



ENDURANCE PREMIER PRIVACY NETWORK RISK INSURANCE POLICY

This is a Claims Made and Reported Policy. Please Read It Carefully.

In consideration of the payment of premium, in reliance upon the information, representations and warranties contained in the **Application** and subject to all the terms, limitations and conditions of this Policy, the **Insurer** and the **Insured** agree as follows:

I. INSURING AGREEMENTS

A. Network Security, Privacy and Media Liability

If Insuring Agreement A. is purchased as designated in Item 4. of the Declarations, the **Insurer** shall pay **Damages** and **Claim Expenses** resulting from any **Claim** first made against the **Insured** during the **Policy Period** and reported to the **Insurer** in writing during the **Policy Period**, or any applicable Extended Reporting Period, for any **Wrongful Act** committed on or after the **Retroactive Date** and before the Policy terminates.

The **Insurer** will reimburse the **Insured** for all **Claim Expenses** the **Insured** incurs in responding to any **Regulatory Proceeding** resulting from any **Claim** first made against the **Insured** during the **Policy Period** and reported to the **Insurer** in writing during the **Policy Period**, or any applicable Extended Reporting Period, for a **Network Security Wrongful Act** or **Privacy Wrongful Act** that results in a **Privacy Event**, provided such **Network Security Wrongful Act** or **Privacy Wrongful Act** first happens on or after the **Retroactive Date** and before the Policy terminates.

B. Privacy Breach Costs

If Insuring Agreement B. is purchased as designated in Item 4. of the Declarations, the **Insurer** shall pay the **Insured** for **Privacy Breach Costs** which are directly attributable to a **Privacy Event** commencing during the **Policy Period**, if such **Privacy Event** is reported to the **Insurer** pursuant to Subsection VII.B. of this Policy.

C. Business Income Loss

If Insuring Agreement C. is purchased as designated in Item 4. of the Declarations, the **Insurer** will pay the **Insured** any **Business Income Loss** and **Extra Expenses** the **Insured** sustains during the **Period of Restoration** due to an **Interruption of Service**, provided such **Interruption of Service** first occurs during the **Policy Period** and the **Interruption of Service** exceeds the Waiting Period shown in Item 4. of the Declarations.

D. Contingent Business Income Loss

If Insuring Agreement D. is purchased as designated in Item 4. of the Declarations, the **Insurer** will pay the **Insured** any **Contingent Business Income Loss** and **Extra Expenses** the **Insured** sustains during the **Period of Restoration** due to an **Interruption of Service**, provided such **Contingent Business Income Loss** first occurs during the **Policy Period** and the **Interruption of Service** exceeds the Waiting Period shown in Item 4. of the Declarations.

E. Digital Asset Loss

If Insuring Agreement E. is purchased as designated in Item 4. of the Declarations, the **Insurer** will reimburse the **Insured** for any **Digital Asset Replacement Expenses** the **Insured** incurs due to the corruption or destruction of **Digital Assets** caused by a **Security Event**, provided such **Security Event** first occurs during the **Policy Period**.

F. Cyber Extortion Threat and Reward Payments

If Insuring Agreement F. is purchased as designated in Item 4. of the Declarations, the **Insurer** will reimburse the **Insured** for any **Extortion Expenses** and **Extortion Payments** actually paid by the **Insured** that result directly from a **Cyber Extortion Threat**, provided the **Insured** first receives such **Cyber Extortion Threat** during the **Policy Period**.

The **Insurer** will reimburse the **Insured** for any reward the **Insured** pays to any person or entity for information leading to the arrest and conviction of any person who is making or has made any **Cyber Extortion Threat**, provided the **Insured** first receives such **Cyber Extortion Threat** during the **Policy Period** and the **Insurer** consents to offering such reward prior to it being offered. Neither internal nor external auditors of the **Insured** will be eligible to receive any Reward Payment.

II. DEFINITIONS

Whenever used in this Policy:

- A. **Advertisement** means a notice that is disseminated with the consent of the **Insured** about the goods, products or services of the **Insured** for the purpose of attracting customers or supporters. **Advertisement** shall include promotional material and media publicly disseminated on the internet either on behalf of the **Insured** or by the **Insured** on behalf of others.
- B. **Application** means all applications, including attachments, and all other materials and information provided by the **Insured** to the **Insurer** for the purposes of underwriting or issuing this Policy or any policy of which this Policy is a renewal or replacement.
- C. **Bodily Injury** means physical injury, sickness, disease or death of any person, and includes emotional distress or mental anguish whether or not accompanied by physical injury, sickness or disease. **Bodily Injury** does not include emotional distress or mental anguish as a result of a **Privacy Event**.

D. Business Income Loss means the following, if incurred within 30 days of the end of an **Interruption of Service** and if caused solely by a **Security Event** directly impacting the **Insured's Computer System**:

1. net profit before taxes that the **Insured** does not realize due to an **Interruption of Service** (which if agreed will be calculated by applying an Hourly Sublimit), based upon the **Period of Restoration**; and
2. normal computer network operating expenses incurred by the **Insured** (including payroll), but solely to the extent that such operating expenses must continue during the **Period of Restoration** and would have been incurred had there been no **Interruption of Service**.

Business Income Loss does not include any:

1. contractual penalties;
2. costs or expenses incurred to update, restore, replace or improve a **Computer System** to a level beyond that which existed just before the **Interruption of Service**;
3. expense incurred to identify or remediate software program errors or vulnerabilities;
4. legal costs or expenses of any nature;
5. loss arising out of liability to any third party;
6. any other consequential loss or damage; or
7. **Extra Expenses**.

E. Claim means a written demand received by the **Insured** for monetary damages or non-monetary relief which alleges a **Wrongful Act**, including:

1. the service of suit or any civil proceeding in a court of law or at equity, including any appeal therefrom, which is commenced by the filing of a complaint or similar legal instrument;
2. institution of arbitration, mediation or other formal alternative dispute resolution proceeding;
3. any prosecution or governmental action related to a **Privacy Event**;
4. any written request to toll or waive a statute of limitations; or
5. any **Regulatory Proceeding**.

Claim shall not include any form of criminal proceeding. A **Claim** for injunctive relief alleging any **Wrongful Act** for which insurance would have been granted under this Policy if **Damages** had been sought will be considered a **Claim** for the purposes of this Policy, but only the **Claim Expenses** arising therefrom shall be covered by this Policy.

F. Claim Expenses means attorneys' fees and all other reasonable fees, costs and expenses resulting from the investigation and defense of a **Claim**, but only if incurred by the **Insurer** or by the **Insured** with the prior written consent of the **Insurer**.

Claim Expenses shall not include any compensation of any employee or officer of the **Insured** or any supervisory counsel retained by the **Insured**. The determination by the **Insurer** as to the reasonableness of **Claim Expenses** shall be binding on the **Insured**.

- G. Consumer Redress Fund** means any sum of money the **Insured** is legally required to deposit in a court-administered fund solely for the payment of consumer claims due to a settlement of, or an adverse judgment in, a **Regulatory Proceeding**.
- H. Computer System** means computers and associated software, input and output devices, data storage devices, networking equipment and back up facilities.
- I. Contingent Business Income Loss** means the **Business Income Loss** sustained by the **Insured** as a result of an **Interruption of Service** caused directly and solely by a **Security Event** impacting a **Qualified Service Provider's Computer System**, but only if such **Security Event** would have been covered under this Policy if such **Qualified Service Provider** had been the **Insured**, applying the same terms and conditions herein.

Contingent Business Income Loss does not include any:

1. contractual penalties;
 2. costs or expenses incurred to update, restore, replace or improve a **Computer System** to a level beyond that which existed just before the **Interruption of Service**;
 3. expense incurred to identify or remediate software program errors or vulnerabilities;
 4. legal costs or expenses of any nature;
 5. loss arising out of liability to any third party;
 6. any other consequential loss or damage; or
 7. **Extra Expenses**.
- J. Cyber Extortion Threat** means a credible threat or connected series of threats made by someone other than the **Insured's** principals, partners, executive officers, directors or organizational equivalents to:
1. introduce **Malicious Code** into the **Insured's Computer System**;
 2. prevent access to or use of the **Insured's Computer System** or the **Insured's Digital Assets**;
 3. interrupt the **Insured's Computer System** through a **Denial of Service Attack**; or
 4. disseminate, divulge, or improperly utilize any **Personal Information** or any other corporate information in the care, custody or control of any **Insured** taken as a result of the **Unauthorized Use** of or the **Unauthorized Access** to the **Insured's Computer System**.
- K. Damages** means:
1. compensatory sums;
 2. monetary judgments or settlements;
 3. punitive or exemplary damages to the extent such damages are insurable under the law most favorable to the insurability of such damages of any jurisdiction which has a substantial relationship to the **Insured**, the **Insurer**, this Policy or the **Claim**;
 4. **Regulatory Fines**;
 5. pre-judgment and post-judgment interest (where permissible by law); and
 6. amounts in respect of any **Consumer Redress Fund**.

Damages shall not include:

1. taxes, fines or statutory penalties levied against the **Insured**, or sanctions, whether imposed by law or otherwise (except as provided above with respect to punitive or exemplary damages);
 2. disgorgement of any profit, remuneration or financial advantage to which the **Insured** was not legally entitled;
 3. liquidated damages or penalties of any nature pursuant to a contract or agreement of any kind, unless such liability would have attached to the **Insured** in the absence of such contract or agreement;
 4. matters uninsurable under the law pursuant to which this Policy is construed;
 5. the **Insured's** cost of correcting or re-printing **Media Material**, including any media or products containing such **Media Material**; or
 6. future profits, future royalties, costs of licensing or the costs to comply with orders granting equitable relief, including injunctions, temporary restraining orders, specific performance, or any agreement to provide such relief.
- L. Denial of Service Attack** means a malicious attack which is designed to slow or completely interrupt access to a targeted **Computer System** or website by other third parties authorized to gain access to that **Computer System** or website. **Denial of Service Attack** does not include a malicious attack by any principal, partner, executive officer, director or organizational equivalent of an **Insured**, whose acts shall be imputed to other **Insureds**.
- M. Digital Assets** means software and data in electronic form stored on the **Insured's Computer System**. **Digital Assets** do not include accounts, bills, evidences of debt, money, valuable papers, records, abstracts, deeds, manuscripts or other documents, except as they have been converted to electronic data, and then only in that form.
- N. Digital Asset Replacement Expenses** means the reasonable and necessary expenses the **Insured** incurs to replace, restore or recollect **Digital Assets** from written records or partially or fully matching electronic data due to their corruption or destruction from a **Security Event**, including any disaster recovery or computer forensic investigation efforts.

Digital Asset Replacement Expenses do not include:

1. any expense incurred to update, replace, restore, or otherwise improve **Digital Assets** to a level beyond that which existed prior to the loss event;
2. any expense incurred to identify or remediate software program errors or vulnerabilities, or costs to update, replace, upgrade, restore, maintain or improve any **Computer System**;
3. any expense incurred to research and develop **Digital Assets**, including trade secrets;
4. the economic or market value of **Digital Assets**, including trade secrets; or
5. any other consequential loss or damage.

O. Extortion Expenses means the reasonable and necessary expenses incurred by the **Insured**, with the prior consent of the **Insurer**, that are directly attributable to a **Cyber Extortion Threat**, other than **Extortion Payments**.

P. Extortion Payments means monies paid to a third party whom the **Insured** reasonably believes to be responsible for **Cyber Extortion Threat**, provided that:

1. the **Insurer's** prior consent is obtained prior to making such **Extortion Payments**; and
2. such **Extortion Payments** are made to terminate the **Cyber Extortion Threat**.

Q. Extra Expenses means the reasonable and necessary expenses incurred by the **Insured** during the **Period of Restoration** to minimize, avoid or reduce an **Interruption of Service**, provided that such expenses are over and above the **Insured's** normal operating and payroll expenses.

Extra Expenses does not include:

1. any costs or expenses to correct any deficiencies or problems with any **Computer System** or to identify or remediate software errors or vulnerabilities;
2. any costs to prevent a loss or to correct any deficiencies or problems with any **Computer System** that might cause or contribute to a claim;
3. any costs or expenses to update, restore, replace or improve any **Computer System** to a level beyond that which existed just before the **Interruption of Service**;
4. any contractual penalties; or
5. **Digital Asset Replacement Expenses, Extortion Expenses or Extortion Payments**.

R. Insured means the **Named Insured**, any **Subsidiary**, any **Insured Person** and any of the following persons:

1. independent contractors but only for professional services performed on behalf and at the direction of the **Insured** or any **Subsidiary**, and the **Insured** has agreed in writing to provide insurance for such services; and
2. leased employees but only for services performed while acting under the direct supervision and exclusively on behalf of the **Insured** or any **Subsidiary**.

S. Insured Person means any natural person who was, is or becomes a principal, partner, managing member, officer, director, or employee of the **Insured** or **Subsidiary**, but only while in the performance of professional services on behalf of the **Insured** or **Subsidiary**. Coverage under this Policy shall also extend to:

1. the lawful spouse or lawful domestic partner of an **Insured Person**, if named as a co-defendant with such **Insured Person** solely by reason of such spouse's status as a spouse or such domestic partner's status as a domestic partner, or such spouse's or domestic partner's ownership interest in property that is sought by a claimant as recovery for an alleged **Wrongful Act** of such **Insured Person**; and
2. the estate, heirs, executors, administrators, assigns and legal representatives of any **Insured Person** in the event of the death, incapacity, insolvency or bankruptcy of such **Insured Person**, but any such coverage shall apply only with respect to a **Wrongful Act** of such **Insured Person**.

All terms and conditions of this Policy including, without limitation, the self-insured retention applicable to **Claim Expenses** and **Damages** incurred by the **Insured Person**, shall also apply to **Claim Expenses** and **Damages** incurred by the lawful spouse, lawful domestic partner, estate, heirs, executors, administrators, assigns and legal representatives of such **Insured Person**.

T. Insured's Computer System means computers and associated software, input and output devices, data storage devices, networking equipment and back up facilities:

1. operated by and either owned by or leased to the **Insured**; and/or
2. operated by a third party **Qualified Service Provider** and used for the purpose of providing technology or other professional services to the **Insured**, pursuant to a written contract with the **Insured** for such services. As respects Insuring Agreement C., **Insured's Computer System** expressly excludes **Qualified Service Provider Computer Systems**.

Insured's Computer System shall also include the websites of the **Insured** and the **Media Material** stored thereon.

U. Insurer means <<Endurance Insurer>>.

V. Interrelated Privacy Events means all **Privacy Events** which are continuous or repeated or which have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally connected facts, circumstances, situations, events, transactions or causes. **Interrelated Privacy Events** shall be deemed one **Privacy Event** and shall be deemed to first occur at the time the earliest **Privacy Event** of the **Interrelated Privacy Events** first occurs.

W. Interrelated Security Events means all **Security Events** which are continuous or repeated or which have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally connected facts, circumstances, situations, events, transactions or causes. **Interrelated Security Events** shall be deemed one **Security Event** and shall be deemed to first occur at the time the earliest **Security Event** of the **Interrelated Security Events** first occurs.

X. Interruption of Service means the actual and measurable interruption, suspension, failure, degradation or delay in the performance of the **Insured's Computer System** which is directly caused by a **Security Event**.

Y. Malicious Code means unauthorized, corrupting or harmful software code, including computer viruses, Trojan horses, keystroke loggers, cookies, spyware, adware, worms and logic bombs.

Z. Media Communications means the display, broadcast, dissemination, distribution or release of **Media Material** to the public by the **Insured**, including **Media Material** disseminated on the internet.

AA. Media Material means any data, text, sounds, graphics, images or similar matter, including **Advertisements**. **Media Material** shall not include technology or other products or data, text, sounds, images or similar matter incorporated into or otherwise part of the **Insured's** products.

BB. Media Wrongful Act means any act, error, omission, misstatement, misleading statement, neglect, **Personal Injury** offense or breach of duty actually or allegedly committed or attempted by an

Insured in connection with the **Insured's** rendering or failure to render **Media Communications**, including any such actual or alleged conduct which constitutes:

1. libel, slander, defamation or other tort related to the disparagement or harm to the reputation or character of any person or organization;
2. plagiarism, piracy, or the misappropriation or unauthorized use of advertising ideas, advertising material, titles, literary or artistic formats, styles, performances, names or likenesses;
3. the infringement of any copyright, domain name, trademark, trade name, trade dress, title or slogan, service mark or service name, except for the **Insured's** own trademark;
4. negligence with respect to the **Insured's** creation or dissemination of **Media Material**;
5. misrepresentation, wrongful publication, product or service disparagement or trade libel; or
6. an unintentional breach of a contract to render **Media Communications**.

CC. Named Insured means the entity stated in Item 2. of the Declarations.

DD. Network Security means those activities performed by the **Insured**, or by others for or on behalf of the **Insured**, to protect against **Unauthorized Access** to, **Unauthorized Use** of, or a **Denial of Service Attack** by a third party directed against, or the transmission of **Malicious Code** to, the **Insured's Computer System**.

EE. Network Security Wrongful Act means any actual or alleged act, error, omission, neglect, or breach of duty by an **Insured** or the **Insured's Qualified Service Provider** which causes a breach of the **Insured's Network Security** that results in:

1. the theft, alteration, or destruction of electronic data on the **Insured's Computer System**;
2. the **Unauthorized Access** to or **Unauthorized Use** of the **Insured's Computer System**;
3. the denial of an authorized user's access to the **Insured's Computer System**, unless the denial of such authorized user's access is caused by a mechanical or electrical failure outside the control of the **Insured**;
4. the participation by the **Insured's Computer System** in a **Denial of Service Attack** directed against a third party's **Computer System**; or
5. the transmission of **Malicious Code** from the **Insured's Computer System** to a third party's **Computer System**.

FF. Newly Acquired Subsidiary means any entity of which the **Insured** owns, either legally or beneficially, more than a fifty percent (50%) interest and either:

1. subsequent to the inception date of this Policy by reason of being formed or acquired by the **Insured** after such date, if the total annual revenue of such entity does not exceed fifteen percent (15%) of the total consolidated annual revenue of the **Insured** as of the immediate past twelve (12) months prior to the inception date of this Policy; or
2. subsequent to the inception date of this Policy by reason of being formed or acquired by the **Insured** other than as described in FF.1. above, but only upon the conditions that:

- a. within sixty (60) days of such formation or acquisition, the **Named Insured** has provided the **Insurer** with written notice thereof, and the **Insurer** has agreed in writing to insure such entity. The **Insurer** at its sole and absolute discretion shall not be required to insure such entity; and
- b. the **Named Insured** has paid the additional premium, if any, charged by the **Insurer** and has agreed to any endorsement required by the **Insurer** to this Policy.

GG. Period of Restoration means the period from the date and time that a **Computer System** first suffered an **Interruption of Service** to the date and time such **Computer System** was restored, or could have been restored with reasonable speed, to substantially the level of operation that had existed prior to such **Interruption of Service**; provided, however, that in no event shall such period exceed thirty (30) days. **Period of Restoration** does not include any increases in the period of time defined above due to the enforcement of any law, ordinance or regulation.

HH. Personal Information means:

1. an individual's name, social security number, medical or healthcare data, other legally protected health information, drivers license number, state identification number, credit card number(s), debit card number(s), address, email address, telephone number(s), bank or other financial institution account number(s), account histories, or passwords, in any format; and
2. other nonpublic personal information, in any format, as defined in **Privacy Regulations**.

Personal Information shall not include information that is lawfully made available to the general public for any reason, including, but not limited to, information lawfully obtained from federal, state or local government agencies.

II. Personal Injury means injury other than **Bodily Injury** arising out of one or more of the following offenses: wrongful entry or eviction, trespass, eavesdropping, false arrest or malicious prosecution; or invasion, infringement or interference with the right to privacy, including false light, public disclosure of private facts, intrusion or commercial appropriation of name or likeness.

JJ. Policy Period means the period from the inception date of this Policy to the Policy expiration date stated in Item 3. of the Declarations or its earlier cancellation date, if any.

KK. Privacy Breach Costs means the reasonable and necessary fees, costs, charges and expenses incurred by the **Insured** within twelve (12) months of the **Insured** first having knowledge of a **Privacy Event** for the purposes of retaining a computer forensic investigation expert, attorney, public relations consultant or other third party to:

1. conduct a computer forensic analysis to investigate the **Insured's Computer System** to determine the cause and extent of such **Privacy Event**;
2. determine indemnification obligations under any written contract with respect to a **Network Security Wrongful Act** or **Privacy Wrongful Act** by a service provider in connection with such **Privacy Event**;
3. determine if the **Insured** is obligated to notify affected individuals or applicable regulatory agencies of such **Privacy Event**;

4. effect compliance with any applicable **Privacy Regulation** most favorable to the individuals affected by the **Privacy Event**;
5. notify the individuals affected by the **Privacy Event** or applicable regulatory agencies of such **Privacy Event**;
6. plan, implement, execute and manage a public relations campaign to counter or mitigate any actual or anticipated adverse effects of negative publicity from such **Privacy Event** or to protect the **Insured's** business reputation in response to negative publicity following such **Privacy Event**;
or
7. procure credit monitoring, identity restoration or other related services for the individuals affected by the **Privacy Event** in responding to such **Privacy Event**.

Items 5. and 7. above include voluntary measures, as determined by the **Insured**, to mitigate or reduce potential liability following a **Privacy Event**.

Privacy Breach Costs do not include:

1. regular or overtime wages, salaries, fees or other compensation of the **Insured's** directors, officers or employees;
2. the cost to comply with any injunctive or other non-monetary relief;
3. principal, interest or other monies paid or due as the result of any loan, lease or extension of credit; or
4. taxes, fines, sanctions or penalties, except **Regulatory Fines** with respect to Insuring Agreement A.

LL. Privacy Event means:

1. an unauthorized disclosure, loss or theft of:
 - a. **Personal Information** in the care, custody or control of any **Insured** or **Qualified Service Provider**; or
 - b. corporate information in the care, custody or control of any **Insured** or **Qualified Service Provider** that is protected under a written nondisclosure or other confidentiality agreement or other similar contract;
2. a violation of any **Privacy Regulation**; or
3. an unintentional violation of the **Insured's** privacy policy that results in the violation of any **Privacy Regulations**.

MM. Privacy Regulations means the following statutes and regulations, including any amendments thereto, associated with the control and use of personally identifiable financial, medical or other sensitive information:

1. Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191) and Health Information Technology for Economic and Clinical Health Act;
2. Gramm-Leach-Bliley Act of 1999;
3. the California Security Breach Notification Act (CA SB 1386) and Massachusetts 201 CMR 17;

4. Identity Theft Red Flags under the Fair and Accurate Credit Transactions Act of 2003;
5. Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. § 45(a), but solely for alleged violations of unfair or deceptive acts or practices in or affecting commerce; and
6. other similar state, federal or foreign identity theft and privacy protection legislation that requires commercial entities that collect **Personal Information** to post privacy policies, adopt specific privacy or security controls, or notify individuals in the event that **Personal Information** has potentially been compromised.

NN. Privacy Wrongful Act means any actual or alleged act, error, omission, neglect or breach of duty by an **Insured** or by a **Qualified Service Provider** for services performed for or on behalf of the **Insured** that results in a **Privacy Event**.

OO. Property Damage means:

- a. physical injury to or destruction of any tangible property, including the loss of use thereof; or
- b. loss of use of tangible property which has not been physically injured or destroyed.

However, **Property Damage** does not mean injury to, loss or destruction of, or loss of use of intangible property, including **Digital Assets**.

PP. Qualified Service Provider means a business the **Insured** does not own, operate, or control, but that the **Insured** hires for a fee pursuant to a written contract to perform services related to the conduct of the **Insured's** business, including but not limited to maintaining, managing, or controlling the **Insured's Computer Systems** or providing other professional services to the **Insured**.

QQ. Regulatory Fines means any civil monetary fine or penalty imposed by a federal, state, local or foreign governmental entity in such entity's administrative, regulatory or other similar official capacity pursuant to its order under a **Regulatory Proceeding**. **Regulatory Fines** shall not include any criminal fines, disgorgement of profits, multiple, punitive or exemplary damages or civil monetary fines or penalties that are not insurable by law.

RR. Regulatory Proceeding means:

1. a request for information or investigation of an **Insured** by a U.S. administrative or regulatory agency or similar U.S. or foreign governmental body concerning a **Privacy Event**; or
2. an administrative adjudicative proceeding against an **Insured** by a U.S. or foreign administrative or regulatory agency or similar governmental body for a **Privacy Wrongful Act** or **Network Security Wrongful Act**, including an appeal thereof, commenced by the **Insured's** receipt of a subpoena, investigative demand, complaint or similar document.

Regulatory Proceeding shall include associated **Regulatory Fines**.

SS. Retroactive Date means the date stated in Item 4. of the Declarations.

TT. Security Event means any **Unauthorized Access**, **Unauthorized Use**, introduction of **Malicious Code**, or **Denial of Service Attack** that results in:

1. an **Interruption of Service**; or
2. the alteration, corruption or destruction of **Digital Assets** or other corporate information in the care, custody or control of the **Insured**.

UU. Subsidiary means:

1. any entity of which the **Named Insured** owns, either legally or beneficially, more than a fifty percent (50%) interest on or before the inception date of this Policy; or
2. any **Newly Acquired Subsidiary**.

The **Insurer** will only provide coverage for a **Subsidiary** with respect to a **Claim** arising out of a **Wrongful Act** committed on or after the date such **Subsidiary** became a **Subsidiary** and prior to the date such **Subsidiary** ceased to be a **Subsidiary**. An entity ceases to be a **Subsidiary** under this Policy on the date during the **Policy Period** that the **Named Insured's** legal or beneficial interest in such entity becomes less than 50%. No coverage will be afforded under this Policy with respect to a **Claim** made against any **Insured** based on any **Wrongful Act** that was committed on or subsequent to such date.

VV. Unauthorized Access means the gaining of access to the **Insured's Computer System** by an unauthorized person or persons, or by an authorized person or persons in an unauthorized manner.

WW. Unauthorized Use means the use of the **Insured's Computer System** by a person unauthorized by the **Insured** or a person authorized by the **Insured** who uses the **Insured's Computer System** for a purpose which is not intended by the **Insured**.

XX. Waiting Hours Retention means the dollar amount of **Business Income Loss, Contingent Income Loss and Extra Expenses** incurred by an **Insured** during the Waiting Period shown in Item 4. of the Declarations.

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

The foregoing definitions shall apply equally to the singular and plural forms of the respective words.

III. EXCLUSIONS

This Policy shall not apply to any **Damages** or **Claim Expenses** based upon, arising out of, attributable to or involving directly or indirectly:

- A. any actual or alleged dishonest, criminal, intentional, malicious or fraudulent act, error or omission or any willful violation of any statute, rule or law by any **Insured**, if a final and non-appealable judgment or adjudication adverse to such **Insured** establishes such conduct. For the purposes of this exclusion, it is understood and agreed that the **Wrongful Act** of any **Insured Person** shall not be imputed to any other **Insured Person** to determine if coverage is available;
- B. (1) **Bodily Injury**; or (2) **Property Damage**;

- C. any written demand, litigation, proceeding, administrative action or hearing brought prior to or pending as of the Prior and Pending Litigation Date as stated in Item 6. of the Declarations as well as any future litigation, proceeding, administrative action or hearing based upon any such pending or prior litigation, proceeding, administrative action or hearing or derived from the same or similar essential facts or circumstances underlying or alleged in any such pending or prior litigation, proceeding, administrative action or hearing;
- D. any actual or alleged violation of the Employee Retirement Income Security Act of 1974, and amendments thereto, or similar provisions of any federal, state or local statute or common law; however this exclusion shall not apply to a **Privacy Event** involving the **Personal Information** of employees or former employees;
- E. any **Insured** actually or allegedly gaining in fact any profit, remuneration or advantage to which such **Insured** was not legally entitled, if a final and non-appealable judgment or adjudication adverse to such **Insured** establishes such conduct. For the purposes of this exclusion, it is understood and agreed that the **Wrongful Act** of any **Insured Person** shall not be imputed to any other **Insured Person** to determine if coverage is available;
- F. any actual or alleged false, deceptive or unfair business practices or any violation of consumer protection laws. However, with respect to a **Wrongful Act** expressly covered under Insuring Agreement A., this exclusion shall not apply to a **Regulatory Proceeding** or **Consumer Redress Fund** for that portion of **Damages** or **Claim Expenses** allocated to numbered paragraphs 4. and 5. of the definition of **Privacy Regulations**;
- G. breach of contract or any actual or alleged liability assumed by the **Insured** in any express, implied, actual, constructive, oral or written contract, warranty, guarantee or promise, but this exclusion shall not apply to:
 - 1. liability of the **Insured** which would exist in the absence of such contract or agreement;
 - 2. liability assumed by the **Insured** under a written hold harmless or indemnity agreement regarding the content of **Media Material** used in **Media Communications**; or
 - 3. breach of client, vendor or employee confidentiality following a **Privacy Event**;
- H. any actual or alleged violation of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or any state Blue Sky or securities law or similar state or federal statute and any regulation or order issued pursuant to any of the foregoing statutes, unless endorsed hereon;
- I. any actual or alleged:
 - 1. refusal to employ;
 - 2. termination of a person's employment, including constructive dismissal;
 - 3. violations of employment-related practices, policies, acts, or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination, malicious prosecution;
 - 4. obligations under any workers' compensation act, employers' liability law, unemployment compensation law, disability benefits law; or

5. other wrongful employment-related practices, regardless of:
 - a. whether such conduct occurs before employment, during employment or after employment of that person; or
 - b. whether the **Insured** may be liable as an employer or in any other capacity.

This exclusion shall not apply to any **Claim** by an employee of the **Insured** for a **Privacy Event** relating to the unauthorized disclosure of such employee's **Personal Information**;

- J. any actual or alleged validity, invalidity, infringement, violation or misappropriation of any patent by or on behalf of the **Insured**;
- K. any actual or alleged unfair competition, price fixing, restraint of trade, monopolization, consumer fraud or other violation of the Federal Trade Commission Act, the Sherman Anti-Trust Act, the Clayton Act, as amended, or any other federal, state, local, or common law or rules or regulations involving antitrust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade, or otherwise protecting competition. However, this exclusion shall not apply to a **Regulatory Proceeding** that may constitute a violation of Section 5(a) of the Federal Trade Commission Act (15 U.S.C. 45(a)), including a **Consumer Redress Fund** established in resolving such **Regulatory Proceeding**;
- L. any actual or alleged fees, expenses or costs paid to or charged by the **Insured**;
- M. any actual or alleged:
 1. failure of goods, products, or services to conform with any represented quality or performance contained in advertising; and/or
 2. false, deceptive or unfair business practices, violation of consumer protection laws, or false or deceptive **Advertisements**. However this exclusion shall not apply to a **Privacy Event**;
- N. any actual or alleged breach of any express warranty or representation, except for an agreement to perform within a reasonable standard of care or skill consistent with applicable industry standards, or the breach of any other contractual obligation which goes beyond an express or implied duty to exercise a degree of care or skill as is consistent with applicable industry standards;
- O. any actual or alleged unsolicited electronic dissemination of faxes, e-mails, text messages or other communications to multiple actual or prospective customers of the **Insured** or any other third party, including but not limited to actions brought under the Telephone Consumer Protection Act or any similar state statute, law or regulation, any federal or state anti-spam statutes, and/or any federal or state statute, law or regulation relating to a person's or entity's right of seclusion. However, this exclusion shall not apply to a **Network Security Wrongful Act**;
- P. a cease and desist order or the insolvency, bankruptcy, licensing, receivership or liquidation of any entity or individual;
- Q. war, including civil war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war is declared or not) by any government, sovereign, or other authority using military personnel or other agents; or insurrection, rebellion, revolution, usurped power, or civil commotion, including action in hindering or defending against any of these.

This exclusion shall not apply to an actual or threatened Cyber Terrorist Attack, meaning a targeted, network-based attack against the **Named Insured's Computer System** by a person or group of persons known or unknown for the purposes of influencing the government de jure or de facto of any nation or political division thereof, or in pursuit of political, religious, ideological, social or economic objectives. Cyber Terrorist Attack does not include physical attacks against persons or property and must be unrelated to active conflict between the United States of America and another nation state, even if the perpetrator cannot be definitively identified;

- R. the actual or alleged unauthorized or surreptitious collection of **Personal Information** by the **Insured** or the actual or alleged failure to provide adequate notice that such information is being collected. Solely with respect to the applicability of this exclusion under Insuring Agreement A., only facts pertaining to and knowledge possessed by any principal, partner, executive officer, director or organizational equivalent of an **Insured** shall be imputed to other **Insureds**;
- S. the **Insured's** actual or alleged intentional failure to disclose the loss of **Personal Information** in violation of any law or regulation, unless such failure to disclose was at the formal order of any governmental authority. Solely with respect to the applicability of this exclusion under Insuring Agreement A., only facts pertaining to and knowledge possessed by any principal, partner, executive officer, director or organizational equivalent of an **Insured** shall be imputed to other **Insureds**;
- T. a **Wrongful Act** actually or allegedly committed prior to the **Policy Period** if, on or before the earlier of the effective date of this Policy or the effective date of any Policy issued by the **Insurer** of which this Policy is a continuous renewal or replacement, the **Insured** knew, or reasonably could have foreseen, that the **Wrongful Act** did or could lead to a **Claim**;
- U. any act, error or omission in the rendering or failure to render any professional service;
- V. any mechanical or electrical failure, interruption or outage, however caused, including any electrical power interruption or surge, brownout, blackout, short circuit, over voltage, or power fluctuation or outage to gas, water, telephone, cable, satellite, telecommunications, the internet or any component thereof including hardware or software, unless under the **Insured's** operational control;
- W. any circumstance or situation occurring prior to the inception date of this Policy or the inception date of the first policy in an uninterrupted series of network security insurance policies continuously issued by the **Insurer** to the **Insured** of which this Policy is a renewal, whichever inception date is earlier, if on or before such earlier inception date the **Insured** knew or could have reasonably foreseen that such circumstance or situation would give rise to a **Security Event** or a **Cyber Extortion Threat**;
- X. seizure, confiscation, expropriation, nationalization, or destruction of any **Computer System** or **Digital Assets** by order of any governmental authority;
- Y. natural property perils including fire, smoke, explosion, lightning, wind, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, solar storm or act of God or any other physical event, however caused;
- Z. ordinary wear and tear or gradual deterioration of any **Computer System** or **Digital Assets**; or

AA. any operator error, software error, faulty instruction, unintentional programming error, or failure in project planning. However, this exclusion shall not apply to **Malicious Code**.

This Policy also shall not apply to any **Damages** or **Claim Expenses** concerning any **Claim**:

BB. by, on behalf of, or in the right of any **Insured**, except for **Privacy Events** involving employees' **Personal Information**;

CC. brought by or on behalf of the Federal Trade Commission, the Federal Communications Commission, any state, federal, or local government agency, American Society of Composers, Authors and Publishers (ASCAP), Broadcast Music, Inc. (BMI) and/or Society of European Stage Authors and Composers (SESAC) or other music licensing organization. However, this exclusion shall not apply to any **Network Security Wrongful Act** or **Privacy Wrongful Act**;

DD. that would otherwise be covered by any other Insuring Agreement available under this Policy if not for the **Insured's** failure or refusal to purchase such Insuring Agreement.

IV. TERRITORY

This Policy applies to any **Wrongful Act**, **Privacy Event**, **Security Event** or **Cyber Extortion Threat** taking place anywhere in the world.

All monetary terms of this Policy are in United States of America dollars. If judgment is rendered, settlement is denominated or another element of **Damages** or **Claim Expenses** is stated in a currency other than United States of America dollars, payment under this Policy shall be made in United States of America dollars at the rate of exchange published in The Wall Street Journal on the date the final judgment is reached, the amount of the settlement is agreed upon or the element of **Damages** or **Claim Expenses** is due, respectively.

No coverage will be available under this Policy for any **Claim** brought against the **Insured** in any country with which the United States of America does not have active diplomatic relations at the time such **Claim** is made.

V. LIMITS OF LIABILITY

A. The liability of the **Insurer** for all **Claim Expenses**, **Damages** and **Privacy Breach Costs** for each **Claim** first made against the **Insured** or each **Privacy Event** which happens during the **Policy Period** and is reported in writing to the **Insurer** during the **Policy Period** or under any applicable Extended Reporting Period shall not exceed the amount stated in Item 4. of the Declarations for each **Claim**.

B. The liability of the **Insurer** under Insuring Agreement A. for all **Claim Expenses** and **Damages** on account of all **Regulatory Proceedings** covered under such Insuring Agreement shall not exceed the amount stated in Item 4. of the Declarations as the **Regulatory Proceeding** Sublimit under Insuring Agreement A.

C. The liability of the **Insurer** for all **Business Income Loss**, **Contingent Business Income Loss**, **Digital Asset Replacement Expenses** and **Extra Expenses** for any one **Security Event** shall not exceed the amounts stated in Item 4. of the Declarations as the Insuring Agreement C., D. and E. Limit of Liability.

- D. The liability of the **Insurer** for all **Extortion Expenses, Extortion Payments** and Reward Payments for any one **Cyber Extortion Threat** shall not exceed the amount shown in Item 4. of the Declarations as the Insuring Agreement F. Limit of Liability.
- E. The total liability of the **Insurer** for all **Claim Expenses, Damages, Privacy Breach Costs, Business Income Loss, Contingent Business Income Loss, Digital Asset Replacement Expenses, Extra Expenses, Extortion Expenses, Extortion Payments** and Reward Payments shall not exceed the amount stated in Item 4. of the Declarations as the Maximum Total **Policy Period** Aggregate Limit of Liability.
- F. The Each **Claim** Limit of Liability and the **Regulatory Proceeding** Sublimit as shown in Item 4. of the Declarations are part of and not in addition to the respective Total **Policy Period** Aggregate Limit of Liability for each purchased Insuring Agreement as shown in Item 4. of the Declarations.
- G. The Limit of Liability for **Claims** first made against the **Insured** during the **Policy Period** and reported in writing to the **Insurer** during any applicable Extended Reporting Period shall be part of and not in addition to the Limits of Liability as stated in Item 4. of the Declarations and as stated above. If any **Insured** has purchased or does purchase other insurance covering **Claims** first made against the **Insured** during the **Policy Period** and reported in writing to the **Insurer** during the **Policy Period** or any applicable Extended Reporting Period the coverage provided under this Policy for such **Claims** shall apply in excess of such other insurance.
- H. **Claim Expenses** are part of and not in addition to any applicable Limit of Liability or Sublimit, and the payment by the **Insurer** of **Claim Expenses** reduces such applicable Limits of Liability or Sublimit.

If any Limit of Liability or Sublimit applicable to any **Claim** is exhausted prior to settlement or final judgment of such **Claim**, the **Insurer's** obligations under the respective Insuring Agreement shall be immediately terminated, and the **Insurer** shall have the right to cease from any further investigation or defense of any **Claim** which is subject to such exhausted Limit of Liability or Sublimit by tendering control of such investigation or defense to the **Insured**, and the **Insured** agrees, as a condition precedent to the issuance of this Policy, to accept such tender.

- I. **Self-Insured Retention.** The self-insured retention amounts stated in Item 4. of the Declarations shall be applicable to all **Claim Expenses, Damages, Privacy Breach Costs, Digital Asset Replacement Expenses, Extortion Expenses** and **Extortion Payments** for each and every **Claim, Privacy Event, Security Event** or **Cyber Extortion Threat**. A single self-insured retention shall apply to **Claims** arising from the same or related **Wrongful Act(s), Interrelated Privacy Events** or **Interrelated Security Events**.

The applicable self-insured retention for **Business Income Loss, Contingent Business Income Loss** and **Extra Expenses** for and each and every **Security Event** is the greater of (a) the dollar retention amount set forth in Item 4. of the Declarations; or (b) the **Waiting Hours Retention**. The **Business Income Loss, Contingent Business Income Loss** and **Extra Expenses** applicable to the self-insured retention shall be computed as of the start of the **Interruption of Service**.

The self-insured retention amounts shall be paid by the **Insured** as a condition precedent to the payment of any **Claim Expenses, Damages, Privacy Breach Costs, Digital Asset Replacement Expenses, Extortion Expenses, Extortion Payments, Business Income Loss, Contingent Business**

Income Loss and **Extra Expenses** hereunder. Such amount shall be paid by the **Insured** within thirty (30) days of written demand by the **Insurer**.

If different parts of a single **Claim**, **Privacy Event** or **Security Event** are subject to different self-insured retentions, the applicable self-insured retention shall be applied separately to each part of the **Damages**, **Claim Expenses**, **Privacy Breach Costs**, **Business Income Loss**, **Contingent Business Income Loss**, **Digital Asset Replacement Expenses**, **Extortion Expenses** and **Extortion Payments**, but the sum of such self insured retentions shall not exceed the largest applicable self-insured retention.

The **Insurer** will pay Reward Payments resulting from any one **Cyber Extortion Threat** up to the Limit of Liability for Reward Payments, which is subject to the Coverage F. Limit of Liability. No Retention applies to Reward Payments.

- J. **Multiple Insureds, Claims and Claimants.** The inclusion herein of more than one **Insured** shall not operate to increase the **Insurer's** Limits of Liability, including any Sublimit(s). **Claims** or **Privacy Events** based upon, arising out of or attributable to the actual or alleged same or related **Wrongful Act(s)** shall be treated as a single **Claim** or **Privacy Event**, respectively, regardless of whether made against one or more than one **Insured**. All such **Claims** or **Privacy Events**, whenever made, shall be considered first made during the **Policy Period** in which the earliest **Claim** or **Privacy Event**, respectively, arising out of such **Wrongful Act(s)** was first made, and all such **Claims** and **Privacy Events** shall be subject to the Limits of Liability, any applicable Sublimit, and the self-insured retention as set forth in the Declarations of said Policy.

VI. DEFENSE AND SETTLEMENT

- A. **Defense.** As part of and subject to the applicable Limits of Liability, the **Insurer** shall have the right and duty to defend any **Claim**, other than a **Regulatory Proceeding**, against the **Insured**, to which this Policy applies, even if any of the allegations of the **Claim** are groundless, false, or fraudulent. However, the **Insurer** shall have no duty to defend any **Claim**, and may withdraw from the defense of any **Claim** after the applicable Limits of Liability have been exhausted by **Damages** and/or **Claim Expenses**. The **Insurer** shall have the right to appoint counsel of its selection to defend the **Insured** and will pay **Claim Expenses** in excess of the self-insured retention. Notwithstanding the foregoing, the **Insurer** shall have the right, but not the duty, to defend any **Regulatory Proceeding**. The **Insurer** reserves the right to associate in the defense of such **Regulatory Proceeding**.
- B. **Consent to Settle.** The **Insurer** shall have the right to make any investigation it deems necessary and, with the written consent of the **Insured**, make any settlement of a **Claim** covered by this Policy. If the **Insurer** recommends settlement or compromise of a **Claim**, and the **Insured** refuses to give written consent to settlement as recommended by the **Insurer**, then the **Insured** thereafter shall negotiate or defend such **Claim** independently of the **Insurer** and on the **Insured's** own behalf. In such event, the **Insured** shall be solely responsible for fifty percent (50%) of all **Claim Expenses** incurred or paid by the **Insured** after the date the **Insured** refused to consent to settlement as recommended by the **Insurer**, and the **Insured** shall also be solely responsible for fifty percent (50%) of all **Damages** in excess of the amount for which settlement could have been made as recommended by the **Insurer**; provided that the **Insurer's** liability under this Policy for such **Claim** shall not exceed the remaining portion of the applicable Limit of Liability.

The **Insured** has the right to incur **Privacy Breach Costs** without the **Insurer's** prior consent. However, the **Insurer** shall, at its sole and absolute discretion and in good faith, reimburse the **Insured** only for such **Privacy Breach Costs** that the **Insurer** deems to be reasonable and necessary.

VII. CLAIMS

- A. **Notice of Claims.** As a condition precedent to coverage under this Policy, the **Insured** shall provide the **Insurer** written notice of any **Claim** made against any **Insured** as soon as practicable, but in no event later than: (1) the expiration date of this Policy; (2) the expiration date of the Automatic Extended Reporting Period; or (3) the expiration date of the Optional Extended Reporting Period, if purchased.

In the event a **Claim** is brought against any **Insured**, the **Insured** shall forward to the **Insurer** every demand, notice, summons, complaint or other process or any threat of an intention to hold the **Insured** responsible for any **Wrongful Act** received directly by the **Insured** or by the **Insured's** representatives. Written notice of any **Claim** against any **Insured**, as well as of each demand on or suit against the **Insured**, shall be delivered to the **Insurer** at the address stated in Item 7. of the Declarations.

- B. **Notice of a Privacy Event.** As a condition precedent to coverage under this Policy for a **Privacy Event**, the **Insured** shall provide the **Insurer** written notice of a **Privacy Event** as soon as practicable, but in no event later than the expiration of the **Policy Period** or the expiration of any applicable Extended Reporting Period. The **Insurer** and its representatives shall maintain as confidential and shall not disclose such information or otherwise use such information except as required in the ordinary course of business of the **Insurer**.

As an Endurance policyholder additional network security and data breach management services are available to you. Immediately following an actual or suspected Security Event and/or Privacy Event you are encouraged to call the Endurance Breach Assist Hotline at the number below:

Endurance Breach Assist Hotline

(844) 347-7077

Lewis Brisbois Bisgaard & Smith LLP

Notice to the Endurance Breach Assist counsel of a **Security Event** or **Privacy Event** shall not constitute notice to the **Insurer** of a **Claim** or potential **Claim**. Notice to the **Insurer** of a **Security Event** or **Privacy Event** shall not constitute notice to the **Insurer** of a **Claim** or potential **Claim**, unless such notice expressly states it is also notice of a **Claim** or potential **Claim**.

- C. **Notice of a Security Event or Cyber Extortion Threat and Insured's Duties.** Once aware of a **Security Event** or **Cyber Extortion Threat**, the **Insured** must provide the **Insurer** with prompt notice as soon as practicable, but in no event later than thirty (30) days after becoming aware of such **Security Event** or **Cyber Extortion Threat**.

D. **Knowledge of Wrongful Act or Privacy Event.** If during the **Policy Period** any **Insured** first becomes aware or has reasonable grounds to suspect that an **Insured** has committed or may have committed a specific **Wrongful Act** or that a **Privacy Event** has happened for which coverage is otherwise provided hereunder, and provided that the **Insured** during the **Policy Period** gives written notice to the **Insurer** of:

1. the specific **Wrongful Act** or **Privacy Event**;
2. the injury or damage which has resulted or may result from such **Wrongful Act** or **Privacy Event**; and
3. the circumstances by which the **Insured** first became aware of or suspected such **Wrongful Act** or **Privacy Event**;

then any **Claim** that may subsequently be made against any **Insured** arising out of such **Wrongful Act** or **Privacy Event** shall be deemed for the purposes of this Policy to have been made during the **Policy Period**.

E. **Assistance and Cooperation of the Insured.** The **Insured** shall cooperate with the **Insurer** and upon the **Insurer's** request shall:

1. provide to the **Insurer** copies of documents and such other things held by or available to the **Insured** which relate to any **Claim** or to the **Wrongful Act**, transactions or other events which shall have given rise to such **Claim**;
2. submit to examination and interview by a representative of the **Insurer**, under oath if required;
3. attend hearings, depositions and trials;
4. assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits and other proceedings, as well as in the giving of a written statement or statements to the **Insurer** and its representatives and meeting with the **Insurer** and its representatives for the purpose of investigation and/or defense; and
5. render written status reports regarding each **Claim** no less frequently than every three months or otherwise as may be necessary in order to keep the **Insurer** currently informed as to fees, costs and expenses being incurred in connection with such **Claim** and as to all material developments or anticipated developments in connection with such **Claim**, including but not limited to such subjects as settlement, potentially dispositive motions as to the **Claim** in its entirety or any aspect thereof and the deposition of any **Insured**, all without charge to the **Insurer**.

The **Insured** shall further cooperate with the **Insurer** and do whatever is necessary to secure and affect any rights of indemnity, contribution or apportionment which any **Insured** may have. The **Insured** shall exercise the right either to reject or demand the arbitration of any **Claim** made against the **Insured** in accordance with the written instructions of the **Insurer**. The **Insured** shall not, except at the **Insured's** own cost, make any payment, admit any liability, settle any **Claims**, or assume any obligation; provided however, the **Insured** shall have the right to make any settlement of any **Claim** covered by the terms of this Policy subject to the condition that the aggregate amount of such settlement and of the **Claim Expenses** incurred in connection with such **Claim** shall not exceed the self-insured retention amount stated in Item 4. of the Declarations.

The **Insured** also agrees to take all reasonable steps and measures to limit or mitigate **Business Income Loss, Contingent Business Income Loss, Digital Asset Loss** and **Cyber Extortion Threats** and to provide the **Insurer** with any cooperation and assistance the **Insurer** shall reasonably request, including:

1. the investigation of any **Security Event** or potential **Security Event**;
2. enforcing the legal rights the **Insured** or the **Insurer** may have against any party that may be liable to the **Insured**; and
3. the conducting of a forensic accounting exercise to calculate a **Business Interruption Loss** or a **Contingent Business Interruption Loss**.

Within six (6) months after the occurrence of any such **Security Event**, the **Insured** must furnish the **Insurer** with a written description of the **Insured's** claimed loss, duly sworn to, with full particulars, and a detailed calculation of any **Business Income Loss, Contingent Business Income Loss, Digital Asset Loss** or **Cyber Extortion Threat** loss.

- F. **False or Fraudulent Claims.** If any **Insured** shall knowingly submit a false **Claim** or commit fraud in proffering any **Claim** under this Policy, whether with regard to amount or otherwise as to any material fact, this Policy shall become void as to such **Insured** from the date such false or fraudulent **Claim** is proffered, without regard to whether the **Insurer** has actually relied upon or been damaged by such **Claim**.

VIII. EXTENDED REPORTING PERIODS

- A. **Automatic Extended Reporting Period.** If the **Insurer** or the **Named Insured** cancels or refuses to renew this Policy, the **Insured** shall have a period of sixty (60) days after the expiration of the **Policy Period** to report to the **Insurer** any **Claim** which is first made during the **Policy Period** and arises out of a **Wrongful Act** committed on or after the **Retroactive Date** and prior to the end of the **Policy Period**.
- B. **Optional Extended Reporting Period.** If the **Insurer** or the **Named Insured** shall cancel or refuse to renew this Policy, then the **Named Insured**, upon agreement by the **Insurer** and **Named Insured** on the length of the additional period and payment of an additional agreed to premium, shall have the option to extend this Policy, subject otherwise to its terms, Limits of Liability, exclusions and conditions, to apply to **Claims** first made against the **Insured**, for any **Wrongful Act** committed before the effective date of such nonrenewal or cancellation and on or after the **Retroactive Date**, and otherwise covered by this Policy. The Optional Extended Reporting Period shall not be available for purchase for Insuring Agreements I.B., **Privacy Breach Costs**, I.C. **Business Income Loss**, I.D. **Contingent Business Income Loss**, I.E. **Digital Asset Loss**, and I.F. **Cyber Extortion Threat and Reward Payments**.
- C. The **Named Insured's** option to elect the Optional Extended Reporting Period must be exercised by notice in writing to the **Insurer** not later than thirty (30) days after the effective date of the nonrenewal or cancellation of this Policy. If the premium for the Optional Extended Reporting Period is not paid within thirty (30) days of the effective date of the nonrenewal or cancellation of this Policy, the option to elect the Optional Extended Reported Period shall be void.

- D. At the commencement of the Optional Extended Reporting Period, the entire premium shall be deemed fully earned, and in the event the **Named Insured** terminates the Optional Extended Reporting Period for any reason, the **Insurer** shall not be liable to return to the **Named Insured** any portion of the premium received for the Optional Extended Reporting Period.
- E. As a condition precedent to the **Named Insured's** option to elect the Optional Extended Reporting Period, any and all premiums and self-insured retentions that are due must have been paid and the **Named Insured** must have complied with all other terms and conditions of this Policy. If such conditions precedent are not satisfied or if the notice required under this Section VIII. C. is not timely given to the **Insurer**, the **Named Insured** shall not at a later date be able to exercise such option.
- F. If this Policy is cancelled or nonrenewed due to the nonpayment of premium, the Automatic Extended Reporting Period or Optional Extended Reporting Period shall not be available to any **Insured**. The Automatic Extended Reporting Period or Optional Extended Reporting Period shall not be available to any **Insured**: (1) whose fraud causes this Policy to be cancelled or nonrenewed; or (2) whose license, right to practice, or right to conduct business has been revoked, suspended by, or surrendered at the request of any regulating authority.
- G. The fact that the period during which **Claims** must first be made against the **Insured** and reported to the **Insurer** under this Policy is extended by virtue of any Automatic Extended Reporting Period or Optional Extended Reporting Period shall not in any way reinstate or increase the Limits of Liability of this Policy.
- H. The first sixty (60) days of the Optional Extended Reporting Period, if purchased, shall run concurrently with the Automatic Extended Reporting Period.

IX. MATERIAL CHANGES IN CONDITIONS

- A. **Acquisition of the Named Insured.** 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; or
 - 2. the obtaining by any person, entity or affiliated group of persons or entities of the right to elect, appoint or designate at least 50% of the directors of the **Named Insured**;

then coverage under this Policy will continue in full force and effect until termination of this Policy, but only with respect to **Claims** for **Wrongful Acts** taking place before such event. Coverage under this Policy will cease as of the effective date of such event with respect to **Claims** for **Wrongful Acts** taking place after such event. This Policy may not be cancelled after the effective time of the event, and the entire premium for this Policy shall be deemed earned as of such time.

- B. **Termination of a Subsidiary.** If before or during the **Policy Period** an organization ceases to be a **Subsidiary**, coverage with respect to the **Subsidiary** and its **Insured Persons** shall continue until termination of this Policy. Such coverage continuation shall apply only with respect to **Claims** for **Wrongful Acts** taking place prior to the date such organization ceased to be a **Subsidiary**.

X. CONDITIONS

- A. **Subrogation.** In the event of any payment under this Policy, the **Insurer** shall be subrogated to all the **Insured's** rights of recovery therefor against any person, organization or other third party. The **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights and the **Insured** shall do nothing to prejudice such rights.

Any amount recovered upon the exercise of such rights of subrogation shall be applied as follows: first, to the repayment of expenses incurred toward subrogation; second, to **Damages** and/or **Claim Expenses** paid by the **Insured** in excess of the Limits of Liability hereunder; third, to **Damages** and/or **Claim Expenses** paid by the **Insurer**; fourth, to **Damages** and/or **Claim Expenses** paid by the **Insured** in excess of the self-insured retention; and last, to repayment of the self-insured retention.

- B. **Action Against the Insurer and Bankruptcy.** No action shall lie against the **Insurer** unless, as a condition precedent thereto, the **Insured** shall have fully complied with all the terms of this Policy, nor until the amount of the liability of the **Insured** to pay shall have been fully and finally determined either by an award or final non-appealable judgment against the **Insured** after an actual hearing or trial or by written agreement of the **Insured**, the claimant and the **Insurer**. Nothing contained in this Policy shall give any person or organization the right to join the **Insurer** as a party in any action against any **Insured** to determine the **Insured's** liability. Bankruptcy or insolvency of any **Insured** or of the **Insured's** estate shall not relieve the **Insurer** of any of its obligations hereunder.
- C. **Representations and Severability.** In issuing this Policy, the **Insurer** has relied upon the statements, representations and information contained in the **Application**. Each **Insured** acknowledges and agrees that all such statements, representations and information: (i) are true and accurate, (ii) were made or provided in order to induce the **Insurer** to issue this Policy, and (iii) are material to the **Insurer's** acceptance of the risk to which this Policy applies. If any of the statements, representations or information in the **Application** are not true and accurate, there shall be no coverage for any **Claim** made pursuant to this Policy.
- D. **Other Insurance.** This Policy shall be in excess of the amount of the applicable self-insured retention of this Policy and any other insurance or indemnification available to the **Insured**, whether such insurance or indemnification is collectible or uncollectible, whether such insurance is stated to be primary, pro rata, contributory, excess, contingent or otherwise, unless such other insurance is written only as a specific excess insurance over the Limits of Liability provided in this Policy.
- E. **Changes.** Notice to any agent or knowledge possessed by any agent or other person acting on behalf of the **Insurer** shall not affect a waiver or a change in any part of this Policy or estop the **Insurer** from asserting any right under the terms of this Policy, nor shall the terms of this Policy be waived or changed, except by written endorsement issued to form a part of this Policy.
- F. **Assignment.** Assignment of interest under this Policy shall not bind the **Insurer** unless its consent is endorsed in writing hereon.
- G. **Cancellation.** This Policy may be canceled by the **Named Insured** by mailing or delivering prior written notice to the **Insurer** or by surrender of this Policy to the **Insurer**. If this Policy is canceled by the **Named Insured**, the **Insurer** shall retain the customary short rate proportion of the premium hereon. This Policy may also be canceled by or on behalf of the **Insurer** by delivering to the **Named**

Insured by registered, certified or other first class mail, or by electronic means, written notice stating when not less than ninety (90) days after the date of such notice the cancellation shall be effective. Proof of delivery of such notice shall be sufficient proof of notice. If this Policy is canceled by or on behalf of the **Insurer**, the **Insurer** shall retain the pro rata proportion of the premium hereon. The **Insurer** may cancel this Policy on ten (10) days notice for nonpayment of premium due.

- H. **Conformity to Statute.** Any terms of this Policy which are in conflict with the terms of any applicable laws governing this Policy are hereby amended to conform to such laws.
- I. **Named Insured Authorization.** By acceptance of this Policy, the **Named Insured** agrees to act on behalf of each **Insured** with respect to the payment or return of premium, the receipt and acceptance of any endorsements, the cancellation of the Policy, the negotiation of renewal, and the giving and receiving of any notice provided for by the terms and conditions of this Policy.

XI. VALUATION

A. **Business Income Loss and Contingent Business Income Loss**

Business Income Loss and **Contingent Business Income Loss** will be calculated on an hourly basis, or if agreed based on an Hourly Sublimit. In determining the amount of net profit or loss and expenses covered under Coverages C. and D., the **Insurer** will give due consideration to the net profit or loss of the **Insured** before the **Interruption of Service** occurred and the probable net profit or loss of the **Insured** if no **Interruption of Service** had occurred. However, such net profit or loss calculations shall not include, and this Coverage Endorsement shall not cover, net income that would likely have been earned as a result of an increase in the volume of the **Insured's** business due to favorable business conditions caused by the impact of any event similar to a **Security Event** suffered by other businesses. The **Insured** will provide the **Insurer** with access to all relevant sources of information, including, but not limited to:

1. the **Insured's** financial records, tax returns, accounting procedures;
2. bills, invoices and other vouchers; and
3. deeds, liens and contracts.

B. **Digital Asset Replacement Expenses**

If the **Insured** cannot restore **Digital Assets** but can recollect such **Digital Assets**, then **Digital Assets Replacement Expenses** shall be limited to the actual cost the **Insured** incurs to recollect such **Digital Assets**. If the **Insured** cannot restore or recollect **Digital Assets**, then **Digital Assets Replacement Expenses** shall be limited to the actual cost the **Insured** incurs to reach this determination.