** first made against an **Insured** during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this Policy.

2. The **Insurer** shall reimburse an **Insured** for **Cyber Expenses** due to covered **Social Engineering Fraud Loss, Telecommunications Fraud Loss, Funds Transfer Fraud Loss, or Network Extortion Expenses** first discovered by an **Insured** during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this Policy.

The **Insurer** shall reimburse an **Insured** for **Cyber Expenses** at the same time as the **Insurer** reimburses an **Insured** for the valid and collectible **Social Engineering Fraud Loss, Telecommunications Fraud Loss, Funds Transfer Fraud Loss, or Network Extortion Expenses**.

3. The **Insurer** shall reimburse an **Insured** for **Public Relations Costs** due to a **Media Wrongful Act, Professional Services Wrongful Act, Technology Services Wrongful Act, Network Extortion, Social Engineering Fraud, Telecommunications Fraud, or Funds Transfer Fraud** first discovered by an

Insured during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this Policy.

L. Disciplinary Proceedings Coverage

The **Insurer** shall pay on behalf of an **Insured** the reasonable and necessary fees, costs and expenses incurred in responding to a **Disciplinary Proceeding** initiated against an **Insured** and reported to the **Insurer** during the **Policy Period**. Any payment made by the **Insurer** under this provision shall be in addition to the Policy Aggregate Limit of Insurance set forth in Item 3. of the Declarations and shall not be subject to any Retention.

II. DEFINITIONS

When used in this Policy:

- A. **Affected Individual** means any natural person whose **Protected 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 **Network Security and Privacy Wrongful Act**.
- B. **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 an **Insured** about the **Insured** within twelve (12) months prior to the Inception Date of this Policy.
- C. **Approved Provider** means a service provider approved in writing by the **Insurer**.
- D. **Bodily Injury** means injury to the body, sickness, disease or death of any natural 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 natural person.
- E. **Breach Consultation** means the reasonable and necessary costs and expenses incurred on behalf of an **Insured** for the following services recommended and provided by an **Approved Provider** or as set forth in Condition IV.B.1.:
 - 1. to determine the applicability of and an **Insured's** obligation to comply with any **Breach Notification Law**, including retaining additional **Approved Providers**, as necessary; and
 - 2. to draft notification letters to be sent to any **Affected Individual** and to provide an initial report to any regulatory, administrative or supervisory authority.
- F. **Breach Notification Law** means any local, state, federal or foreign law or regulation that requires notice to any natural person whose **Protected Information** was accessed by or disclosed to or reasonably may have been accessed by or disclosed to an unauthorized individual.
- G. **Breach Response** means the reasonable and necessary costs and expenses incurred on behalf of an **Insured** for the following services recommended and provided by an **Approved Provider**:

1. notification to **Affected Individuals** pursuant to any applicable **Breach Notification Law** or at an **Insured's** discretion, provided that **Protected Information** was accessed by or disclosed to or reasonably may have been accessed by or disclosed to an unauthorized individual;
2. the establishment and operation of a call center for a reasonable period of time to provide information to **Affected Individuals** whose **Protected Information** was accessed by or disclosed to or reasonably may have been accessed by or disclosed to an unauthorized individual; and
3. triple bureau credit monitoring for a period up to two (2) years from the date of enrollment, credit freezing, credit thawing, identity theft resolution, identity restoration, and the purchase of any identity theft insurance product for **Affected Individuals**.

H. **Business Income Loss** means an amount equal to:

1. net profit or loss before interest and tax that an **Insured** would have earned or incurred or the net loss that the **Insured** would have avoided but for an interruption in service caused by a covered **System Disruption, System Failure, or Third Party System Disruption**; and
2. continuing normal operating expenses incurred by an **Insured** (including payroll), but only to the extent that (a) such operating expenses must necessarily continue during the **Period of Restoration**; and (b) such expenses would have been incurred by an **Insured** had such interruption not occurred.

Business Income Loss will be calculated based on the actual **Business Income Loss** an **Insured** sustains per hour during the **Period of Restoration**.

I. **Business Interruption Costs** means the total sum of **Extra Expense** and **Business Income Loss**.

Business Interruption Costs does not include:

1. **Loss** or damage arising out of any **Insured's** liability to any third party, for whatever reason;
2. fines, penalties, or taxes imposed on or levied against any **Insured**;
3. sums owed by any **Insured** pursuant to a contractual provision for liquidated damages, penalties, or a similar remedy;
4. legal costs and expenses of any nature incurred by any **Insured**;
5. costs and expenses incurred by any **Insured** to update, upgrade, or otherwise improve, the **Network**, network security, hardware, software and electronic data that is used to protect or is stored on or within the **Network**, to a level of functionality better than that which existed prior to a **Network Attack**;
6. any decrease in revenue caused by negative publicity to an **Insured's** business, brand, or reputation, or any unfavorable business or economic conditions;

7. any other consequential loss or damage;
8. costs and expenses resulting from any voluntary takedown of a **Network** by an **Insured**, except when the takedown of a **Network** is reasonably necessary to mitigate the effects of a **Network Attack** or is recommended by an **Approved Provider**;
9. costs and expenses resulting from any actual or alleged labor disputes; and
10. any actual or alleged financial distress or bankruptcy of an **Insured**.

J. **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, proceeding, prosecution or governmental action;
4. alternative dispute resolution proceeding; or
5. written request to toll or waive a statute of limitations.

A **Claim** will be deemed to have been first made when an **Insured** receives notice of the **Claim**.

Claim does not include a **Disciplinary Proceeding**.

- K. **Client** means any natural person or entity to whom an **Insured** provides goods or services pursuant to a written contract.
- L. **Cyberterrorism** means any premeditated, politically or ideologically motivated attack against computer systems, computer programs, and data which results in violence against non-combatant targets by sub-national groups or clandestine agents.
- M. **Cyber Expenses** means reasonable and necessary costs and expenses incurred and paid by an **Insured** to a third party to prepare or assist in preparing the **Insured's** sworn Proof of Loss as required pursuant to Condition IV.G.3. of this Policy.
- N. **Data Forensics** means the reasonable and necessary costs and expenses incurred by an **Approved Provider** on behalf of an **Insured** for services recommended and provided by an **Approved Provider** to determine the cause and extent of a **Network Security and Privacy Wrongful Act**.
- O. **Defense Expenses** means reasonable and necessary legal fees and expenses incurred by or on behalf of an **Insured** by the **Insurer** in the defense or appeal of a **Claim**; provided that **Defense Expenses** will not include an **Insured's** overhead expenses or any salaries, wages, fees, or benefits paid to its **Employees**.

- P. **Digital Assets** means software and electronic data that is stored on or within an **Insured's Network**. **Digital Assets** shall include the capacity of an **Insured's Network** to store and process data and information and electronically disseminate data and information over the Internet. **Digital Assets** does not include **Money**, funds, debt, securities, bonds, equity instruments, credit, bills, accounts, valuable papers, trade secrets and intellectual property.
- Q. **Digital Assets Restoration Costs** means the reasonable and necessary costs and expenses incurred by an **Insured**, recommended and provided by an **Approved Provider**, to 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 and Privacy Wrongful Act**. If an **Insured** determines that **Digital Assets** cannot be replaced, restored or recollected, **Digital Assets Restoration Costs** shall be limited to the reasonable and necessary expenses incurred by an **Insured** to reach that determination.
- R. **Disciplinary Proceeding** means any proceeding by a regulatory, disciplinary or licensing official, board, or agency which regulates or oversees the **Insured's** conduct of **Professional Services** or **Technology Services**, as set forth in the Professional Services Endorsement or in the Technology Services Endorsement, to investigate charges of professional misconduct by an **Insured** in the performance of or failure to perform **Professional Services** or **Technology Services**.
- S. **Dispute Resolution Costs** means costs of up to \$500 per day reimbursed to an **Insured** by the **Insurer** for reasonable and necessary costs and expenses incurred and paid by an **Insured** to attend a trial, hearing or alternative dispute resolution proceeding arising from a covered **Claim**; provided, however, that the maximum aggregate amount payable under this provision, regardless of the number of **Claims**, the number of **Insureds**, or the number of days attended, shall be the limit set forth in Item. 4.K. of the Declarations.
- T. **Employee** means any individual whose labor or service is engaged by and directed by an **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 an **Insured** and within the scope of their duties. Neither a **Third Party Contractor** nor a **Third Party Provider** is an **Employee**.
- U. **Executive Officer** means an **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 Manager, General Counsel or any individual in a functionally equivalent position.
- V. **Extra Expense** means the reasonable and necessary expenses incurred by an **Insured**, including the net costs of any **Employee** utilized in lieu of a third party vendor, that are in excess of an **Insured's** normal operating expenses and are incurred in an attempt to minimize, mitigate, reduce or avoid **Business Income Loss**. **Extra Expense** also includes **Public Relations Costs** up to a maximum of \$5,000 in the aggregate.

Extra Expense does not mean:

1. any cost or expense incurred in connection with the recall, replacement, repair, withdrawal, modification, enhancement, restoration, development, improvement,

inspection, correction, or update, of computers, telecommunications, and wireless hardware and devices and the components thereof, including any peripheral hardware;

2. any cost or expense incurred by an **Insured** to correct, remediate, modify, inspect, investigate, re-perform or complete any **Professional Services** and **Technology Services**; except for those costs reasonably expected to mitigate or settle an actual or potential **Claim**, provided that an **Insured** must obtain the **Insurer's** prior written approval before incurring such costs. Approval of such costs shall be at the **Insurer's** sole discretion;
3. any consequential loss or damage.

W. **Funds Transfer Fraud** means an unauthorized and fraudulent instruction by a third party directing a financial institution to transfer, pay or deliver **Money** or **Securities** from any account maintained by an **Insured** at such institution, without an **Insured's** knowledge or consent.

X. **Funds Transfer Fraud Loss** means the loss of **Money** or **Securities** sustained by an **Insured** as the result of **Funds Transfer Fraud**. **Funds Transfer Fraud Loss** shall not include any amounts reimbursed or reversed to an **Insured** by any credit card company or financial institution.

Y. **Insured** means any of the following:

1. the **Named Insured** listed in Item 1. of the Declarations;
2. any past, present and future principal, partner, officer, director, trustee, managing member or **Employee** of the **Insured**, only while acting within the scope of their duties as such;
3. any leased, loaned or temporary **Employees**, volunteers and interns, only while acting under the direction and control of an **Insured** and within the scope of their duties and exclusively on behalf of an **Insured**;
4. at the discretion of the **Named Insured** and with the **Insurer's** written approval, any **Third Party Contractor** solely with respect to **Professional Services** or **Technology Services** provided on behalf of the **Named Insured** for a **Client**; or
5. any **Subsidiary** that was created or acquired on or before the Inception Date of this Policy, or subject to Condition H., during the **Policy Period**.

Insured does not mean any third party except as provided for in Definition Y.4. of this Policy.

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

AA. **Loss** means:

1. **Defense Expenses**, monetary damages, pre-judgment interest, post-judgment interest, judgments, and settlements;

2. fines and penalties assessed pursuant to any law or regulation in any local, state, federal or foreign jurisdiction for a **Network Security and Privacy Wrongful Act**;
3. any amounts an **Insured** becomes legally obligated to pay as a result of a **Claim**;
4. consumer redress funds; and
5. punitive or exemplary damages or the multiplied portion of multiple damages where insurable under applicable law. 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:
 - i. is the location of the court that awarded or imposed such damages;
 - ii. is where the **Insured** is incorporated or otherwise organized or has a place of business; or
 - iii. is where the **Insurer** is incorporated or otherwise organized or has its principal place of business.

Loss does not include:

- a. taxes, fines, and penalties, except for those fines and penalties for a **Network Security and Privacy Wrongful Act** as described in paragraph 2. of this Definition AA.;
- b. profits, future royalties, costs of licensing, or other costs of obtaining future use, restitution, return or offset of fees, charges, royalties, or commissions for goods or services already provided or contracted to be provided by an **Insured**, or disgorgement by an **Insured**;
- c. the costs to comply with orders granting injunctive or declaratory relief or other non-monetary relief, including specific performance, or any agreement to provide such relief;
- d. remedies due pursuant to a contractual provision or agreement, or sums due pursuant to a contractual provision or agreement for liquidated damages, agreed penalties or similar remedies, except to the extent that an **Insured** could be held liable in the absence of such contract or agreement;
- e. matters that are uninsurable under applicable law;
- f. any cost or expense incurred in connection with the recall, replacement, repair, withdrawal, modification, enhancement, restoration, development, improvement, inspection, correction, update, or upgrade of computers, telecommunications, and wireless hardware and devices and the components thereof, including any peripheral hardware;
- g. any cost or expense incurred by an **Insured** to correct, remediate, modify, inspect, investigate, re-perform or complete any **Professional Services** or **Technology Services**; except for those costs reasonably expected to mitigate or settle an actual or potential **Claim**, provided that an **Insured** must obtain the

Insurer's prior written approval before incurring such costs. Approval of such costs shall be at the **Insurer's** sole discretion; or

- h. the return, reinvestment, reimbursement or replacement of funds, **Money** or **Securities**, or anything of monetary value that an **Insured** holds, receives or transfers, or fails to hold, reserve or transfer, including any interest that accrued or failed to accrue.

BB. **Material** means any content of an **Insured** disseminated by any means.

CC. **Media 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**, in connection with the dissemination of an **Insured's Material**, that results in:

1. defamation, slander, libel, product or service disparagement, trade libel or other tort related to disparagement or harm to the reputation or character of any natural person or organization;
2. improper deep-linking or framing within electronic content;
3. misappropriation or misdirection of messages or media of third parties, including metatags, domain names, and related cyber content;
4. plagiarism, piracy or misappropriation of ideas under an implied contract, infringement of copyright, domain name, trade dress, title or slogan, or the dilution or infringement of trademark, service mark, service name or trade name;
5. false arrest, detention or imprisonment, malicious prosecution, harassment, trespass, wrongful entry or eviction, eavesdropping, false light or other invasion of the right of privacy; or
6. unfair competition or unfair trade practices solely when alleged in conjunction with items 1. through 5. above.

Media Wrongful Act shall not include false advertising of an **Insured's** products or services.

DD. **Money** means currency, coins and bank notes in current use and having a face value, bullion, traveler's checks, registered checks, money orders held for sale to the public, digital currency, virtual currency or cryptocurrency.

EE. **Named Insured** means the organization set forth in Item 1. of the Declarations.

FF. **Network** means computer hardware, servers, software, firmware, telephone systems, mobile devices, blockchain technology, and components thereof, including software and electronic data stored on or within an **Insured's Network**, whether leased or owned.

GG. **Network Attack** means:

1. unauthorized access to or use of a **Network**;

2. an intentional attack of a **Network**, including but not limited to a denial of service attack, with protocols or instructions transmitted over the internet or another computer communication network, which triggers the use of a **Network's** resources to the extent that the capacity of those resources to accommodate authorized users of such **Network** is depleted or diminished; or
3. the introduction into a **Network** of any malicious code which could destroy, alter, contaminate, or degrade the integrity, quality, or performance of a **Network** or the software and electronic data that is stored on or within a **Network**.

HH. **Network Extortion** means a credible threat or connected series of credible threats made by a natural person to:

1. commit or to continue an attack on an **Insured's Network**;
2. disclose **Protected Information** obtained as a result of unauthorized access to or unauthorized use of an **Insured's Network**;
3. commit **Cyberterrorism**; or
4. refuse to return or unencrypt **Digital Assets**.

II. **Network Extortion Expenses** means reasonable and necessary costs and expenses recommended or provided by an **Approved Provider** for:

1. services to avoid, defend or preclude a **Network Extortion**; or
2. **Money** or **Securities** sought or demanded as a result of a **Network Extortion**.

JJ. **Network Security and Privacy Wrongful Act** means any actual, alleged or reasonably suspected:

1. unauthorized access to, misappropriation, disclosure, accidental release, or failure to protect **Protected Information**;
2. violation of any law or regulation in any local, state, federal or foreign jurisdiction associated with the control and use of **Protected Information**;
3. wrongful collection of **Protected Information**; or
4. breach of security of an **Insured's Network** which results in:
 - a. the unauthorized access to, use of or tampering with a third party's **Network**;
 - b. failure to provide an authorized third party access to an **Insured's** services; or
 - c. failure to prevent the transmission of a computer virus, ransomware, or malicious code to a third party.

KK. **PCI Expenses** means expenses assessed against an **Insured** pursuant to a Payment Card Industry Data Security Standards (PCI DSS) Merchant Services Agreement, as a result of actual or alleged non-compliance with PCI DSS now in effect or as amended including

case management fees, audit costs, counterfeit fraud recovery costs, card reissuance costs, PCI forensic investigation costs, and a contractual fine or penalty. **PCI Expenses** does not constitute **Loss** or any other expense or services payments as otherwise defined by this Policy.

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

1. begins at the time of the **System Disruption**, **System Failure**, or **Third Party System Disruption**; and
2. ends on the earlier of:
 - a. for purposes of coverage under Insuring Agreement J.1., the date and time when an **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 **System Disruption**, or one hundred twenty (120) consecutive days after the start of the **System Disruption**;
 - b. for purposes of coverage under Insuring Agreement J.2., the date and time when an **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 **System Failure**, or one hundred twenty (120) consecutive days after the start of the **System Failure**; or
 - c. for purposes of coverage under Insuring Agreement J.3., the date and time when an **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 **Third Party System Disruption**, or one hundred twenty (120) consecutive days after the start of the **Third Party System Disruption**.

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

MM. **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.

NN. **Pollution** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, asbestos, asbestos products or waste. Waste includes materials to be recycled, reconditioned or reclaimed.

OO. **Professional Services** means the services scheduled in the Professional Services Endorsement, if Item 4.C. of the Declarations indicates that Insuring Agreement I.C. was purchased.

PP. **Professional Services 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**, in the performance of or failure to perform **Professional Services**.

QQ. **Property** means tangible property, other than **Money** or **Securities**, that has intrinsic value.

- RR. **Property Damage** means physical injury to, loss or destruction of, or loss of use of tangible property.
- SS. **Protected Information** means the following in any format:
1. a natural person's name, e-mail address, social security number, medical or healthcare data, other protected health information, driver's license number, state identification number, credit card number, debit card number, address, unpublished telephone number, account number, account histories, personally identifiable photos, personally identifiable videos, Internet browsing history, biometric or geolocation information, or passwords;
 2. any other non-public personal information as defined in any local, state, federal, and foreign identity theft and privacy protection laws, legislation, statutes, or regulations that require commercial entities that collect **Protected Information** to post privacy policies, adopt specific privacy or security controls, or notify individuals in the event that **Protected Information** has potentially been compromised; or
 3. any other third party confidential or proprietary information:
 - a. provided to an **Insured** and protected under a previously executed nondisclosure agreement or similar contract; or
 - b. which an **Insured** is legally responsible to maintain in confidence.
- TT. **Public Relations Costs** means the reasonable and necessary costs and expenses incurred by or on behalf of an **Insured** by an **Approved Provider** for public relations or crisis communications services for the purpose of protecting or restoring the reputation of, or mitigating harm to, an **Insured**.
- UU. **Related Events** means all **Claims, Network Security and Privacy Wrongful Acts, Media Wrongful Acts, Professional Services Wrongful Acts, Technology Services Wrongful Acts, Network Attacks, Social Engineering Fraud, Telecommunications Fraud, Funds Transfer Fraud, System Disruptions, System Failures, or Third Party System Disruptions** 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.
- VV. **Retroactive Date** means the date specified in Item 4. of the Declarations.
- WW. **Securities** means negotiable and non-negotiable instruments representing either **Money** or **Property**; provided, however that **Securities** does not include **Money** or **Property**.
- XX. **Social Engineering Fraud** means an unauthorized and fraudulent instruction by a natural person falsely purporting to be a **Vendor, Client, Executive Officer** or **Employee** with the intention to mislead an **Insured** that results in an **Insured's** transfer, payment or delivery of **Money** or **Securities**.
- YY. **Social Engineering Fraud Loss** means the loss of **Money** or **Securities** sustained by an **Insured** as the result of **Social Engineering Fraud**. **Social Engineering Fraud Loss**

shall not include any amounts reimbursed or reversed to an **Insured** by any credit card company or financial institution.

ZZ. **Subsidiary** means any entity during any time which an **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.

AAA. **System Disruption** means the actual and measurable interruption, suspension or failure of an **Insured's Network** resulting directly from a **Network Attack**, including the intentional interruption of the **Network** by an **Insured** reasonably necessary to mitigate the effects of a **Network Attack**.

BBB. **System Failure** means the unintentional and unplanned outage of an **Insured's Network** resulting from a cause other than a **Network Attack**.

CCC. **Technology Services** means the services scheduled in the Technology Services Endorsement, if Item 4.D. of the Declarations indicates that Insuring Agreement I.D. was purchased.

DDD. **Technology Services 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**, in the performance of or failure to perform **Technology Services**.

EEE. **Telecommunications Fraud** means any unauthorized access to or use of an **Insured's** telephone system by a third party.

FFF. **Telecommunications Fraud Loss** means any charges incurred by an **Insured** resulting directly from **Telecommunications Fraud**. **Telecommunications Fraud Loss** shall not include any amounts reversed by an **Insured's** telecommunications provider.

GGG. **Third Party Contractor** means a natural person or organization that provides services for a fee pursuant to a written agreement on behalf of an **Insured** to a **Client**, but only where the natural person or organization acts within the scope of the agreement.

HHH. **Third Party Provider** means a business an **Insured** does not own, operate or control, but that an **Insured** retains for a fee pursuant to a written contract to provide goods or services for an **Insured's** business. **Third Party Provider** shall not include any purchaser of an **Insured's** goods or services.

III. **Third Party System Disruption** means the actual and measurable interruption, suspension or failure of a **Third Party Provider's Network** resulting directly from a **Network Attack** on the **Third Party Provider's Network**.

- JJ. **Vendor** means any natural person or entity that provides goods or services to an **Insured** pursuant to a written agreement.
- KKK. **Waiting Period** means the number of consecutive hours specified in Item 4.J. of the Declarations that immediately follows the commencement of a disruption and shall apply to each **Period of Restoration**.
- LLL. **Wrongful Act** means a **Network Security and Privacy Wrongful Act**, a **Media Wrongful Act**, a **Professional Services Wrongful Act**, or a **Technology Services Wrongful Act**.

III. EXCLUSIONS

A. EXCLUSIONS APPLICABLE TO ALL INSURING AGREEMENTS

This Policy does not cover **Loss, Breach Consultation, Breach Response, Public Relations Costs, Data Forensics, PCI Expenses, Network Extortion Expenses, Social Engineering Fraud Loss, Telecommunications Fraud Loss, Funds Transfer Fraud Loss, Digital Assets Restoration Costs, Business Interruption Costs, or Cyber Expenses**:

1. alleging, arising out of, or based upon any dishonest, fraudulent, criminal, malicious or intentional act or omission, or any willful violation of any statute, rule, or law by an **Insured**, or the gaining of any profit, remuneration or advantage to which an **Insured** is not legally entitled, if an admission, final adjudication or finding establishes that such act, omission or violation occurred; provided, however, this exclusion will not apply to **Defense Expenses**.

In determining the applicability of this Exclusion, 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 **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** or entity that would otherwise be covered under Condition H.

This Exclusion shall not apply to an **Insured** which is not a natural person for acts, errors or omissions of an **Employee**, who is not an **Executive Officer**, who deliberately acts outside the scope of their employment and whose intentional conduct results in an otherwise covered loss under this Policy.

2. brought by any **Insured** against any other **Insured** or other entity acquired by the **Insured**; provided, however, that this Exclusion shall not apply to any **Claim** brought by an **Employee** for a **Network Security and Privacy Wrongful Act**.
3. alleging, arising out of, or based upon war, invasion, acts of foreign enemies, nations, groups or natural persons, 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; provided, however, that this Exclusion shall not apply to **Cyberterrorism**.
4. alleging, arising out of, or based upon any fact, circumstance, situation, transaction, event, or **Wrongful Act**:

- a. underlying or alleged in any prior or pending litigation or administrative or regulatory proceeding or investigation of any kind of which an **Insured** had received notice before the Inception Date of this Policy;
- b. which, before the Inception Date of this Policy, was the subject of any notice given by or on behalf of an **Insured** under any other policy of insurance; or
- c. which was known to an **Insured** before the Inception Date of this 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 to the Inception Date of the first such policy.

5. alleging, arising out of, or based upon price fixing, restraint of trade, monopolization, interference with economic or contractual relations or any prospective advantage, or any violation 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, whether enacted before or after the Inception Date of this Policy.
6. alleging, arising out of, or based upon failure, interruption or reduction in supply of utility service or infrastructure, including, without limitation, electrical, gas, water, telephone, Internet, cable, satellite, or telecommunications.
7. alleging, arising out of, or based upon a seizure, confiscation, nationalization, or destruction of a **Network** by official order of any governmental or public authority.
8. for any actual or alleged unsolicited dissemination of faxes, e-mails, text messages or similar communications by an **Insured** to any third party, including but not limited to any violation of the Telephone Consumer Protection Act, any federal, state, local or foreign anti-spam statute, or any other federal, state, local or foreign statute, law or regulation.
9. for any actual or alleged violations of Employee Retirement Income Security Act of 1974 (“ERISA”), as amended.
10. for any actual or alleged violations of the Securities Act of 1933, the Securities Exchange Act of 1934, or any other federal, state or local securities law.
11. for any actual or alleged violation of the Racketeer Influenced and Corrupt Organizations Act (“RICO”).
12. for any actual or alleged:

- a. discrimination of any kind, including but not limited to race, creed, religion, age, handicap, sex, marital status or financial condition;
 - b. refusal to employ, termination of employment, breach of an employment contract, coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or any other employment-related practices, policies, acts, errors or omissions; or
 - c. sexual harassment or molestation.
- 13. for **Property Damage** including natural disasters, or **Bodily Injury**; 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** or a **Network Security and Privacy Wrongful Act**.
 - 14. for the transfer of, or the failure to transfer funds, money or securities; provided that this Exclusion does not apply to coverage otherwise available under Insuring Agreement G. Network Extortion Coverage or Insuring Agreement H. Cyber Crime Coverage.
 - 15. for **Pollution**, however caused.
 - 16. for any actual or alleged patent infringement.
 - 17. for any actual or alleged misappropriation, misuse or disclosure of a third party's confidential and proprietary business information or trade secret, other than a third party's confidential and proprietary information provided to an **Insured** by a third party which an **Insured** is legally responsible to maintain in confidence.
 - 18. for any actual or alleged violation of U.S. federal or state law or regulations associated with medical billing or coding services.
 - 19. for any actual or alleged unfair competition, unfair or fraudulent trade practices, or unfair or fraudulent business practices; provided that this Exclusion shall not apply to **Loss** from **Claims** arising out of **Media Wrongful Acts** as defined in Definition CC.6.

IV. CONDITIONS

A. Limits of Insurance

- 1. Policy Aggregate Limit of Insurance:

The Policy Aggregate Limit of Insurance, as set forth in Item 3. of the Declarations, is the **Insurer's** maximum liability under Insuring Agreements I.A., I.B., I.C., I.D., I.E., I.F., I.G., I.H., I.I., I.J., and I.K. combined, regardless of the number of **Related Events** or other matters giving rise to coverage under this Policy, or the number of natural persons or entities included within the definition of **Insured**.

Notwithstanding the above, if Item 4.E. of the Declarations is "In addition to the Limit of Insurance", the amounts payable by the **Insurer** under Insuring

Agreement I.E. are in addition to, and not part of the Policy Aggregate Limit of Insurance set forth in Item 3. of the Declarations.

2. Limit of Insurance For Each of Insuring Agreements I.A., I.B., I.C., I.D., I.E., I.F., I.G., I.I., I.K., and I.L.:

The Limit of Insurance for Insuring Agreements I.A., I.B., I.C., I.D., I.E., I.F., I.G., I.I., I.K., and I.L. as set forth in Items 4.A., 4.B., 4.C., 4.D., 4.E., 4.F., 4.G., 4.I., 4.K., and 4.L. of the Declarations, is the **Insurer's** maximum liability for each corresponding Insuring Agreement, regardless of the number of **Claims**, claimants, **Network Security and Privacy Wrongful Acts**, **Media Wrongful Acts**, **Professional Services Wrongful Acts**, **Technology Services Wrongful Acts**, **Network Extortions**, **Disciplinary Proceedings** or other matters giving rise to coverage under any of the Policy's Insuring Agreements, or the number of natural persons or entities included within the definition of **Insured**. Such amounts are part of and not in addition to the applicable Limit of Insurance set forth in the Declarations.

Notwithstanding the above, if Item 4.E. of the Declarations indicates that Insuring Agreement I.E. is in addition to and not part of the Policy Aggregate Limit of Insurance:

- a. the maximum amount of **Breach Consultation** is set forth in Item 4.E.1. of the Declarations;
- b. the maximum amount of **Data Forensics** is set forth in Item 4.E.2. of the Declarations;
- c. the maximum number of **Affected Individuals** to whom **Breach Response** shall be provided is set forth in Item 4.E.3. of the Declarations; and
- d. the maximum amount of **Public Relations Costs** is set forth in Item 4.E.4. of the Declarations;

regardless of the number of **Network Security and Privacy Wrongful Acts** giving rise to coverage during the **Policy Period**.

3. Limit of Insurance For Insuring Agreement I.H.:

The Limit of Insurance for Insuring Agreement I.H., as set forth in Item 4.H. of the Declarations, is the **Insurer's** maximum liability under Insuring Agreement I.H., regardless of the number of **Social Engineering Frauds**, **Telecommunications Frauds**, or **Funds Transfer Frauds** or other matters giving rise to coverage under Insuring Agreement I.H., or the number of natural persons or entities included within the definition of **Insured**. Such amount is part of, and not in addition to, the Limit of Insurance for Insuring Agreement I.H. set forth in Item 4.H. of the Declarations.

4. Limit of Insurance For Insuring Agreement I.J.:

The Limit of Insurance for Insuring Agreement I.J., as set forth in Item 4.J. of the Declarations, is the **Insurer's** maximum liability under Insuring Agreement I.J.,

regardless of the number of **System Disruptions**, **System Failures**, or **Third Party System Disruptions** or other matters giving rise to coverage under Insuring Agreement I.J., or the number of natural persons or entities included within the definition of **Insured**. Such amount is part of, and not in addition to, the Limit of Insurance for Insuring Agreement I.J. set forth in Item 4.J. of the Declarations.

B. Application of Retentions

1. Retention For Each Insuring Agreement

The Retention applicable to each of Insuring Agreements I.A., I.B., I.C., I.D., I.E.1., I.E.2., I.E.3., I.E.4., I.F., I.G., and I.I. of this Policy is set forth in Items 4.A., 4.B., 4.C., 4.D., 4.E.1., 4.E.2., 4.E.3., 4.E.4., 4.F., 4.G., and 4.I. of the Declarations. The **Insurer's** obligation to pay or reimburse an **Insured** for any matter giving rise to coverage under any of Insuring Agreements I.A., I.B., I.C., I.D., I.E.1., I.E.2., I.E.3., I.E.4., I.F., I.G., and I.I. is in excess of the Retention applicable to any such Insuring Agreement(s). The applicable Retention shall apply to each and every **Claim**, **Breach Consultation**, **Data Forensics**, **Breach Response**, **Public Relations Costs**, **PCI Expenses**, **Network Extortion**, **Digital Asset Restoration** or other matter giving rise to coverage under any applicable Insuring Agreement.

Notwithstanding the above, if the **Insured** utilizes an **Approved Provider** for **Breach Consultation** under Insuring Agreement I.E.1., then no Retention shall apply. If the **Insured** does not utilize an **Approved Provider** for **Breach Consultation**, then the applicable Retention shall apply. In such circumstance, the **Insured** must select counsel with substantial experience in the subject at issue and the **Insurer's** obligation to pay fees is limited to rates which are actually paid by the **Insurer** to **Approved Providers** in the ordinary course of business for similar actions.

The Retention applicable to each of the coverages provided under Insuring Agreement H. is set forth in Item 4.H. of the Declarations. The **Insurer's** obligation to reimburse the **Insured** for any **Social Engineering Fraud Loss**, **Telecommunications Fraud Loss** and **Funds Transfer Fraud Loss** is in excess of the applicable Retention. The applicable Retention shall apply to each and every **Social Engineering Fraud**, **Telecommunications Fraud**, and **Funds Transfer Fraud** giving rise to coverage under Insuring Agreement H.

2. Waiting Period for Insuring Agreement I.J.

A **System Disruption**, **System Failure**, or **Third Party System Disruption** must exceed the **Waiting Period** set forth in Item 4.J. of the Declarations for coverage to apply.

If the total hours for a **System Disruption**, **System Failure**, or **Third Party System Disruption** giving rise to coverage under Insuring Agreement I.J. exceeds the **Waiting Period** set forth in Item 4.J. of the Declarations, then the **Insurer's** obligation to reimburse an **Insured** for **Business Interruption Costs** shall begin at the time of the **System Disruption**, **System Failure**, or **Third Party System Disruption**.

The **Waiting Period** shall apply to each and every **System Disruption**, **System Failure**, or **Third Party System Disruption** giving rise to coverage under Insuring Agreement I.J.

3. Retention Payment by the **Named Insured**

The **Insurer** will have no obligation whatsoever, either to an **Insured** or to any other natural person or entity, to pay all or any portion of any Retention amount for or on behalf of any **Insured**, although the **Insurer** will, in its sole discretion, have the right and option to pay such Retention, in which event, the **Insureds** agree to repay the **Insurer** the amount(s) the **Insurer** has paid with respect to the Retention. The **Named Insured** shall be responsible for the payment of any Retention under this Policy.

4. Retention for Related Events

In the event that a **Related Event** 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.

Notwithstanding the above, under Insuring Agreement I.J. the applicable **Waiting Period** set forth in Item 4.J. of the Declarations shall apply to each and every **System Disruption**, **System Failure**, or **Third Party System Disruption** giving rise to coverage under Insuring Agreement I.J. regardless of whether the Retention under another Insuring Agreement has been satisfied.

All **Related Events** will be treated as a single matter made or discovered when the earliest of such **Related Events** was first made or discovered, or when the earliest of such **Related Events** is treated as having been made or discovered in accordance with Condition IV.G.1.b. of this Policy, whichever is earlier.

C. **Defense and Settlement of Claims Against an Insured**

1. The **Insurer** will have the right and duty to defend any **Claim** under Insuring Agreement I.A., I.B., I.C., and I.D. that 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 an **Insured**, enter into such settlement of any **Claim** as the **Insurer** deems appropriate.

If an **Insured** refuses to consent to a settlement acceptable to the claimant and the **Insurer**, then, subject to the **Insurer's** Limits of Insurance set forth in Items 4.A., 4.B., 4.C., and 4.D. of the Declarations, as applicable, 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. seventy percent (70%) of any **Loss** in excess of the amounts referenced in clause a. above that are incurred in connection with such **Claim**. The remaining **Loss** will be the responsibility of the **Insured** at its own cost, and will be uninsured and not reimbursed by the **Insurer**.
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 under this Policy, after the Policy Aggregate Limit of Insurance set forth at Item 3. of the Declarations, has been exhausted. If the Policy Aggregate Limit of Insurance stated in Item 3. of the Declarations has been exhausted, the entire premium paid for this Policy will be deemed fully earned.
3. The **Insurer** will have no obligation to pay **Loss**, or to defend or continue to defend any **Claim**, or to pay or reimburse any amounts, costs or expenses pursuant to Insuring Agreements I.A., I.B., I.C., and I.D. of this Policy, after the Policy Aggregate Limit of Insurance set forth in Item 3. of the Declarations or the Limit of Insurance applicable to such Insuring Agreement, as stated in Items 4.A., 4.B., 4.C., and 4.D. of the Declarations, has been exhausted. If the Policy Aggregate Limit of Insurance stated in Item 3. of the Declarations is exhausted by the payment of such amounts, the entire premium paid for this Policy will be deemed fully earned.
4. In the event there is a determination that an **Insured** shall not be entitled to payment of **Defense Expenses** under the terms and conditions of this Policy, any and all payments of **Defense Expenses** made by or on behalf of the **Insurer** shall be promptly repaid to the **Insurer** by the **Named Insured**.

D. Other Insurance

The insurance provided by this Policy shall apply only as excess over any other valid and collectible insurance, whether such insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically as excess insurance over the applicable Limit of Insurance provided by this Policy. This Policy shall not be subject to the terms and conditions of any other insurance policy. Notwithstanding the above, this Policy shall remain primary for any covered claim under Insuring Agreements I.A., I.E., I.F., I.G., and I.I.

E. 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, an **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, an **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**. An **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 an **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 an **Insured** under this Condition E. will survive the expiration or cancellation of the Policy.

Notwithstanding the above, the **Insurer** shall have no subrogation rights with respect to **Claims, Breach Consultation, Data Forensics, Breach Response, Public Relations Costs, PCI Expenses, Network Extortion, Social Engineering Fraud, Telecommunications Fraud, Funds Transfer Fraud, Digital Asset Restoration, System Disruption, System Failure, or Third Party System Disruption** where the **Insured** agreed to waive any such rights in writing prior to the date such **Wrongful Act, Network Extortion, Social Engineering Fraud, Telecommunications Fraud, Funds Transfer Fraud, System Disruption, System Failure, or Third Party System Disruption** first occurred.

F. Extended Reporting Period

If this Policy is cancelled or non-renewed for any reason other than nonpayment of premium, and, within sixty (60) days of the end of the **Policy Period**, the **Named Insured** elects to purchase the Extended Reporting Period set forth in Item 7. of the Declarations by paying the additional premium set forth in Item 7. of the Declarations, then the coverage otherwise afforded by Insuring Agreement I.A., I.B., I.C., and I.D. 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 change in control under Condition I., whichever is earlier. The Extended Reporting Period does not increase or reinstate the Policy Aggregate Limit of Insurance or any Limit of Insurance and may only be purchased if all premiums and Retentions due under this Policy have been paid prior to the **Insured's** right to purchase the Extended Reporting Period coverage provided hereunder. Once purchased, the Extended Reporting Period may not be canceled and the premium shall be deemed fully earned.

G. Notice Requirements and Other Duties of the Insured

1. Insuring Agreement I.A., I.B., I.C., and I.D.

- a. As a condition precedent to any right to payment in respect of any **Claim** made under Insuring Agreement I.A., I.B., I.C., or I.D., an **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 this Policy.
- b. If, during the **Policy Period**, an **Insured** first becomes aware of a circumstance which may subsequently give rise to a **Claim** and an **Insured**:
 - i. gives the **Insurer** written notice of the circumstance giving rise to such potential **Claim** 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 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 it had been first made during the **Policy Period**.

2. Insuring Agreement I.E., I.F., I.G., I.H., I.I., I.J., and I.K.

As a condition precedent to any right to payment under Insuring Agreement I.E., I.F., I.G., I.H., I.I., I.J., or I.K. the **Insured** must give the **Insurer** notice of any **Network Security and Privacy Wrongful Act, Network Extortion, Social Engineering Fraud, Telecommunications Fraud, Funds Transfer Fraud, System Disruption, System Failure, or Third Party System Disruption** as soon as practicable thereafter, and in no event later than sixty (60) days after the Expiration Date of the Policy.

Such notice shall include a description of the **Network Security and Privacy Wrongful Act, Network Extortion, Social Engineering Fraud, Telecommunications Fraud, Funds Transfer Fraud, System Disruption, System Failure, or Third Party System Disruption** in question, and the consequences that have resulted or may result from such **Network Security and Privacy Wrongful Act, Network Extortion, Social Engineering Fraud, Telecommunications Fraud, Funds Transfer Fraud, System Disruption, System Failure, or Third Party System Disruption**.

3. Insuring Agreement I.H. and I.J.

Within ninety (90) days of the date on which notice of the **Social Engineering Fraud, Telecommunications Fraud, Funds Transfer Fraud, System Disruption, System Failure, or Third Party System Disruption** is transmitted to the **Insurer** in accordance with Condition IV.G.2. above (unless such period is extended in writing by the **Insurer**), an **Insured** must complete, sign and submit to the **Insurer** a sworn Proof of Loss of **Money** or **Securities** 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 the **Social Engineering Fraud, Telecommunications Fraud, Funds Transfer Fraud, System Disruption, System Failure, or Third Party System Disruption** regarding the nature, extent and cause(s) of the **Social Engineering Fraud, Telecommunications Fraud, Funds Transfer Fraud, System Disruption, System Failure, Third Party System Disruption**; (ii) a detailed calculation of all loss of **Money, Securities, or Business Interruption Costs** claimed, sustained, or incurred by the **Insured** (including, without limitation, the amount of and methodology used to calculate any claimed loss of **Money** or **Securities** or **Business Interruption Costs**); and (iii) all underlying documents, materials, media and data that reasonably relate to or form a part of the basis of an **Insured's** claim.

An **Insured** must take all reasonable steps to: (a) avoid and minimize the interruption of its business operations and **Business Income Loss**; and (b)

resume business operations as quickly as possible, including making partial use of the **Network** and software and electronic data that is stored on or within the **Network**, and using whatever work-arounds are available, whenever possible.

If an **Insured** has complied with all of the terms of this Policy, the **Insurer** will pay for covered **Business Interruption Costs**, within thirty (30) days after:

- a. The **Insurer** receives a sworn statement in a Proof of Loss from an **Insured**; and
- b. The **Insurer** and an **Insured** have reached agreement as to the amount of **Business Interruption Costs**.

As a condition precedent to any right to payment in respect of **Social Engineering Fraud Loss, Telecommunications Fraud Loss** and **Funds Transfer Fraud Loss**, the **Insured** must notify relevant law enforcement officials immediately following the discovery of the **Social Engineering Fraud Loss, Telecommunications Fraud Loss** or **Funds Transfer Fraud Loss** and make reasonable efforts to have the loss reversed or recovered from its telecommunications provider or financial institution.

4. 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, or by electronic mail to the e-mail address listed in Item 5. of the Declarations. Such notices shall be deemed effective when received by the **Insurer**.

H. **Mergers and Acquisitions**

If, during the **Policy Period**, the **Named Insured** acquires or creates another entity, which as a result of such acquisition or creation meets the definition of **Subsidiary** in Definition ZZ (the “New Entity”), and at the time of the acquisition or creation the assets of the New Entity exceed twenty-five percent (25%) of the total assets of the **Named Insured** as reflected in the most recent **Application** then, subject to the terms and conditions of this Policy, the New Entity and its natural person **Insureds** will be covered under this Policy for a period of ninety (90) days after the effective date of the acquisition or creation, and only with respect to **Wrongful Acts** committed or allegedly committed, or events for which coverage is provided by this Policy occur, on or after the effective date of the acquisition or creation. In the event of the acquisition of any New Entity by the **Named Insured** where the total assets are less than the threshold amount specified above, the coverage provided by this Policy will remain in effect for such New Entity, without further underwriting or the payment of additional premium.

Notwithstanding the above, if an **Insured** has provided the **Insurer** with written notice of the acquisition or creation with full details thereof, and the **Named Insured** and the **Insurer** have agreed in writing 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.

I. **Change in Control**

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

1. 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;
2. the obtaining by any natural person, entity, or affiliated group of natural 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**; or
3. the appointment of a receiver, conservator, trustee, liquidator, or rehabilitator, or any similar official, for or with respect to the **Named Insured**; except that this provision shall not apply to the reorganization of the **Named Insured** pursuant to United States bankruptcy laws;

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

J. Cancellation; No Obligation to Renew

1. The **Insurer** may not cancel this Policy or any individual Coverage Section 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, the **Insurer** shall retain the pro rata proportion of the premium for either the Policy, or the individual Coverage Section cancelled, as applicable. 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** is not 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. Such notice shall state the specific reason(s) for non-renewal.

K. Representations; Severability

1. The **Named 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 those particulars and statements, 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:
 - a. with respect to any natural person **Insured** who knew of such material untruth, misrepresentation or omission; and
 - b. with respect to all non-natural person **Insureds** and **Third Party Contractors**, but only if an **Executive Officer**, or any natural person in a functionally equivalent position within a non-natural person **Insured**, knew of such untruth, misrepresentation or omission.

L. Legal Action Against the Insurer

No action may be taken against the **Insurer** unless, as conditions precedent thereto, there has been full compliance with all of the terms of this Policy and the amount of an **Insured's** obligation to pay has been finally determined either by judgment against an **Insured** after adjudicatory proceedings, or by written agreement of the **Named Insured**, the claimant and the **Insurer**.

No natural person or entity will have any right under this Policy to join the **Insurer** as a party to any **Claim** 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**.

M. 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**.

N. 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 natural 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**.

O. 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.

P. 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**.

Q. Changes

Notice to any agent or knowledge possessed by any agent or other natural person acting on behalf of the **Insurer** will not affect 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 to this Policy issued by the **Insurer**.

R. Assignment

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

S. Entire Agreement

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

T. 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.

U. Trade Sanctions

The **Insurer** shall not be deemed to provide cover nor be liable to pay any claim or provide any benefit under this Policy to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the **Insurer** to any sanction, prohibition or restriction, including under United Nations resolutions, or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.