
A seamless integrated insurance solution for professionals.

Please read this wording, together with any endorsements and the Declarations, very carefully. If anything is not correct, please notify **us** immediately. Please note the full extent of **your** and **our** rights and duties.

Our promise to you

In return for the premium **you** have paid, **we** agree to insure **you** in accordance with the terms and conditions of the policy.

Your policy documents

Declarations Page

This contains a summary of policy information including the limits of liability and retention amounts **you** have selected.

General Terms and Conditions

This contains terms and conditions which apply to the entire policy.

Coverage Parts

This contains terms and conditions which apply only to the Coverage Part in which they appear.

Endorsements

These documents modify the Declarations page, General Terms and Conditions, and/or Coverage Parts.

Notices

These documents provide information that may affect **your** coverage as required by applicable law.

Complimentary risk management services

As a complimentary service that comes with this policy, **we** are pleased to provide a free confidential risk management and loss prevention service, consisting of an initial consultation and up to one hour of legal services to assist **you** in better understanding and minimizing risks that commonly lead to the types of **claims** covered under this policy. If **you** have a question about minimizing these types of liability risks in **your** business, please email **your** question to **us** at riskmanagement@hiscox.com, along with **your** policy number. A Hiscox representative will get back to **you** within one business day with a referral to a nationally recognized law firm with a practice specifically focused on **your** industry.

Please note that any inquiries made to this service will not constitute a notice of **claim** or **potential claim** under **your** policy. For all **claims**, **potential claims**, or other matters covered by this policy, please follow the notification provisions in the policy. Please also note that this service is not intended to respond to questions regarding your insurance policy or coverage. For all such inquiries, please contact **your** agent or broker.

Reporting a claim

Please inform **us** immediately if you have a **claim** or loss to report and refer to the claim reporting provisions in each Coverage Part for further details.

Email: hiscoxclaims@hiscox.com



HISCOX INSURANCE COMPANY INC. (A Stock Company)

104 South Michigan Avenue Suite 600 Chicago, IL 60603
(646) 452-2353

Insurance for Data Breach and Privacy Security Liability

DECLARATIONS

NOTICE: YOUR POLICY CONTAINS CLAIMS-MADE LIABILITY COVERAGE. CLAIMS-MADE COVERAGE APPLIES ONLY TO CLAIMS THAT ARE FIRST MADE AND REPORTED DURING THE POLICY PERIOD OR EXTENDED REPORTING PERIOD, IF PURCHASED.

THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES WILL BE REDUCED AND MAY BE EXHAUSTED BY CLAIMS EXPENSES. FURTHERMORE, CLAIMS EXPENSES WILL BE APPLIED AGAINST THE RETENTION.

PLEASE READ YOUR POLICY CAREFULLY AND CONSULT YOUR INSURANCE ADVISOR ABOUT ANY QUESTIONS YOU MIGHT HAVE.

Broker No.:	US xxxxxxxx	ProWriters
Policy No.:	MPLxxxxxxx	41 Leopard Rd Ste 301
Renewal of:	NEW	Paoli, PA 19301-1549

1. Named Insured: xxxxxxxxxx
Address: xxxxxxxxxx
 xxxxxxxxxx

2. Policy Period: **Inception Date:** xx/xx/xxxx **Expiration Date:** xx/xx/xxxx
 Inception date shown shall be at 12:01 A.M. (Standard Time) to Expiration date shown above at 12:01 A.M. (Standard Time) at the address of the Named Insured.

3. General terms and conditions wording: PLP P0001 CW (06/14)
 The General terms and conditions apply to this policy in conjunction with the specific wording detailed in each section below.

4. Endorsements: E6017.2 - Nuclear Incident Exclusion Clause-Liability-Direct (Broad) Endorsement, E6020.2 - War and Civil War Exclusion Endorsement, E8508.1 - Amended Privacy Program Endorsement, E8511.1 - Cyber Crime Endorsement (DBPSL), E9999.2 - Cap on Losses from Certified Acts of Terrorism Endorsement, and E9997.4 - Policyholder Disclosure Notice of Terrorism Insurance Coverage

5. Optional Extension Period: Extended Reporting Period of 12/24/36 months at 75/150/225 percent of the annual premium.

6. Notification of claims to: Hiscox Claims
 520 Madison Avenue, 32nd floor
 New York, NY 10022
 Fax: 212-922-9652
 Email: HiscoxClaims@Hiscox.com



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DECLARATIONS

Additional Notification requirements: see Endorsement E8643 for additional notification requirements under the Cyber Enhancement Coverage Part

7. Policy Premium: \$ x,xxx **Administration Fee:** N/A **State Surcharge:** N/A

Data Breach and Privacy Security Liability Claims-Made/Breach Occurring Coverage Part: PLP P0004 CW (06-14)

Data Breach & Privacy Security Liability (DBPSL):	\$ 2,000,000 DBPSL Each Claim and/or Breach / \$ 2,000,000 Aggregate
Regulatory Action:	\$ 2,000,000 Aggregate
Regulatory Compensatory:	\$ 2,000,000 Aggregate
PCI Fine/Penalties:	\$ 2,000,000 Aggregate
PCI Assessments:	\$ 2,000,000 Aggregate
Computer Forensics Costs:	\$ 2,000,000 Aggregate
Notification Costs:	\$ 2,000,000 Aggregate
Credit or Identity Protection Costs:	\$ 2,000,000 Aggregate
Crisis Management & Public Relations Cost:	\$ 2,000,000 Aggregate
Retroactive Date:	06/20/2015
Retention:	\$ 5,000
Premium allocated to TRIA:	\$ xx
DBPSL Premium:	\$ x,xxx
Endorsements:	NONE

Media Liability Claims-Made and Reported Coverage Part: PLP P0005 CW (06-14)

Covered Professional Services:	xxxxxxxx
Media Liability (ML):	\$ 2,000,000 Each Claim / \$ 2,000,000 Aggregate
Retroactive Date:	xx/xx/xxxx
Retention:	\$ 5,000
ML Premium:	\$ xxx
Endorsements:	NONE

Cyber Enhancement Loss Occurring and Discovered Coverage Part: PLP P0006 CW (06-14)



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Cyber Business Interruption (CBI):	\$ 2,000,000 Aggregate
Cyber Business Interruption Consulting Costs:	\$ 50,000 Aggregate
Cyber Business Interruption Hourly Loss Amount:	\$ 10,000 Minimum Per hour
Retention:	10 hours
CBI Premium:	\$ xxx
Cyber Extortion (CE):	\$ 2,000,000 Aggregate
Retention:	\$ 5,000
CE Premium:	\$ xxx
Hacker Damage (HD):	\$ 2,000,000 Aggregate
Hacker Damage Consulting Costs:	\$ 50,000 Aggregate
Retention:	\$ 5,000
HD Premium:	\$ xxx
Premium allocated to TRIA:	\$ 0
Endorsements:	E8643.1 - Cyber Enhancements Notification Endorsement

IN WITNESS WHEREOF, the Insurer indicated above has caused this Policy to be signed by its President and Secretary, but this Policy shall not be effective unless also signed by the Insurer's duly authorized representative.



HISCOX INSURANCE COMPANY INC. (A Stock Company)

104 South Michigan Avenue Suite 600 Chicago, IL 60603

(646) 452-2353

Insurance for Data Breach and Privacy Security Liability

DECLARATIONS

A handwritten signature in black ink, appearing to be "AJL".

President

A handwritten signature in black ink, appearing to be "Michael L. Apfel".

Secretary

A handwritten signature in black ink, appearing to be "Carl Bach".

Authorized Representative

Carl Bach

xxxx xx, xxxx

Hiscox Inc.

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- I. Our promise to you** In consideration of the premium charged, and in reliance on the statements made and information provided to **us**, **we** will pay **covered amounts** as defined in this policy, provided **you** properly notify **us** of **claims, breaches, events, or occurrences**, and meet **your** obligations to **us** in accordance with the terms of this policy.
-
- II. Limits of liability** Regardless of the number of Coverage Parts **you** have purchased, the maximum **we** will pay for all **covered amounts** will be as follows:
- A. Coverage part limit Each Coverage Part purchased will be subject to a **coverage part limit** (if one is stated in the Declarations), which is the maximum amount **we** will pay for all **covered amounts** under that Coverage Part, other than coverage enhancements or other items **we** have expressly agreed to pay in addition to the limit. The **coverage part limit** will be in excess of any applicable **retention**.
- B. Each claim limit The Each Claim Limit identified in the Declarations is the maximum amount **we** will pay for all **covered amounts** for each covered **claim**, unless a lower sublimit is specified, in which case the sublimit is the maximum amount **we** will pay for the type of covered **claim** to which the sublimit applies. The Each Claim Limit, or any sublimit, will be in excess of any applicable **retention** and will be a part of, and not in addition to, any applicable **coverage part limit**.
- C. Each breach limit The Each Breach Limit identified in the Declarations (if **you** have purchased a relevant Coverage Part) is the maximum amount **we** will pay for all **covered amounts** for each covered **breach**, unless a lower sublimit is specified, in which case the sublimit is the maximum amount **we** will pay for the type of covered **breach** or costs to which the sublimit applies. The Each Breach Limit, or any sublimit, will be in excess of any applicable **retention** and will be a part of, and not in addition to, any applicable **coverage part limit**.
- D. Each occurrence limit The Each Occurrence Limit identified in the Declarations (if **you** have purchased a relevant Coverage Part) is the maximum amount **we** will pay for all **covered amounts** for each covered **occurrence**, unless a lower sublimit is specified, in which case the sublimit is the maximum amount **we** will pay for the type of covered **occurrence** to which the sublimit applies. The Each Occurrence Limit, or any sublimit, will be in excess of any applicable **retention** and will be a part of, and not in addition to, any applicable **coverage part limit**.
- E. General liability coverage part limits If **you** have purchased a General Liability Coverage Part, additional rules for applying limits are contained in Section IV. Limits of liability, of that Coverage Part.
- F. Related claims All **related claims**, regardless of when made, will be treated as one **claim**, and all subsequent **related claims** will be deemed to have been made against **you** on the date the first such **claim** was made. If, by operation of this provision, the **claim** is deemed to have been made during any period when **we** insured **you**, it will be subject to only one **retention** and one Each Claim Limit regardless of the number of claimants, **insureds**, or **claims** involved.

III. Your obligations to us

- A. Named insured responsibilities It will be the responsibility of the **named insured** (or, if there is more than one **named insured**, the first one listed on the Declarations) to act on behalf of all **insureds** with respect to the following:
1. timely giving and receiving notice of cancellation or non-renewal;
 2. timely payment of premium;
 3. receipt of return premiums;
 4. timely acceptance of changes to this policy; and
 5. timely payment of **retentions**.

General Terms and Conditions

- B. Your duty to cooperate **You** must cooperate with **us** in the defense, investigation, and settlement of any **claim, potential claim, breach, event, occurrence**, or other matter notified to **us**, including but not limited to:
1. notifying **us** immediately if **you** receive any settlement demands or offers, and sending **us** copies of any demands, notices, summonses, or legal papers;
 2. submitting to examination and interrogation under oath by **our** representative and giving **us** a signed statement of **your** answers;
 3. attending hearings, depositions, and trials as **we** request;
 4. assisting in securing and giving evidence and obtaining the attendance of witnesses;
 5. providing written statements to **our** representative and meeting with such representative for the purpose of investigation and/or defense;
 6. providing all documents and information **we** may reasonably request, including authorizing **us** to obtain records; and
 7. pursuing **your** right of recovery from others.
- C. Your obligation not to incur any expense or admit liability **You** must not make any payment, incur any expense, admit any liability, or assume any obligation without **our** prior consent. If **you** do so, it will be at **your** own cost and expense.
- D. Your representations **You** warrant that all representations made and all materials submitted by **you** or on **your** behalf in connection with the **application** for this policy are true, accurate, and not misleading, and agree they were relied on by **us** and were material to **our** decision to issue this policy to **you**. If **we** learn any of the representations or materials were untrue, inaccurate, or misleading in any material respect, **we** are entitled to treat this policy as if it had never existed.

IV. Optional extension period

1. If **we** or the **named insured** cancel or non-renew this policy, then the **named insured** will have the right to purchase an optional extension period for the duration and at the percentage of the expiring premium stated in Item 5 of the Declarations. The optional extension period, if purchased, will start on the effective date of cancellation or non-renewal. However, the right to purchase an optional extension period will not apply if:
 - a. this policy is canceled by **us** for nonpayment of premium; or
 - b. the total premium for this policy has not been fully paid.
2. The optional extension period will apply only to **claims** that:
 - a. are first made against **you** and reported to **us** during the optional extension period; and
 - b. arise from **your professional services** performed, or a **breach, offense, or occurrence** that takes place, on or after the **retroactive date** but prior to the effective date of cancellation or non-renewal of this policy.
3. The additional premium will be fully earned at the inception of the optional extension period.
4. Notice of election and full payment of the additional premium for the optional extension period must be received by **us** within 30 days after the effective date of cancellation or non-renewal, otherwise any right to purchase the optional extension period will lapse.

The limits of liability applicable during any purchased optional extension period will be the remaining available **coverage part limit**. There will be no separate or additional limit of liability available for any purchased optional extension period.

The right to purchase an optional extension period will apply only to Coverage Parts **you** have purchased that include coverage written on a claims-made or loss occurring and discovered basis, and not to any Coverage Parts written on an occurrence basis.

V. Other provisions affecting coverage

- A. Alteration and assignment No change in, modification of, or assignment of interest under this policy will be effective unless made by written endorsement to this policy signed by **our** authorized representative.
- B. Bankruptcy or insolvency **Your** bankruptcy or insolvency will not relieve **us** of any of **our** obligations under this policy.
- C. Cancellation
1. This policy may be canceled by the **named insured** by giving written notice, which must include the date the cancellation will be effective, to **us** at the address stated in the Declarations.
 2. This policy may be canceled by **us** by mailing to the **named insured** by registered, certified, or other first class-mail, at the **named insured's** address stated in Item 1 of the Declarations, written notice which must include the date the cancellation will be effective. The effective date of the cancellation will be no less than 60 days after the date of the notice of cancellation, or ten days if the cancellation is due to nonpayment of premium.
 3. The mailing of the notice will be sufficient proof of notice, and this policy will terminate at the date and hour specified in the notice.
 4. If this policy is canceled by the **named insured**, **we** will retain the customary short rate proportion of the premium.
 5. If this policy is canceled by **us**, **we** will return a pro rata proportion of the premium.
 6. Payment or tender of any unearned premium by **us** will not be a condition precedent to the cancellation, but such payment will be made as soon as possible.
- D. Change in control
- If, during the **policy period**, the **named insured** consolidates with, merges into, or sells all or substantially all of its assets to any other person or entity, or any other person or entity acquires ownership or control of the **named insured**, then the **named insured** will provide **us** written notice no later than 30 days after the effective date of such change in control, together with any other information **we** may require.
- We** will not cancel this policy solely because of a change in control, but unless **you** and **we** agree in writing otherwise, after the effective date of any change in control, this policy will cover only **claims** arising from **professional services** performed, or **breaches**, offenses, or **occurrences** that took place, prior to the change in control.
- E. Coverage territory
- This policy will apply to **your professional services** performed, and **breaches**, offenses, **events**, or **occurrences** that take place, anywhere in the world, provided that any action, arbitration, or other proceeding (if **you** have purchased a relevant Coverage Part) is brought within the United States, its territories or possessions, or Canada.
- F. Estates, heirs, legal representatives, spouses, and domestic partners
- In the event of an **employee's** death or disability, this policy will also apply to **claims** brought against the **employee's**:
1. heirs, executors, administrators, trustees in bankruptcy, assignees, and legal representatives; or
 2. lawful spouse or lawful domestic partner;
- but only:
1. for a covered **claim** arising from the scope of the **employee's** work for **you**; or
 2. in connection with their ownership interest in property which the claimant seeks as recovery in a covered **claim** arising from the scope of the **employee's** work for **you**.
- G. False or fraudulent claims
- If any **insured** commits fraud in connection with any **claim**, **potential claim**, **breach**, offense, **event**, or **occurrence**, whether regarding the amount or otherwise, this insurance will become void as to that **insured** from the date the fraud is committed.

General Terms and Conditions

- H. Other insurance
- Any payment due under this policy is specifically excess of and will not contribute with any other valid and collectible insurance, unless such other insurance is written specifically as excess insurance over this policy. However, if **you** have purchased a General Liability Coverage Part, rules for how that Coverage Part will be treated when there is other valid and collectible insurance are contained in Section V. Other provisions affecting coverage, D. Other insurance, of that Coverage Part.
- If the same **claim** or **related claims**, **breach**, **event**, or **occurrence** is covered under more than one Coverage Part, **we** will pay only under one Coverage Part, which will be the Coverage Part that provides the most favorable coverage.
- I. Subrogation
- In the event of any payment by **us** under this policy, **we** will be subrogated to all of **your** rights of recovery to that payment.
- You** will do everything necessary to secure and preserve **our** subrogation rights, including but not limited to the execution of any documents necessary to allow **us** to bring suit in **your** name.
- You** will do nothing to prejudice **our** subrogation rights without **our** prior written consent.
- Any recovery first will be paid to **you** up to the amount of any **retention you** have paid, and then to **us** up to the amount of any **covered amounts we** have paid.
- J. Titles
- Titles of sections of and endorsements to this policy are inserted solely for convenience of reference and will not be deemed to limit, expand, or otherwise affect the provisions to which they relate.

VI. Definitions applicable to all Coverage Parts

The following definitions apply to all Coverage Parts **you** have purchased. If the same term is defined here and in a Coverage Part, then the definition in the Coverage Part will govern the coverage provided under that Coverage Part.

- Application** means the signed application for the policy and any attachments and materials submitted with that application. If this policy is a renewal or replacement of a previous policy issued by **us**, **application** also includes all previous signed applications, attachments, and materials.
- Coverage part limit** means the amount stated in the Declarations as the aggregate limit applicable to each Coverage Part **you** have purchased which is subject to an aggregate limit.
- Covered amounts** means any amounts **we** have expressly agreed to pay under any Coverage Part **you** have purchased.
- Employee** means any past, present, or future:
1. employee (including any part-time, seasonal, leased, or temporary employee or any volunteer);
 2. partner, director, officer, or board member (or equivalent position); or
 3. independent contractor;
- of a **named insured**, but only while in the course of their performance of work or services on behalf of or at the direction of the **named insured**.
- Named insured** means the individual, corporation, partnership, limited liability company, limited partnership, or other entity identified in Item 1 of the Declarations.
- Policy period** means the period of time identified in Item 2 of the Declarations, and any optional extension period, if purchased.
- Professional services** means those services identified as Covered Professional Services under any Coverage Part on the Declarations containing such a description.

General Terms and Conditions

Related claims

means all **claims** that are based upon, arise out of, or allege:

1. a common fact, circumstance, situation, event, service, transaction, cause, or origin;
2. a series of related facts, circumstances, situations, events, services, transactions, sources, causes, or origins;
3. a continuous or repeated act, error, or omission in the performance of **your professional services**; or
4. the same **breach, occurrence**, or offense.

The determination of whether a **claim** is related to another **claim** or **claims** will not be affected by the number of claimants or **insureds** involved, causes of action asserted, or duties involved.

Retention

means the amount or time identified as such in the Declarations.

Retroactive date

means the date identified as such in the Declarations.

We, us, or our

means the Company identified on the Declarations as issuing this policy.

You, your, or insured

means any individual or entity expressly described as an **insured** in any Coverage Part **you** have purchased.

I. What is covered

- A. **We** will pay up to the **coverage part limit** for **breach costs** in excess of the **retention** incurred as a result of a **breach** occurring on or after the **retroactive date** or 90 days before the beginning of the **policy period**, whichever is earlier, provided the **breach** is first discovered by **you** during the **policy period** and is reported to **us** in accordance with Section V. Your obligations.
- B. **We** will also pay up to the **coverage part limit** for **damages** and **claim expenses** in excess of the **retention** if the performance of **your** business operations by **you** or anyone on **your** behalf (including **your** subcontractors, outsourcers, or independent contractors) on or after the **retroactive date** results in a covered **claim** against **you** for any actual or alleged:
1. **network security breach;**
 2. **privacy liability;**
 3. **breach of contract;**
 4. **contractual indemnity - third party;**
 5. **contractual indemnity - breach costs;**
 6. deceptive trade practices, but only when asserted against **you** in conjunction with and based on the same allegations as a covered **claim** under 1, 2, or 3 above; or
 7. unintentional infliction of emotional distress, but only when asserted against **you** in conjunction with and based on the same allegations as a covered **claim** under 1, 2, or 3 above,
- provided the **claim** is first made against **you** during the **policy period** and is reported to **us** in accordance with Section V. Your obligations.

II. Coverage enhancements

We will also make the following payments:

Regulatory action sublimit

- A. **We** will pay up to the limit stated in the Declarations for **damages, claim expenses**, and civil or regulatory fines or penalties that are not compensatory in nature for any **regulatory action**, provided the **regulatory action** is first brought against **you** during the **policy period**, it is brought in connection with and based on the same allegations as a covered **claim** under Section I. What is covered, B. 1, 2, or 3, it results from the performance of **your** business operations by **you** or anyone on **your** behalf (including **your** subcontractors, outsourcers, or independent contractors) on or after the **retroactive date**, and it is reported to **us** in accordance with Section V. Your obligations.
- Any payment **we** make under this subsection A is subject to the **retention**, and such payments will be a part of, and not in addition to, the **coverage part limit**.

Regulatory compensatory sublimit

- B. **We** will pay up to the limit stated in the Declarations for **damages** that are intended to compensate the individuals or entities to whom the **personally identifiable information** or confidential corporate information relates for any **regulatory action**, provided the **regulatory action** is first brought against **you** during the **policy period**, it is brought in connection with and based on the same allegations as a covered **claim** under Section I. What is covered, B. 1, 2, or 3, it results from the performance of **your** business operations by **you** or anyone on **your** behalf (including **your** subcontractors, outsourcers, or independent contractors) on or after the **retroactive date**, and it is reported to **us** in accordance with Section V. Your obligations.
- Any payment **we** make under this subsection B is subject to the **retention**, and such payments will be a part of, and not in addition to, the **coverage part limit**.

PCI fines/penalties sublimit

- C. **We** will pay up to the limit stated in the Declarations for covered **PCI fines/penalties** assessed against **you** (including **PCI fines/penalties** resulting from a **breach of contract**), as a result of a **breach** arising out of the performance of **your** business

operations by **you** or anyone on **your** behalf (including **your** subcontractors, outsourcers, or independent contractors) on or after the **retroactive date**, provided the **breach** is first discovered by **you** during the **policy period** and is reported to **us** in accordance with Section V. Your obligations.

Any payment **we** make under this subsection C is subject to the **retention**, and such payments will be a part of, and not in addition to, the **coverage part limit**.

PCI assessments sublimit

D. **We** will pay up to the limit stated in the Declarations for covered **PCI assessments** against **you** (including **PCI assessments** resulting from a **breach of contract**), as a result of a **breach** arising out of the performance of **your** business operations by **you** or anyone on **your** behalf (including **your** subcontractors, outsourcers, or independent contractors) on or after the **retroactive date**, provided the **breach** is first discovered by **you** during the **policy period** and is reported to **us** in accordance with Section V. Your obligations.

Any payment **we** make under this subsection D is subject to the **retention**, and such payments will be a part of, and not in addition to, the **coverage part limit**.

Supplemental payments

E. **We** will pay reasonable expenses, including loss of wages and a \$250 travel per diem, incurred by **you** if **we** require **you** to attend depositions, arbitration proceedings, or trials in connection with the defense of a covered **claim**, but **we** will not pay more than an aggregate of \$10,000 per **claim** for such expenses, regardless of the number of **insureds**.

No **retention** will apply to amounts **we** pay under this subsection E, and such amounts will be in addition to, and not part of, the **coverage part limit**.

III. Who is an insured

For purposes of this Coverage Part, **you, your, or insured** means a **named insured, subsidiary, employee, or acquired entity**, as defined below:

Named insured

means the individual, corporation, partnership, limited liability company, limited partnership, or other entity identified in Item 1 of the Declarations.

Subsidiary

means any entity of which the **named insured** has majority ownership before or as of the inception of the **policy period**.

Employee

means any past, present, or future:

1. person employed by the **named insured** or **subsidiary** as a permanent, part-time, seasonal, leased, or temporary employee, or any volunteer; or
2. partner, director, officer, or board member (or equivalent position) of the **named insured** or **subsidiary**,

but only while in the course of their performance of business operations on behalf of or at the direction of such **named insured** or **subsidiary**.

Acquired entity

means an entity in which the **named insured**, during the **policy period**:

1. acquires substantially all of the assets;
2. acquires the majority of its voting securities, as a result of which it becomes a **subsidiary**; or
3. merges and leaves the **named insured** as the surviving entity.

With respect to an **acquired entity** whose revenues exceed 10% of the annual revenues of the **named insured** at the time of its creation or acquisition, any coverage under this policy will expire 90 days after the effective date of its creation or acquisition unless, within such 90 day period:

1. the **named insured** provides **us** with written notice of such creation or acquisition;

2. the **named insured** provides **us** with information related to such creation or acquisition as **we** may reasonably require;
3. the **named insured** accepts any special terms, conditions, exclusions, or additional premium charge as **we** may reasonably require; and
4. **we** agree by written endorsement to provide such coverage.

This policy will apply to an **acquired entity** only with respect to **your** business operations performed after the acquisition, merger, or creation.

IV. Defense and settlement of claims

Defense

We have the right and duty to defend any covered **claim**, even if such **claim** is groundless, false, or fraudulent.

We have the right to select and appoint counsel to defend **you** against a covered **claim**. **You** may request in writing that **we** appoint defense counsel of **your** own choice, but whether to grant or deny such a request will be at **our** sole discretion.

Settlement

We have the right to solicit and negotiate settlement of any **claim** but will not enter into a settlement without **your** consent, which **you** agree not to withhold unreasonably. If **you** withhold consent to a settlement recommended by **us** and acceptable to the party who made the **claim**, the most **we** will pay for that **claim** is the sum of:

1. the amount of **our** recommended settlement;
2. **claim expenses** incurred up to the date of **our** recommendation;
3. 50% of all **claim expenses** incurred after **our** recommendation; and
4. 50% of all **damages** in excess of the settlement amount recommended by **us**.

V. Your obligations

Notifying us of breaches

You must give written notice to **us** of any **breach** as soon as possible after it is first discovered by **you**, but in any event no later than: (a) the end of the **policy period**; or (b) 30 days after the end of the **policy period** for a **breach** discovered in the last 30 days of the **policy period**.

All such notifications must be in writing and include a description of the **breach**, and must be submitted to **us** via the designated email address or mailing address identified in Item 6 of the Declarations.

In addition, **you** must also inform, or allow **us** to inform, the appropriate law enforcement authorities for any **breach** requiring such notification.

Notifying us of claims and coverage enhancements

You must give written notice to **us** of any **claim**, or any other matter covered under Section II. Coverage enhancements, as soon as possible, but in any event, no later than 60 days after the end of the **policy period**.

All such notifications must be in writing and include a copy of the **claim** or other covered matter, and must be submitted to **us** via the designated email address or mailing address identified in Item 6 of the Declarations.

Notifying us of potential claims

You have the option of notifying **us** of **potential claims** that may lead to a covered **claim** against **you**.

In order to do so, **you** must give written notice to **us** as soon as possible and within the **policy period**, and the notice must, to the greatest extent possible, identify the details of the **potential claim**, including identifying the potential claimant(s), the likely basis for liability, the likely

demand for relief, and any additional information about the **potential claim** we may reasonably request.

The benefit to **you** of notifying **us** of a **potential claim** is that if an actual **claim** arises from the same circumstances as the properly notified **potential claim**, then **we** will treat that **claim** as if it had first been made against **you** on the date **you** properly notified **us** of it as a **potential claim**, even if that **claim** is first made against **you** after the **policy period** has expired.

All **potential claim** notifications must be in writing and submitted to **us** via the designated email address or mailing address identified in Item 6 of the Declarations.

Retention and limits

Our obligation to pay **breach costs, damages, claim expenses, PCI fines/penalties, or PCI assessments** under this Coverage Part is in excess of the **retention**, which **you** must pay in connection with each covered **breach** and/or **claim**.

All **breaches** arising from the same circumstances will be treated as a single **breach**, and **you** will have to pay only one **retention**, and only one Each Breach Limit will apply. All such **breaches** will be deemed to have occurred on the date the first **breach** occurred.

If a **claim**, or any other matter covered under Section II. Coverage enhancements, is made against **you** arising from the same circumstances as a **breach**, the **breach, claim**, and coverage enhancement will be treated as a single **claim**, and **you** will have to pay only one **retention**, and only one Each Claim Limit will apply.

VI. Exclusions – What is not covered

We will have no obligation to pay any sums under this Coverage Part, including any **breach costs, damages, claim expenses, PCI fines/penalties, or PCI assessments**, for any **breach or claim**:

Antitrust/deceptive trade practices

1. based upon or arising out of any actual or alleged:
 - a. false, deceptive, or unfair trade practices;
 - b. unfair competition, impairment of competition, restraint of trade, or antitrust violations;
 - c. violation of the Sherman Anti-Trust Act, the Clayton Act, the Robinson-Patman Act, all including as may be amended, or any similar foreign, federal, state, or local statutes, rules, or regulations; or
 - d. deceptive or misleading advertising.

However, this exclusion will not apply to a **claim** for deceptive trade practices asserted against **you** in conjunction with and based on the same allegations as a covered **claim** for a **network security breach, privacy liability, or breach of contract**.

Assumption of liability

2. based upon or arising out of any actual or alleged liability of others **you** assume under any contract or agreement; however, this exclusion will not apply to:
 - a. any liability **you** would have in the absence of the contract or agreement; or
 - b. any **claim** for **contractual indemnity - third party or contractual indemnity - breach costs**.

Bodily injury

3. based upon or arising out of any actual or alleged **bodily injury**; however, this exclusion will not apply to a **claim** for unintentional infliction of emotional distress asserted against **you** in conjunction with and based on the same allegations as a covered **claim** for a **network security breach, privacy liability, or breach of contract**.

Breach of warranty/guarantee

4. based upon or arising out of any actual or alleged breach of express warranties or guarantees, except any warranty or guarantee to maintain the confidentiality of **personally identifiable information** or confidential corporate information. This exclusion

will not apply to any liability **you** would have in the absence of the warranties or guarantees.

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| Collection of data without knowledge | <p>5. based upon or arising out of any actual or alleged:</p> <ul style="list-style-type: none"> a. collection of personally identifiable information by you (or others on your behalf) without the knowledge or permission of the data subject; or b. use of personally identifiable information by you (or others on your behalf) in violation of applicable law. |
| Criminal proceedings | <p>6. brought in the form of a criminal proceeding, including but not limited to a criminal investigation, grand jury proceeding, or criminal action.</p> |
| Employment related liability | <p>7. based upon or arising out of any actual or alleged:</p> <ul style="list-style-type: none"> a. obligation under any workers' compensation, unemployment compensation, employers' liability, fair labor standards, labor relations, wage and hour, or disability benefit law, including any similar provisions of any foreign, federal, state, or local statutory or common law; b. liability or breach of any duty or obligation owed by you as an employer or prospective employer; or c. harassment, wrongful termination, retaliation, or discrimination, including but not limited to adverse or disparate impact. |
| Excluded costs and damages | <p>8. to the extent it seeks or includes:</p> <ul style="list-style-type: none"> a. fines, penalties, taxes, or sanctions against you, except we will pay: <ul style="list-style-type: none"> i. civil or regulatory fines or penalties arising out of a regulatory action, if insurable by law; or ii. PCI fines/penalties assessed against you, if insurable by law; b. overhead costs, general business expenses, salaries, or wages incurred by you; c. the return, reduction, or restitution of fees, commissions, profits, or charges for goods provided or services rendered; d. liquidated or multiple damages; e. restitution, disgorgement of profits, any advantage to which you were not legally entitled, or unjust enrichment; f. the cost of complying with injunctive relief; g. special, indirect, or consequential damages; or h. service credits. |
| Excluded statutory violations | <p>9. based upon or arising out of any actual or alleged violation of the following laws:</p> <ul style="list-style-type: none"> a. the Securities Act of 1933; b. the Securities Exchange Act of 1934; c. any state blue sky or securities laws; d. the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1961 <i>et seq.</i>; e. the Employee Retirement Income Security Act of 1974; f. the Fair Debt Collection Practices Act; or g. the Fair Credit Reporting Act, <p>all including as may be amended, or any similar provisions of any foreign, federal, state, or local statutory or common law and any rules or regulations promulgated under such laws.</p> |

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| Failure to maintain insurance or bonds | 10. based upon or arising out of any actual or alleged failure to procure or maintain adequate insurance or bonds. |
| Funds transfer | <p>11. for any actual or alleged loss, theft, or transfer of:</p> <ul style="list-style-type: none"> a. your funds, monies, or securities; b. the funds, monies, or securities of others in your care, custody, or control; or c. the funds, monies, or securities in the care, custody, or control of any third party for whom you are legally liable, <p>including the value of any funds, monies, or securities transferred by you or others on your behalf.</p> |
| Government investigation/enforcement | 12. based upon or arising out of any actual or alleged governmental investigation or enforcement of any state or federal regulation, including but not limited to any regulation promulgated by the Federal Trade Commission, Federal Communications Commission, or the Securities and Exchange Commission, or ASCAP, BMI, SESAC, or other similar licensing organization; however, this exclusion will not apply to a covered regulatory action . |
| Industrial control systems/SCADA | 13. based upon or arising out of the use of any control systems used in industrial production, including but not limited to supervisory control and data acquisition (SCADA) systems, distributed control systems, or programmable logic controllers. |
| Infrastructure interruption | 14. based upon or arising out of any actual or alleged failure or interruption of service provided by an internet service provider, telecommunications provider, utility provider, or other infrastructure provider; however, this exclusion will not apply to a breach of personally identifiable information that was stored in the cloud, on remote servers, at a co-location or data hosting service, or any other method of storing data in a location not in your direct control. |
| Insured vs. insured | <p>15. brought by or on behalf of one insured or affiliate against another insured or affiliate; however, this exclusion will not apply to an otherwise covered claim brought by an employee:</p> <ul style="list-style-type: none"> a. based upon or arising out of such employee's personally identifiable information; or b. solely based on your business operations performed when such employee was not working for you. |
| Intellectual property | 16. based upon or arising out of any actual or alleged infringement, use, or disclosure of any intellectual property, including but not limited to copyright, trademark, trade dress, patent, service mark, service name, title, or slogan, or any publicity rights violations, cyber squatting violations, moral rights violations, any act of passing-off, or any misappropriation of trade secret. |
| Intentional acts | <p>17. based upon or arising out of any actual or alleged fraud, dishonesty, criminal conduct, or any knowingly wrongful, malicious, or intentional acts or omissions, except that we will pay claim expenses until there is a final adjudication establishing such conduct.</p> <p>This exclusion will apply to the named insured only if the conduct was committed or allegedly committed by any:</p> <ul style="list-style-type: none"> a. partner, director, officer, or member of the board (or equivalent position) of the named insured; or b. employee of the named insured if any partner, director, officer, member of the board (or equivalent position) of the named insured knew or had reason to know of such conduct by the employee. <p>This exclusion will apply separately to each insured and will not apply to any insured who did not commit, participate in, acquiesce to, or ratify such conduct committed by another insured.</p> |

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| Pollution/environmental | 18. based upon or arising out of any actual, alleged, or threatened discharge, dispersal, release, or escape of pollutants , including any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize pollutants . |
| Prior acts/notice/knowledge | <p>19. based upon or arising out of any:</p> <ul style="list-style-type: none"> a. claim, potential claim, or breach that was the subject of any notice given under any other policy of which this policy is a renewal or replacement; b. claim, potential claim, or breach that was the subject of, or is related to, any prior or pending litigation, claim, written demand, arbitration, administrative or regulatory proceeding or investigation, or licensing proceeding that was filed or commenced against you and of which you had notice prior to the policy period; or c. other matter you had knowledge of prior to the policy period, and you had a reasonable basis to believe could result in a claim or breach. <p>However, if this policy is a renewal or replacement of a previous policy we issued that provided materially identical coverage, and is part of an unbroken chain of successive policies issued by us, the policy period referred to in paragraphs b and c, above, will be the policy period of the first such policy we issued.</p> |
| Privacy policy | <p>20. based upon or arising out of any actual or alleged:</p> <ul style="list-style-type: none"> a. failure to have or appropriately display a privacy policy; b. failure of your privacy policy to comply with any federal, state, local, or foreign statutes, ordinances, regulations, or other laws; or c. changing of the terms of your privacy policy. |
| Professional services | 21. based upon or arising out of the rendering of or failure to render professional services by you or anyone on your behalf; however, this exclusion will not apply to an otherwise covered breach or claim resulting in the course of performance of professional services. |
| Property damage | 22. based upon or arising out of any actual or alleged property damage ; however, this exclusion will not apply to damage to data, or destruction or loss of use of data. |
| Sweepstakes/gambling/lotteries | <p>23. based upon or arising out of any:</p> <ul style="list-style-type: none"> a. actual or alleged provision of any sweepstakes, gambling activities, or lotteries; or b. price discounts, prizes, awards, money, or valuable consideration given in excess of a total contracted or expected amount, including but not limited to over redemption or under redemption of coupons, discounts, awards, or prizes. |
| Unsolicited telemarketing | 24. based upon or arising out of any actual or alleged violation of any federal, state, local, or foreign statutes, ordinances, or regulations relating to unsolicited telemarketing, solicitations, emails, faxes, text messages, or any other communications of any type or nature, including but not limited to the Telephone Consumer Protection Act, CAN-SPAM Act, or any "anti-spam" or "do-not-call" statutes, ordinances, or regulations. |

VII. Definitions

The following definitions apply to this Coverage Part. Additional definitions are contained in Section III. Who is an insured, and in the General Terms and Conditions, Section VI. Definitions applicable to all Coverage Parts.

Affiliate

means any person or entity related to any **insured** through common ownership, control, or management.

Bodily injury

means physical injury, sickness, disease, death, humiliation, mental injury, mental anguish, emotional distress, suffering, or shock sustained by a person.

Breach	means the unauthorized acquisition, access, use, or disclosure of personally identifiable information , including but not limited to that resulting from the loss or theft of a device containing such personally identifiable information .
Breach costs	<p>means any of the following reasonable and necessary costs you incur with our prior written consent in response to a breach that triggers your notification obligations pursuant to any foreign, federal, state, or local statute, rule, or regulation, or that you satisfy us poses a significant risk of financial, reputational, or other harm to the affected data subjects:</p> <ol style="list-style-type: none">1. <u>Computer Forensic Costs</u>: costs up to the limit stated in the Declarations for computer forensic analysis conducted by outside forensic experts to confirm a breach and to identify the affected data subjects, as well as outside attorney fees associated with the forensic reports and findings.2. <u>Notification Costs</u>: the following costs up to the limit stated in the Declarations:<ol style="list-style-type: none">a. <u>Mandatory Notification Costs</u>: for legal services, call center services, and to notify a data subject, a regulator, or any others, as required to satisfy your notification obligations; and/orb. <u>Voluntary Notification Costs</u>: to voluntarily notify affected data subjects, but only if you satisfy us that the breach poses a significant risk of financial, reputational, or other harm to the affected data subjects.3. <u>Credit or Identity Protection Costs</u>: costs up to the limit stated in the Declarations to provide each affected data subject with one year (or more as required by law) of services to monitor and/or protect such data subject's credit or identity:<ol style="list-style-type: none">a. if required by law; orb. if you satisfy us it mitigates a significant risk of financial, reputational, or other harm to the data subject.4. <u>Crisis Management and Public Relations Costs</u>: costs up to the limit stated in the Declarations for a public relations or crisis management consultant (and related costs) to:<ol style="list-style-type: none">a. reduce the likelihood of or costs of any claim covered by this policy; orb. to assist you in re-establishing your business reputation. <p>We will only be responsible to pay breach costs for services provided by a firm on the pre-approved Hiscox Preferred Breach Response Providers List.</p> <p>Prior to a breach, you may request in writing our authorization to obtain services and incur costs from a firm that is not on the pre-approved Hiscox Preferred Breach Response Providers List, but whether to grant or deny such request will be at our sole discretion.</p> <p>Breach costs will not mean, and we will have no obligation to pay, any of your own costs, salaries, or overhead expenses.</p>
Breach of contract	means your unintentional breach of a written contract or public facing privacy policy relating to personally identifiable information or confidential corporate information, including a contract with a merchant bank or payment processor in which you have agreed to comply with a PCI standard , and under which you have actually or allegedly failed to maintain the security or confidentiality of payment card data.
Claim	means any written assertion of liability or any written demand for financial compensation or non-monetary relief.
Claim expenses	<p>means the following sums incurred in excess of the retention and with our prior consent:</p> <ol style="list-style-type: none">1. all reasonable and necessary fees, costs, and expenses (including the fees of attorneys and experts) incurred in the investigation, defense, or appeal of a claim; and2. premiums on appeal bonds, attachment bonds, or similar bond, but we will have no obligation to apply for or furnish any such bonds.
Client	means any person or entity for whom you perform the services you normally provide as part of your business operations.

Contractual indemnity - breach costs

means **your** contractual agreement to indemnify **your client**, a merchant bank, or a payment processor for **breach costs** that would be covered by this Coverage Part if **you** had incurred them, but only to the same extent as though **you** had incurred them.

Contractual indemnity - third party

means **your** contractual agreement to indemnify **your client**, a merchant bank, or a payment processor for **damages** or **claim expenses** that would be covered by this Coverage Part if they arose from a **claim** against **you**, resulting from **your** actual or alleged:

1. violation of any privacy law or consumer data protection law protecting against disclosure of **personally identifiable information** or confidential corporate information;
2. breach of common law duty relating to **personally identifiable information** or confidential corporate information; or
3. unintentional breach of a written contract or public facing privacy policy relating to **personally identifiable information** or confidential corporate information,

but only to the same extent as though they arose from a **claim** against **you**.

Damages

means the following amounts incurred in excess of the **retention**:

1. a monetary judgment or monetary award that **you** are legally obligated to pay (including pre- or post-judgment interest and awards of claimant's attorney fees); or
2. a monetary settlement negotiated by **us** with **your** consent.

Damages includes punitive damages to the full extent they are insurable under the law of any applicable jurisdiction that most favors coverage.

Data subject

means the person to whom **personally identifiable information** relates.

Network security breach

means negligence by **you** or others acting on **your** behalf (including **your** subcontractors, outsourcers, or independent contractors) in securing **your** computer system which results in:

1. transmission of malicious software such as a computer virus, worm, logic bomb, or Trojan horse;
2. a denial of service attack against a third party;
3. the unauthorized acquisition, access, use, or disclosure of **personally identifiable information** or confidential corporate information that is held or transmitted in any form;
4. prevention of authorized electronic access to any computer system, **personally identifiable information**, or confidential corporate information; or
5. damage to any third party digital asset.

Payment card company rules

means any payment card company programs, rules, by-laws, policies, procedures, regulations, or requirements, including but not limited to VISA's CISP, MasterCard's SDP, Discover Card's DISC, and AMEX's DSOP, all as may be amended.

PCI assessments

means any amounts assessed against **you** by a payment card company to recover actual costs incurred by the payment card company, issuing bank, or acquiring bank to:

1. replace credit or debit cards whose card numbers were compromised in a **breach**; or
2. refund fraudulent charges which resulted from a **breach**, whether such charges are incurred by a **data subject**, issuing bank, or acquiring bank.

PCI assessments does not include any **PCI fines/penalties**.

PCI fines/penalties

means any fine or penalty expressly defined and quantified under the **payment card company rules** for a violation of a **PCI standard**; however, **PCI fines/penalties** does not include:

1. any amounts not expressly defined under the **payment card company rules** for a violation of a **PCI standard**;
2. civil penalties;

3. any amounts voluntarily agreed to by **you**; or
4. **PCI assessments.**

PCI standard

means the Payment Card Industry Data Security Standard, as may be amended.

Personally identifiable information

means the following, in any form, that is in **your** care, custody, or control, or in the care, custody, or control of any third party for whom **you** are legally liable:

1. non-public individually identifiable information as defined in any foreign, federal, state, or local statute, rule, or regulation, including but not limited to unsecured protected health information as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended, and any rule or regulation promulgated under HIPAA; or
2. any:
 - a. social security number or individual taxpayer identification number;
 - b. driver's license number or state identification number;
 - c. passport number;
 - d. credit card number; or
 - e. financial account number or debit card number in combination with any required security code.

Pollutants

means any solid, liquid, gaseous, biological, radiological, or thermal irritant or contaminant, including smoke, vapor, asbestos, silica, dust, nanoparticles, fibers, soot, fumes, acids, alkalis, chemicals, nuclear materials, germs, and waste. Waste includes, but is not limited to, materials to be recycled, reconditioned, or reclaimed.

Potential claim

means any acts, errors, or omissions of an **insured** or other circumstances reasonably likely to lead to a **claim** covered under this policy.

Privacy liability

means:

1. violation of any privacy law or consumer data protection law protecting against disclosure of **personally identifiable information** or confidential corporate information; or
2. breach of a common law duty relating to **personally identifiable information** or confidential corporate information.

Property damage

means physical loss of, physical damage to, or destruction or loss of use of any tangible property.

Regulatory action

means any civil regulatory action brought against **you** by a regulator.

Retention

means the amount stated as such under the Data Breach and Privacy Security Liability Coverage Part section of the Declarations.

You, your, or insured

means a **named insured, subsidiary, employee, or acquired entity**, as defined in Section III. Who is an insured.

I. What is covered

We will pay up to the **coverage part limit** for **damages** and **claim expenses** in excess of the **retention** for covered **claims** against **you** for any actual or alleged:

1. copyright infringement, trademark infringement, trademark dilution, trade dress infringement, publicity rights violations, or any misappropriation of content, formats, characters, trade names, character names, titles, voices, slogans, graphic material, or artwork;
2. invasion of privacy, intrusion upon seclusion, publication of private facts, false light, or misappropriation of name or likeness;
3. defamation, libel, slander, trade libel, product disparagement, or injurious falsehood;
4. unintentional infliction of emotional distress or outrage based on harm to the character or reputation of any person; or
5. negligence in connection with **your media activities** or **your advertising of your professional services**,

provided the **claim**:

- a. results from **your media activities** or **your advertising of your professional services** performed on or after the **retroactive date**;
- b. is first made against **you** during the **policy period**; and
- c. is reported to **us** in accordance with Section V. Your obligations.

II. Coverage enhancements

Supplemental payments

We will also make the following payments:

- A. **We** will pay reasonable expenses, including loss of wages and a \$250 travel per diem, incurred by **you** if **we** require **you** to attend depositions, arbitration proceedings, or trials in connection with the defense of a covered **claim**, but **we** will not pay more than an aggregate of \$10,000 per **claim** for such expenses, regardless of the number of **insureds**.

No **retention** will apply to amounts **we** pay under this subsection A, and such amounts will be in addition to, and not part of, the **coverage part limit**.

III. Who is an insured

For purposes of this Coverage Part, **you**, **your**, or **insured** means a **named insured**, **subsidiary**, **employee**, or **acquired entity**, as defined below:

Named insured

means the individual, corporation, partnership, limited liability company, limited partnership, or other entity identified in Item 1 of the Declarations.

Subsidiary

means any entity of which the **named insured** has majority ownership before or as of the inception of the **policy period**.

Employee

means any past, present, or future:

1. person employed by the **named insured** or **subsidiary** as a permanent, part-time, seasonal, leased, or temporary employee, or any volunteer; or
2. partner, director, officer, or board member (or equivalent position) of the **named insured** or **subsidiary**,

but only while in the course of their performance of **media activities** or **advertising of professional services** on behalf of or at the direction of such **named insured** or **subsidiary**.

Acquired entity

means an entity in which the **named insured**, during the **policy period**:

1. acquires substantially all of the assets;

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2. acquires the majority of its voting securities, as a result of which it becomes a **subsidiary**; or
3. merges and leaves the **named insured** as the surviving entity.

With respect to an **acquired entity** whose revenues exceed 10% of the annual revenues of the **named insured** at the time of its creation or acquisition, any coverage under this policy will expire 90 days after the effective date of its creation or acquisition unless, within such 90 day period:

1. the **named insured** provides **us** with written notice of such creation or acquisition;
2. the **named insured** provides **us** with information related to such creation or acquisition as **we** may reasonably require;
3. the **named insured** accepts any special terms, conditions, exclusions, or additional premium charge as **we** may reasonably require; and
4. **we** agree by written endorsement to provide such coverage.

This policy will apply to an **acquired entity** only with respect to **your media activities** or **your advertising of your professional services** performed after the acquisition, merger, or creation.

IV. Defense and settlement of claims

Defense

We have the right and duty to defend any covered **claim**, even if such **claim** is groundless, false, or fraudulent.

We have the right to select and appoint counsel to defend **you** against a covered **claim**. **You** may request in writing that **we** appoint defense counsel of **your** own choice, but whether to grant or deny such a request will be at **our** sole discretion.

Settlement

We have the right to solicit and negotiate settlement of any **claim** but will not enter into a settlement without **your** consent, which **you** agree not to withhold unreasonably. If **you** withhold consent to a settlement recommended by **us** and acceptable to the party who made the **claim**, the most **we** will pay for that **claim** is the sum of:

1. the amount of **our** recommended settlement;
2. **claim expenses** incurred up to the date of **our** recommendation;
3. 50% of all **claim expenses** incurred after **our** recommendation; and
4. 50% of all **damages** in excess of the settlement amount recommended by **us**.

V. Your obligations

Notifying us of claims

You must give written notice to **us** of any **claim** as soon as possible, but in any event, no later than 60 days after the end of the **policy period**.

All such notifications must be in writing and include a copy of the **claim**, and must be submitted to **us** via the designated email address or mailing address identified in Item 6 of the Declarations.

Notifying us of potential claims

You have the option of notifying **us** of **potential claims** that may lead to a covered **claim** against **you**.

In order to do so, **you** must give written notice to **us** as soon as possible and within the **policy period**, and the notice must, to the greatest extent possible, identify the details of the **potential claim**, including identifying the potential claimant(s), the likely basis for liability, the likely

demand for relief, and any additional information about the **potential claim** we may reasonably request.

The benefit to **you** of notifying **us** of a **potential claim** is that if an actual **claim** arises from the same circumstances as the properly notified **potential claim**, then **we** will treat that **claim** as if it had first been made against **you** on the date **you** properly notified **us** of it as a **potential claim**, even if that **claim** is first made against **you** after the **policy period** has expired.

All **potential claim** notifications must be in writing and submitted to **us** via the designated email address or mailing address identified in Item 6 of the Declarations.

Retention

Our obligation to pay **damages** and **claim expenses** under this Coverage Part is in excess of the **retention**, which **you** must pay in connection with each covered **claim**.

VI. Exclusions – What is not covered

We will have no obligation to pay any sums under this Coverage Part, including any **damages** or **claim expenses**, for any **claim**:

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| Antitrust/deceptive trade practices | 1. based upon or arising out of any actual or alleged: <ul style="list-style-type: none"> a. false, deceptive, or unfair trade practices; b. unfair competition, impairment of competition, restraint of trade, or antitrust violations; c. violation of the Sherman Anti-Trust Act, the Clayton Act, the Robinson-Patman Act, all including as may be amended, or any similar foreign, federal, state, or local statutes, rules, or regulations; or d. deceptive or misleading advertising. |
| Bodily injury | 2. based upon or arising out of any actual or alleged bodily injury ; however, this exclusion will not apply to a claim for emotional distress or outrage covered under part 4 of Section I. What is covered. |
| Breach of contract | 3. based upon or arising out of any actual or alleged breach of any contract or agreement, or any liability of others that you assume under any contract or agreement; however, this exclusion will not apply to any liability you would have in the absence of the contract or agreement. |
| Breach of warranty/guarantee | 4. based upon or arising out of any actual or alleged breach of express warranties or guarantees; however, this exclusion will not apply to any liability you would have in the absence of the warranties or guarantees. |
| Client content | 5. based upon or arising out of any content provided to you by your client ; however, we will pay claim expenses for any claims against you based upon or arising out of such content. |
| Collection of data without knowledge | 6. based upon or arising out of any actual or alleged: <ul style="list-style-type: none"> a. collection of personally identifiable information by you (or others on your behalf) without the knowledge or permission of the person to whom the personally identifiable information relates; or b. use of personally identifiable information by you (or others on your behalf) in violation of applicable law. |
| Commercial Dispute | 7. based upon or arising out of any actual or alleged commercial dispute with your business partner or business associate, including but not limited to any reseller, distributor, original equipment manufacturer, third-party sales agent, systems integrator, or joint venturer, but only to the extent such a claim is based upon: <ul style="list-style-type: none"> a. a commission or royalty, or any other term upon which such partner or associate is |

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to be compensated in connection with doing business with **you**, or any compensation or remuneration promised or owed by **you** pursuant to those terms; or

b. **your** decision to cease doing business with such a partner or associate.

Cramming/slamming

8. based upon or arising out of:
- a. the imposition of charges for services or content in relation to telephone, cell phone, wireless data, cable television, internet, voice over internet protocol (VoIP) or other similar telecommunications services, which charges have not been adequately disclosed or which services or content have not been requested by the consumer; or
 - b. the unauthorized switching of telecommunications carriers, including providers of telephone, cell phone, wireless data, cable television, internet, voice over internet protocol (VoIP) or other similar services.

Criminal proceedings

9. brought in the form of a criminal proceeding, including but not limited to a criminal investigation, grand jury proceeding, or criminal action.

Employment related liability

10. based upon or arising out of any actual or alleged:
- a. obligation under any workers' compensation, unemployment compensation, employers' liability, fair labor standards, labor relations, wage and hour, or disability benefit law, including any similar provisions of any foreign, federal, state, or local statutory or common law;
 - b. liability or breach of any duty or obligation owed by **you** as an employer or prospective employer; or
 - c. harassment, wrongful termination, retaliation, or discrimination, including but not limited to adverse or disparate impact.

Excluded costs and damages

11. to the extent it seeks or includes:
- a. fines, penalties, taxes, or sanctions against **you**;
 - b. overhead costs, general business expenses, salaries, or wages incurred by **you**;
 - c. the return, reduction, or restitution of fees, commissions, profits, or charges for goods provided or services rendered;
 - d. liquidated or multiple damages;
 - e. restitution, disgorgement of profits, any advantage to which **you** were not legally entitled, or unjust enrichment; or
 - f. the cost of complying with injunctive relief.

Excluded statutory violations

12. based upon or arising out of any actual or alleged violation of the following laws:
- a. the Securities Act of 1933;
 - b. the Securities Exchange Act of 1934;
 - c. any state blue sky or securities laws;
 - d. the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1961 *et seq.*; or
 - e. the Employee Retirement Income Security Act of 1974,
- all including as may be amended, or any similar provisions of any foreign, federal, state, or local statutory or common law and any rules or regulations promulgated under such laws.

Failure to maintain insurance or bonds

13. based upon or arising out of any actual or alleged failure to procure or maintain adequate insurance or bonds.

False or misleading advertising	14. based upon or arising out of any actual or alleged false or misleading advertisement, including any inaccurate, inadequate, or incomplete description of your goods, products, or services; however this exclusion will not apply to any claim for trademark infringement or false designation of origin based on your alleged unauthorized use of another's trademark.
Government investigation/enforcement	15. based upon or arising out of any actual or alleged governmental investigation or enforcement of any state or federal regulation, including but not limited to any regulation promulgated by the Federal Trade Commission, Federal Communications Commission, or the Securities and Exchange Commission, or ASCAP, BMI, SESAC, or other similar licensing organization.
Insured vs. insured	16. brought by or on behalf of one insured or affiliate against another insured or affiliate .
Intentional acts	<p>17. based upon or arising out of any actual or alleged fraud, dishonesty, criminal conduct, or any knowingly wrongful, malicious, or intentional acts or omissions, except that we will pay claim expenses until there is a final adjudication establishing such conduct.</p> <p>This exclusion will apply to the named insured only if the conduct was committed or allegedly committed by any:</p> <ul style="list-style-type: none"> a. partner, director, officer, or member of the board (or equivalent position) of the named insured; or b. employee of the named insured if any partner, director, officer, member of the board (or equivalent position) of the named insured knew or had reason to know of such conduct by the employee. <p>This exclusion will apply separately to each insured and will not apply to any insured who did not commit, participate in, acquiesce to, or ratify such conduct committed by another insured.</p>
License/royalties	18. based upon or arising out of any actual or alleged obligation to pay any licensing fee or royalty.
Manufacture or design of goods/products	19. based upon or arising out of any goods or products designed, manufactured, sold, handled, or distributed by you .
Misappropriation of funds	20. based upon or arising out of the actual or alleged theft, misappropriation, commingling, or conversion of any funds, monies, assets, or property.
Network security	<p>21. based upon or arising out of any actual or alleged failure of computer security, including but not limited to the:</p> <ul style="list-style-type: none"> a. transmission of malicious software such as a computer virus, worm, logic bomb, or Trojan horse; b. failure to prevent a denial of service attack; c. failure to prevent authorized access to any computer system, personally identifiable information, or confidential corporate information held or transmitted in any form; or d. failure to prevent damage to any third party digital asset.
Ownership of content	22. based upon or arising out of any actual or alleged disputes with any of your present or former directors, officers, trustees, partners, joint venturers, employees, agents, or independent contractors concerning ownership of or the exercise of rights relating to content, material, or services supplied to you by any of them.
Patent/trade secret	23. based upon or arising out of any actual or alleged infringement, use, disclosure, or misappropriation of any patent or trade secret.
Pollution/environmental	24. based upon or arising out of any actual, alleged, or threatened discharge, dispersal, release, or escape of pollutants , including any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize pollutants .

Media Liability Coverage Part

- | | |
|---|--|
| Prior acts/notice/knowledge | <p>25. based upon or arising out of any:</p> <ul style="list-style-type: none"> a. claim or potential claim that was the subject of any notice given under any other policy of which this policy is a renewal or replacement; b. claim or potential claim that was the subject of, or is related to, any prior or pending litigation, claim, written demand, arbitration, administrative or regulatory proceeding or investigation, or licensing proceeding that was filed or commenced against you and of which you had notice prior to the policy period; or c. other matter you had knowledge of prior to the policy period, and you had a reasonable basis to believe could result in a claim. <p>However, if this policy is a renewal or replacement of a previous policy we issued that provided materially identical coverage, and is part of an unbroken chain of successive policies issued by us, the policy period referred to in paragraphs b and c, above, will be the policy period of the first such policy we issued.</p> |
| Privacy | <p>26. based upon or arising out of any actual or alleged:</p> <ul style="list-style-type: none"> a. unauthorized acquisition, access, use, or disclosure of, improper collection or retention of, or failure to protect any non-public personally identifiable information or confidential corporate information that is in your care, custody, or control; or b. violation of any privacy law or consumer data protection law protecting against the use, collection, or disclosure of any information about a person or any confidential corporate information. |
| Privacy policy violations | <p>27. based upon or arising out of any actual or alleged:</p> <ul style="list-style-type: none"> a. failure to have or appropriately display a privacy policy; b. failure of your privacy policy to comply with any federal, state, local, or foreign statutes, ordinances, regulations, or other laws; c. breach of your privacy policy; or d. changing of the terms of your privacy policy. |
| Professional services | <p>28. based upon or arising out of your actual or alleged performance of or failure to perform professional services or any other services customarily provided by an architect, engineer, surveyor, physician, surgeon, dentist, or other healthcare provider, accountant, insurance agent/broker, investment advisor, securities broker/dealer, or attorney.</p> |
| Property damage | <p>29. based upon or arising out of any actual or alleged property damage.</p> |
| Repair/replace/recall | <p>30. based upon or arising out of any actual or alleged repair, upgrade, correction, recall, replacement, withdrawal, removal, or disposal costs incurred by you or others.</p> |
| Scareware | <p>31. based upon or arising out of any actual or alleged provision or transmission of Scareware, including but not limited to software that produces false or alarming warning messages.</p> |
| Sexual misconduct | <p>32. based upon or arising out of any actual, alleged, or threatened abuse, molestation, harassment, mistreatment, or maltreatment of a sexual nature, including the negligent employment, investigation, supervision, training, or retention of a person who commits such conduct, or the failure to report such conduct to the proper authorities.</p> |
| Software copyright | <p>33. based upon or arising out of any actual or alleged copyright infringement related to software or source code.</p> |
| Subsidiary outside control of named insured | <p>34. a. based upon or arising out of media activities or advertising of professional services performed by or on behalf of a past or present subsidiary while the named insured does not have majority ownership or management control of it; or</p> <p>b. made against a subsidiary or anyone acting on its behalf while the named insured does not have majority ownership or management control of it.</p> |

Media Liability Coverage Part

Sweepstakes/gambling/ lotteries	35. based upon or arising out of any: <ol style="list-style-type: none"> a. actual or alleged provision of any sweepstakes, gambling activities, or lotteries; or b. price discounts, prizes, awards, money, or valuable consideration given in excess of a total contracted or expected amount, including but not limited to over redemption or under redemption of coupons, discounts, awards, or prizes.
Unsolicited telemarketing	36. based upon or arising out of any actual or alleged violation of any federal, state, local, or foreign statutes, ordinances, or regulations relating to unsolicited telemarketing, solicitations, emails, faxes, text messages, or any other communications of any type or nature, including but not limited to the Telephone Consumer Protection Act, CAN-SPAM Act, or any "anti-spam" or "do-not-call" statutes, ordinances, or regulations.
Virtual currency	37. based upon or arising out of any actual or alleged virtual currency, including but not limited to virtual goods exchanged in connection with an Internet game or virtual economy.

VII. Definitions

The following definitions apply to this Coverage Part. Additional definitions are contained in Section III. Who is an insured, and in the General Terms and Conditions, Section VI. Definitions applicable to all Coverage Parts.

Advertising

means the online, digital, or electronic promotion of **your professional services** by broadcast, transmission, dissemination, telecast, cablecast, podcast, streaming, publication, republication, or by use of a website or social media.

Affiliate

means any person or entity related to any **insured** through common ownership, control, or management as follows:

1. any person or entity:
 - a. which wholly or partly owns, operates, controls, or manages the **named insured**;
 - b. which was operated, controlled, or managed by the **named insured**; or
 - c. in which any **insured** has an ownership interest of 15% or more, at anytime during or after the performance of the **media activities** or **your advertising of your professional services** giving rise to the **claim**; or
2. any entity for which any **insured** is an officer or director at the time the **claim** is made.

Affiliate does not include a **subsidiary**.

Bodily injury

means physical injury, sickness, disease, death, humiliation, mental injury, mental anguish, emotional distress, suffering, or shock sustained by a person.

Claim

means any written assertion of liability or any written demand for financial compensation or non-monetary relief.

Claim expenses

means the following sums incurred in excess of the **retention** and with **our** prior consent:

1. all reasonable and necessary fees, costs, and expenses (including the fees of attorneys and experts) incurred in the investigation, defense, or appeal of a **claim**; and
2. premiums on appeal bonds, attachment bonds, or similar bond, but **we** will have no obligation to apply for or furnish any such bonds.

Damages

means the following amounts incurred in excess of the **retention**:

1. a monetary judgment or monetary award that **you** are legally obligated to pay (including pre- or post-judgment interest and awards of claimant's attorney fees); or
2. a monetary settlement negotiated by **us** with **your** consent.

Damages includes punitive damages to the full extent they are insurable under the law of any applicable jurisdiction that most favors coverage.

Media Liability Coverage Part

Media activities	means the publication, broadcast, dissemination, or release of media content in connection with your professional services .
Media content	means the substance of any communication, including but not limited to language, data, facts, fiction, music, photographs, images, artistic expression, or visual or graphic materials.
Pollutants	means any solid, liquid, gaseous, biological, radiological, or thermal irritant or contaminant, including smoke, vapor, asbestos, silica, dust, nanoparticles, fibers, soot, fumes, acids, alkalis, chemicals, nuclear materials, germs, mold, and waste. Waste includes, but is not limited to, materials to be recycled, reconditioned, or reclaimed.
Potential claim	means any acts, errors, or omissions of an insured or other circumstances reasonably likely to lead to a claim covered under this policy.
Professional services	means only those services identified as Covered Professional Services under the Media Liability Coverage Part of the Declarations.
Property damage	means physical loss of, physical damage to, or destruction or loss of use of any tangible property.
Retention	means the amount stated as such under the Media Liability Coverage Part of the Declarations.
You, your, or insured	means a named insured, subsidiary, employee, or acquired entity , as defined in Section III. Who is an insured.

I. What is covered

If a limit appears on the Declarations indicating **you** have purchased the coverage, **we** agree as follows:

A. Cyber business interruption

We will pay up to the Cyber Business Interruption limit stated in the Declarations for **business interruption costs** incurred as a result of a **business interruption event** lasting in excess of the **retention**, which first occurs and **you** discover during the **policy period** and is reported to **us** in accordance with Section V. Your obligations.

Our obligation to pay **business interruption costs**:

1. is not triggered unless **you** take reasonable steps to minimize or avoid the **business interruption event**; and
2. ends at the hour after either:
 - a. the interruption to or degradation in the availability of **your** website, intranet, network, computer system, programs, or data ceases; or
 - b. the **income interruption** ceases,
 whichever is earlier.

B. Cyber extortion

We will pay up to the Cyber Extortion limit stated in the Declarations for **cyber extortion costs** in excess of the **retention** incurred as a result of a **cyber extortion event** that is first made against **you** during the **policy period** and is reported to **us** in accordance with Section V. Your obligations.

C. Hacker damage

We will pay up to the Hacker Damage limit stated in the Declarations for **hacker damage costs** in excess of the **retention** incurred as a result of a **hacker damage event** that **you** first discover during the **policy period** and is reported to **us** in accordance with Section V. Your obligations.

II. Coverage enhancements

We will also make the following payments:

Cyber business interruption consulting costs

- A. **We** will pay up to the limit stated in the Declarations for **consulting costs you** incur with **our** prior written consent in connection with a covered **business interruption event**.

Any payments **we** make under this subsection A will be a part of, and not in addition to, the Cyber Business Interruption limit.

Hacker damage consulting costs

- B. **We** will pay up to the limit stated in the Declarations for **consulting costs you** incur with **our** prior written consent in connection with a covered **hacker damage event**.

You must pay the **retention** stated in the Declarations in connection with any payment **we** make under this subsection B, and any payments **we** make will be a part of, and not in addition to, the Hacker Damage limit.

III. Who is an insured

For purposes of this Coverage Part, **you, your, or insured** means a **named insured, subsidiary, employee, executive, or acquired entity**, as defined below:

Named insured

means the individual, corporation, partnership, limited liability company, limited partnership, or other entity identified in Item 1 of the Declarations.

Subsidiary

means any entity of which the **named insured** has majority ownership before or as of the inception of the **policy period**.

Employee

means any past, present, or future person employed by the **named insured** or **subsidiary** as a permanent, part-time, seasonal, leased, or temporary employee, or any volunteer, but only

while in the course of their performance of business operations on behalf of or at the direction of such **named insured** or **subsidiary**.

Executive

means any past, present, or future partner, director, officer, or board member (or equivalent position) of the **named insured** or **subsidiary**, but only while in the course of their performance of business operations on behalf of such **named insured** or **subsidiary**.

Acquired entity

means an entity in which the **named insured**, during the **policy period**:

1. acquires substantially all of the assets;
2. acquires the majority of its voting securities, as a result of which it becomes a **subsidiary**; or
3. merges and leaves the **named insured** as the surviving entity.

With respect to an **acquired entity** whose revenues exceed 10% of the annual revenues of the **named insured** at the time of its creation or acquisition, any coverage under this policy will expire 90 days after the effective date of its creation or acquisition unless, within such 90 day period:

1. the **named insured** provides **us** with written notice of such creation or acquisition;
2. the **named insured** provides **us** with information related to such creation or acquisition as **we** may reasonably require;
3. the **named insured** accepts any special terms, conditions, exclusions, or additional premium charge as **we** may reasonably require; and
4. **we** agree by written endorsement to provide such coverage.

This policy will apply to an **acquired entity** only with respect to an **event** which first occurs and is discovered after the acquisition, merger, or creation.

IV. *[This section intentionally left blank]*

V. Your obligations

Notifying us of events

You must give written notice to **us** of any **event** as soon as possible, but in any event, no later than ten days after the end of the **policy period**.

All such notifications must be in writing and include a description of the **event**, and must be submitted to **us** via the designated email address or mailing address identified in Item 6 of the Declarations.

In addition, **you** must also inform, or allow **us** to inform, the appropriate law enforcement authorities for any **event** requiring such notification.

Retention

Our obligation to make any payments under this Coverage Part is in excess of the **retention**, and **we** will not make any payment in connection with a covered **event** until the total amount of covered costs incurred or, in the case of a **business interruption event**, the length of the **event**, exceeds the **retention**.

Solely with respect to a **business interruption event**, the **retention** will not begin to run until **you** have notified the **event** to **us**.

**VI. Exclusions –
What is not
covered**

We will have no obligation to pay any sums under this Coverage Part for any **event**:

- | | |
|--------------------------------------|---|
| Bodily injury | 1. based upon or arising out of any actual or alleged bodily injury . |
| Chargeback | 2. based upon or arising out of any actual or alleged chargeback, liability, or fee incurred by you or your client as a result of a merchant service provider, including any credit card company or bank, wholly or partially reversing or preventing a payment transaction. |
| Collection of data without knowledge | 3. based upon or arising out of any actual or alleged: <ol style="list-style-type: none"> a. collection of personally identifiable information by you (or others on your behalf) without the knowledge or permission of the person to whom the personally identifiable information relates; or b. use of personally identifiable information by you (or others on your behalf) in violation of applicable law. |
| Cramming/slamming | 4. based upon or arising out of: <ol style="list-style-type: none"> a. the imposition of charges for services or content in relation to telephone, cell phone, wireless data, cable television, internet, voice over internet protocol (VoIP), or other similar telecommunications services, which charges have not been adequately disclosed or which services or content have not been requested by the consumer; or b. the unauthorized switching of telecommunications carriers, including providers of telephone, cell phone, wireless data, cable television, internet, voice over internet protocol (VoIP), or other similar services. |
| Fraudulent/criminal act | 5. involving an intentional, fraudulent, or criminal act committed by or in collusion with an executive, employee , or any person to whom a ransom is entrusted. |
| Funds transfer | 6. involving any actual or alleged loss, theft, or transfer of: <ol style="list-style-type: none"> a. your funds, monies, or securities; b. the funds, monies, or securities of others in your care, custody, or control; or c. the funds, monies, or securities in the care, custody, or control of any third party for whom you are legally liable, including the value of any funds, monies, or securities transferred by you or others on your behalf. |
| Government investigation/enforcement | 7. based upon or arising out of any actual or alleged governmental investigation or enforcement of any state or federal regulation, including but not limited to any regulation promulgated by the Federal Trade Commission, Federal Communications Commission, or the Securities and Exchange Commission, or ASCAP, BMI, SESAC, or other similar licensing organization. |
| Infrastructure interruption | 8. based upon or arising out of any actual or alleged failure or interruption of service provided by an internet service provider, telecommunications provider, utility provider, or other infrastructure provider. |
| Intellectual property | 9. based upon or arising out of any actual or alleged infringement, use, or disclosure of any intellectual property, including but not limited to copyright, trademark, trade dress, patent, service mark, service name, title, or slogan, or any publicity rights violations, cyber squatting violations, moral rights violations, any act of passing-off, or any misappropriation of trade secret. |
| Misappropriation of funds | 10. based upon or arising out of the actual or alleged theft, misappropriation, commingling, or conversion of any funds, monies, assets, or property. |
| Prior acts/notice/knowledge | 11. based upon or arising out of any: <ol style="list-style-type: none"> a. claim or event that was the subject of any notice given under any other policy of which this policy is a renewal or replacement; |

- b. **claim or event** that was the subject of, or is related to, any prior or pending litigation, **claim**, written demand, arbitration, administrative or regulatory proceeding or investigation, or licensing proceeding that was filed or commenced against **you** and of which **you** had notice prior to the **policy period**; or
- c. other matter **you** had knowledge of prior to the **policy period**, and **you** had a reasonable basis to believe could result in a **claim or event**.

However, if this policy is a renewal or replacement of a previous policy **we** issued that provided materially identical coverage, and is part of an unbroken chain of successive policies issued by **us**, the **policy period** referred to in paragraphs b and c, above, will be the policy period of the first such policy **we** issued.

Privacy	12. based upon or arising out of any actual or alleged: <ul style="list-style-type: none"> a. unauthorized acquisition, access, use, or disclosure of, improper collection or retention of, or failure to protect any non-public personally identifiable information or confidential corporate information that is in your care, custody, or control; or b. violation of any privacy law or consumer data protection law protecting against the use, collection, or disclosure of any information about a person or any confidential corporate information.
Privacy policy violations	13. based upon or arising out of any actual or alleged: <ul style="list-style-type: none"> a. failure to have or appropriately display a privacy policy; b. failure of your privacy policy to comply with any federal, state, local, or foreign statutes, ordinances, regulations, or other laws; c. breach of your privacy policy; or d. changing of the terms of your privacy policy.
Property damage	14. based upon or arising out of any actual or alleged property damage ; however, this exclusion will not apply to damage to data, or destruction or loss of use of data.
Scareware	15. based upon or arising out of any actual or alleged provision or transmission of Scareware, including but not limited to software that produces false or alarming warning messages.
Subsidiary outside control of named insured	16. experienced by a past or present subsidiary while the named insured does not have majority ownership or management control of it.
Surrender of ransom	17. involving the surrender of a ransom at the location where the illegal threat and ransom demand was first made, unless brought to such location after receipt of the ransom demand for the sole purpose of paying such ransom demand.
Sweepstakes/gambling/lotteries	18. based upon or arising out of any: <ul style="list-style-type: none"> a. actual or alleged provision of any sweepstakes, gambling activities, or lotteries; or b. price discounts, prizes, awards, money, or valuable consideration given in excess of a total contracted or expected amount, including but not limited to over redemption or under redemption of coupons, discounts, awards, or prizes.
Theft of ransom	19. involving the theft of a ransom by way of an immediate threat of force or violence, unless the ransom has been previously negotiated.
Unsolicited telemarketing	20. based upon or arising out of any actual or alleged violation of any federal, state, local, or foreign statutes, ordinances, or regulations relating to unsolicited telemarketing, solicitations, emails, faxes, text messages, or any other communications of any type or nature, including but not limited to the Telephone Consumer Protection Act, CAN-SPAM Act, or any "anti-spam" or "do-not-call" statutes, ordinances, or regulations.

Virtual currency

21. based upon or arising out of any actual or alleged virtual currency, including but not limited to virtual goods exchanged in connection with an Internet game or virtual economy.

VII. Definitions

The following definitions apply to this Coverage Part. Additional definitions are contained in Section III. Who is an insured, and in the General Terms and Conditions, Section VI. Definitions applicable to all Coverage Parts.

Bodily injury

means physical injury, sickness, disease, death, humiliation, mental injury, mental anguish, emotional distress, suffering, or shock sustained by a person.

Business interruption costs

means:

1. Business Interruption Hourly Loss Amount: the amount stated as such in the Declarations;
2. Additional Loss Amount: the average hourly gross profit **you** have generated in the previous six months, minus the "Business Interruption Hourly Loss Amount," provided **you** are able to:
 - a. produce evidence of such amounts; and
 - b. prove to **us** that **you** reasonably expected to earn more than the "Business Interruption Hourly Loss Amount" during the period of the covered **business interruption event**; and
3. Extra Expense: the reasonable and necessary expenses **you** incur to mitigate the **business interruption event** if **you** satisfy **us** such expenses are:
 - a. less than the **business interruption costs** that would have been incurred otherwise; and
 - b. in excess of the expenses **you** would have incurred if the **business interruption event** had not occurred.

We will pay covered **business interruption costs** as follows:

1. Regardless of the amount of **your** actual loss, **we** will pay the Business Interruption Hourly Loss Amount for each hour of the **business interruption event** which exceeds the **retention**.
2. If **your** actual loss resulting from the **business interruption event** is greater than the Business Interruption Hourly Loss Amount, then **we** will also pay the Additional Loss Amount for each hour of the **business interruption event** which exceeds the **retention**.
3. **We** will also pay Extra Expense if **you** meet the conditions in subpart 3 above.

Business interruption event

means the interruption to or degradation in the availability of **your** website, intranet, network, computer system, programs, or data resulting in an **income interruption** as a direct result of:

1. the activities of a third party that maliciously blocks electronic access to **your** website, intranet, network, computer system, programs, or data **you** hold electronically; or
2. a **hacker**.

Claim

means any written assertion of liability or any written demand for financial compensation or non-monetary relief.

Consulting costs

means costs for:

1. a public relations or crisis management consultant (and related costs) to:
 - a. reduce the likelihood of or costs of any **claim** that would be covered by this policy; or
 - b. to assist **you** in reestablishing **your** business reputation;

2. a computer forensic analysis conducted by outside forensic experts to confirm the identity of the **hacker** involved in the **event**; or
3. an information security assessment conducted by outside security experts to identify security improvements to prevent a similar **event**.

Cyber extortion costs

means:

1. the ransom paid or, if the demand is for goods or services, the fair market value at the time of surrender; and
2. the reasonable and necessary fees and expenses incurred by a representative appointed by **us** to provide **you** with assistance,

provided **you** can demonstrate to **us**:

1. the ransom has been surrendered under duress; and
2. before agreeing to its payment **you** have made all reasonable efforts to:
 - a. determine the threat is genuine and not a hoax; and
 - b. ensure at least one **executive** has agreed to the payment of the ransom.

Cyber extortion event

means **your** receipt, directly or indirectly, of an illegal threat from a person or entity who is not an **insured** threatening to:

1. damage, destroy, or corrupt **your** website, intranet, network, computer system, any programs **you** use, or data **you** hold electronically, including by introducing a computer virus, worm, logic bomb, or Trojan horse; or
2. disseminate, divulge, or use any confidential information for which **you** are legally responsible,

who then demands a ransom for their own benefit as a condition of not carrying out this threat.

Event

means a **business interruption event**, **cyber extortion event**, or **hacker damage event**.

Hacker

means anyone, including an **employee**, who gains unauthorized access to **your** website, intranet, network, computer system, or data **you** hold electronically via the internet or other external electronic link, solely by circumventing electronically the security systems in place to protect against such unauthorized access. **Hacker** does not include any **executive**, or any person who, while on **your** premises (other than an **employee** or a third party **you** have expressly permitted to enter the premises), directly gains unauthorized access to any computer system.

Hacker damage event

means a **hacker** either:

1. damaging, destroying, altering, corrupting, or misusing **your** website, intranet, network, computer system, programs, or data **you** hold electronically; or
2. copying or stealing any program or data **you** hold electronically.

Hacker damage costs

means:

1. the reasonable and necessary expenses **you** incur with **our** prior written consent to repair or replace **your** website, intranet, network, computer system, programs, or data **you** hold electronically to the same standard and with the same contents as before it was damaged, destroyed, altered, corrupted, copied, stolen, or misused; or
2. in the event that **your** website, intranet, network, computer system, programs, or data **you** hold electronically cannot be restored to the same standard and with the same contents as before it was damaged, destroyed, altered, corrupted, copied, stolen, or misused, **hacker damage costs** will mean the reasonable and necessary expenses **you** incur to make that determination.

Hacker damage costs includes the reasonable and necessary expenses **you** incur to mitigate the **hacker damage event** if **you** satisfy **us** such expenses are:

1. less than the **hacker damage costs** that would have been incurred otherwise; and
2. in excess of the expenses **you** would have incurred if the **hacker damage event** had not occurred.

Hacker damage costs will not mean, and **we** will not be obligated to pay, any amounts to research and/or develop the website, intranet, network, computer system, programs, or data.

Income interruption

means **your** gross profit generated on an hourly basis has been reduced to less than 75% of the average hourly gross profit for the 90-day period immediately prior to the **business interruption event**.

Property damage

means physical loss of, physical damage to, or destruction or loss of use of any tangible property.

Retention

means:

1. for a **business interruption event**, the length of time stated as such under the Cyber Business Interruption section of the Declarations;
2. for a **cyber extortion event**, the amount stated as such under the Cyber Extortion section of the Declarations; or
3. for a **hacker damage event**, the amount stated as such under the Hacker Damage section of the Declarations.

You, your, or insured

means a **named insured, subsidiary, employee, executive, or acquired entity**, as defined in Section III. Who is an insured.

Endorsement 1

NAMED INSURED: xxxxxxxx

E8643.1 Cyber Enhancements Notification Endorsement

In consideration of the premium charged, and on the understanding this endorsement leaves all other terms, conditions, and exclusions unchanged, it is agreed:

In addition to notifying **us** of any **event** via the designated email address or mailing address in Item 6 of the Declarations, **you** must promptly notify the contacts below for any **event you** wish to notify under the Cyber Enhancements Coverage Part as follows:

1. For any **cyber extortion event**:
Control Risks Cyber Extortion Hotline
1-888-245-8654
2. For any **business interruption event** or **hacker damage event**:
NetDiligence
Email: management@NetDiligence.com
Phone contacts:
Dave Chatfield (954) 684-9190
Mark Greisiger (610) 525-6383

Endorsement effective: xx/xx/xxxx

Certificate No.: MPLxxxxxxx xx/

Endorsement No: 1

Processed Date: xx/xxxx

Hiscox Inc.



Authorized Representative
Carl Bach

Endorsement 2

NAMED INSURED: xxxxxxxxxxxx

E6017.2 Nuclear Incident Exclusion Clause-Liability-Direct (Broad) Endorsement

In consideration of the premium charged, and on the understanding this endorsement leaves all other terms, conditions, and exclusions unchanged, it is agreed:

We will have no obligation to pay any sums under this policy, including any **damages, claim expenses**, or other **covered amounts**, for any **claim, breach, event, or occurrence**:

- A. Under any liability coverage, for injury, sickness, disease, death, or destruction:
1. for which **you** are also insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, or Nuclear Insurance Association of Canada, or would be insured under any such policy but for exhaustion of its limit of liability; or
 2. resulting from the **hazardous properties of nuclear material** and with respect to which:
 - a. any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, as amended; or
 - b. **you** are, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- B. Under any Medical Payments coverage, or under any Supplementary Payments provision relating to immediate medical or surgical relief, for expenses incurred with respect to bodily injury, sickness, disease, or death resulting from the **hazardous properties of nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.
- C. Under any liability coverage, for injury, sickness, disease, death, or destruction resulting from the **hazardous properties of nuclear material**, if:
1. the **nuclear material** is at any **nuclear facility** owned or operated by **you** or on **your** behalf, or has been discharged or dispersed from such a facility;
 2. the **nuclear material** is contained in spent fuel or **waste** which is or was at any time possessed, handled, used, processed, stored, transported, or disposed of by **you** or on **your** behalf; or
 3. the injury, sickness, disease, death, or destruction arises out of the furnishing by **you** of services, materials, parts, or equipment in connection with the planning, construction, maintenance, operation, or use of any **nuclear facility**, but if such facility is located within the United States of America, its territories or possessions, or Canada, this exclusion (3) applies only to injury to or destruction of property at such **nuclear facility**.

As used in this endorsement:

Hazardous properties includes radioactive, toxic, or explosive properties;

Nuclear material means **source material, special nuclear material, or byproduct material**;

Endorsement 2

NAMED INSURED: xxxxxxxxxx

Source material, special nuclear material, and byproduct material have the meanings given them in the Atomic Energy Act of 1954, as amended;

Spent fuel means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**;

Waste means any waste material:

1. containing **byproduct material**; and
2. resulting from the operation by any person or organization of any **nuclear facility** included in paragraph 1 or 2 of the definition of **nuclear facility**;

Nuclear facility means:

1. any any **nuclear reactor**;
2. any any equipment or device designed or used for:
 - a. separating the isotopes of uranium or plutonium;
 - b. processing or utilizing spent fuel; or
 - c. handling, processing, or packaging **waste**;
3. any equipment or device used for the processing, fabricating, or alloying of **special nuclear material**, if at any time the total amount of such material in **your** custody at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
4. any structure, basin, excavation, premises, or place prepared or used for the storage or disposal of **waste**.

Nuclear facility includes the site on which any of the foregoing is located, all operations conducted on such site, and all premises used for such operations;

With respect to injury to or destruction of property, "injury" or "destruction" includes all forms of radioactive contamination of property.

Endorsement effective:	xx/xx/xxxx	Certificate No.:	MPLxxxxxxx xx/
Endorsement No:	2	Processed Date:	xx/xxxx

Hiscox Inc.

Endorsement 2

NAMED INSURED: xxxxxxxx



Authorized Representative
Carl Bach

Endorsement 3

NAMED INSURED: xxxxxxxxxxxx

E6020.2 War and Civil War Exclusion Endorsement

In consideration of the premium charged, and on the understanding this endorsement leaves all other terms, conditions, and exclusions unchanged, it is agreed the General Terms and Conditions are amended as follows:

This policy does not apply to and **we** will have no obligation pay any sums under this policy, including any **damages, claim expenses**, or other **covered amounts**, for any **claim, breach, event**, or **occurrence** directly or indirectly occasioned by, happening through, or in consequence of:

1. war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military, or usurped power; or
2. confiscation, nationalization, requisition, destruction of, or damage to property by or under the order of any government, public, or local authority.

However, this exclusion will not apply to coverage under the General Liability Coverage Part (if purchased) for damage by fire to premises while rented to **you** or temporarily occupied by **you** with the owner's permission. Any payments **we** make for **property damage** to such premises will be subject to the Damage to Premises Limit.

Endorsement effective: xx/xx/xxxx

Certificate No.: MPLxxxxxxxx xx/

Endorsement No: 3

Processed Date: xx/xxxx

Hiscox Inc.



Authorized Representative
Carl Bach

Endorsement 4

NAMED INSURED: xxxxxxxxxxxx

E8508.1 Amended Privacy Program Endorsement

In consideration of the premium charged, and on the understanding this endorsement leaves all other terms, conditions, and exclusions unchanged, it is agreed:

Amend Definition of Breach Costs

- I. In Section VII. Definitions of the Data Breach and Privacy Security Liability Coverage Part, the definition of “**Breach costs**” is deleted in its entirety and replaced with the following:

Breach costs

means any of the following reasonable and necessary costs **you** incur with **our** prior written consent in response to a **breach** that triggers **your** notification obligations pursuant to any foreign, federal, state, or local statute, rule, or regulation, or that **you** satisfy **us** poses a significant risk of financial, reputational, or other harm to the affected **data subjects**:

1. Computer Forensic Costs: costs up to the limit stated in the Declarations for computer forensic analysis conducted by outside forensic experts to confirm a **breach** and to identify the affected **data subjects**, as well as outside attorney fees associated with the forensic reports and findings.
2. Notification Costs: the following costs up to the limit stated in the Declarations:
 - a. Mandatory Notification Costs: for legal services, call center services, and to notify a **data subject**, a regulator, or any others, as required to satisfy **your** notification obligations; and/or
 - b. Voluntary Notification Costs: to voluntarily notify affected **data subjects**, but only if **you** satisfy **us** that the **breach** poses a significant risk of financial, reputational, or other harm to the affected **data subjects**.
3. Credit or Identity Protection Costs: costs up to the limit stated in the Declarations to provide each affected **data subject** with one year (or more as required by law) of services to monitor and/or protect such **data subject's** credit or identity:
 - a. if required by law; or
 - b. if **you** satisfy **us** it mitigates a significant risk of financial, reputational, or other harm to the **data subject**.
4. Crisis Management and Public Relations Costs: costs up to the limit stated in the Declarations for a public relations or crisis management consultant (and related costs) to:
 - a. reduce the likelihood of or costs of any **claim** covered by this policy; or
 - b. to assist **you** in re-establishing **your** business reputation.

Endorsement 4

NAMED INSURED: xxxxxxxx

5. **PCI Proof of Remediation Costs:** costs up to \$25,000 for a security consultant to demonstrate that **you** have the ability to prevent a future similar **breach** if required by payment company rules or a merchant service provider agreement.

We will only be responsible to pay **breach costs** for services provided by a firm on the pre-approved Hiscox Preferred Breach Response Providers List.

Prior to a **breach**, **you** may request in writing **our** authorization to obtain services and incur costs from a firm that is not on the pre-approved Hiscox Preferred Breach Response Providers List, but whether to grant or deny such request will be at **our** sole discretion.

Breach costs will not mean, and **we** will have no obligation to pay, any of **your** own costs, salaries, or overhead expenses.

Additional Exclusions

- II. With respect to each purchased Coverage Part, the following exclusions are added to the end of Section VI. Exclusions – What is not covered:

- | | | |
|---|-------|--|
| CMIA | PP-1. | based upon or arising out of any actual or alleged violation of the Confidentiality of Medical Information Act of 1981 (CMIA), as may be amended, and any rules or regulations promulgated under the CMIA. |
| Specific products/ services/ activities | PP-2. | based upon or arising out of gambling, pornography, or franchise activities (including any activities in connection with owning a franchise). |

Excluded Professional Services

- III. With respect to each purchased Coverage Part, the following exclusion is added to the end of Section VI. Exclusions – What is not covered:

- | | | |
|---|-------|---|
| Additional excluded professional services | PP-3. | based upon or arising out of any actual or alleged performance of or failure to perform services as a medical professional, payment processor, payment gateway, credit rating agency, direct marketer, social networking provider, depository institution, franchisor, investment banker, securities underwriter, securities broker/dealer, family planning service provider, adoption agency, abortion clinic, substance abuse clinic, data warehouse, data aggregator, information broker, utility or mobile application or video game developer, or publisher. |
|---|-------|---|

Waiver of Subrogation

- IV. In Section V. Other provisions affecting coverage of the General Terms and Conditions, subsection I. Subrogation is deleted in its entirety and replaced with the following:

- | | |
|----------------|--|
| I. Subrogation | In the event of any payment by us under this policy, we will be subrogated to all of your rights of recovery to that payment. |
|----------------|--|

Endorsement 4

NAMED INSURED: xxxxxxxxxx

You will do everything necessary to secure and preserve **our** subrogation rights, including but not limited to the execution of any documents necessary to allow **us** to bring suit in **your** name.

You will do nothing to prejudice **our** subrogation rights without **our** prior written consent.

Any recovery first will be paid to **you** up to the amount of any **retention you** have paid, and then to **us** up to the amount of any **covered amounts we** have paid.

However, with respect to any payment **we** make under the Data Breach & Privacy Security Liability Coverage Part, **we** agree to waive any right of recovery **we** may have.

Endorsement effective: xx/xx/xxxx

Certificate No.: MPLxxxxxxx xx/

Endorsement No: 4

Processed Date: xx/xxxx

Hiscox Inc.



Authorized Representative
Carl Bach

Endorsement 5

APPLICANT NAME:

E8511.2 Cyber Crime & Cyber Deception Endorsement (DBPSL)

In consideration of the premium charged, and on the understanding this endorsement leaves all other terms, conditions, and exclusions unchanged, it is agreed the Data Breach and Privacy Security Liability Coverage Part is amended as follows:

I. The following is added to the end of Section II. Coverage enhancements:

- Cyber crime and deception sublimit CC-A. **We** will pay up to the Cyber Crime and Deception Limit of Liability identified below for loss of **money** and/or **securities**:
1. resulting directly from a **fraudulent instruction** directing a financial institution to transfer, pay, or deliver **money** and/or **securities** from **your transfer account**; or
 2. transferred, paid, or delivered as a result of a **cyber deception**, provided the loss first occurs and is discovered by **you** during the **policy period** and is reported to **us** in accordance with Section V. Your obligations.
- Any payment **we** make under this subsection CC-A will be in excess of the Cyber Crime and Deception Retention identified below, and such payments will be a part of, and not in addition to, the **coverage part limit**.

II. Solely with respect to the coverage provided by this endorsement, the following is added to the end of Section V. Your obligations:

- Notifying us of losses If **you** discover a loss, or circumstances reasonably likely to lead to a loss of **money** and/or **securities** that in **your** best estimate will exceed 50% of the Cyber Crime and Deception Retention identified below, **you** must give written notice to **us** as soon as possible, but in any event no later than 90 days after **you** discover such loss. If **you** have reason to believe that any loss involves a violation of law, **you** must also inform, or allow **us** to inform, the appropriate law enforcement authorities.
- Proof of loss Within 120 days of notification to **us** of a loss, **you** must give **us** a detailed, sworn proof of loss.
- Examination of your books and records **We** have the right to examine and audit **your** books and records as they relate to the coverage provided by this endorsement at any time during the **policy period** and up to three years afterward.

III. Solely with respect to the coverage provided by this endorsement, the following exclusions are added to the end of Section VI. Exclusions – What is not covered:

We will have no obligation to pay any sums under this Coverage Part for any:

- CC-A. loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value, or other cards or the information contained on such cards.
- CC-B. loss that is an indirect result of an occurrence or event covered by this Coverage Part, including but not limited to loss resulting from:
1. **your** inability to realize income that **you** would have realized had there been no loss covered by this endorsement;
 2. payment of damages of any type for which **you** are legally liable, but **we** will pay compensatory damages arising directly from a loss covered by this endorsement; or

Endorsement 5

APPLICANT NAME:

3. payment of costs, fees, or other expenses **you** incur in establishing the existence or the amount of loss covered by this endorsement.
- CC-C. **claim expenses** incurred by **you** which are related to any legal action resulting from a loss covered by this endorsement.
- CC-D. loss resulting from seizure or destruction of property by order of governmental authority.
- CC-E. loss resulting from any dishonest act committed by **you**, if the **named insured** is an individual, or any **employee**.
- CC-F. loss resulting from any actual or alleged unauthorized acquisition, access, use, or disclosure of **personally identifiable information** or confidential corporate information that is held or transmitted in any form; however, this exclusion will not apply to a **fraudulent instruction** or a **cyber deception** directly resulting from the use of such **personally identifiable information** or confidential corporate information.
- IV. Solely with respect to the coverage provided by this endorsement, in Section VI. Exclusions – What is not covered, the “Funds transfer” exclusion is deleted in its entirety and replaced with the following:
for any actual or alleged loss, theft, or transfer of:
- your** funds, monies, or securities;
 - the funds, monies, or securities of others in **your** care, custody, or control; or
 - the funds, monies, or securities in the care, custody, or control of any third party for whom **you** are legally liable, including the value of any funds, monies, or securities transferred by **you** or others on **your** behalf.
- However, this exclusion will not apply to the loss, theft, or transfer of any **money** or **securities** in **your transfer account** or resulting from a **cyber deception**.
- V. Solely with respect to the coverage provided by this endorsement, the following definitions are added to the end of Section VII. Definitions:
- Cyber deception** means the intentional misleading or deception of an **employee** through social engineering, pretexting, phishing, spear phishing, or any other confidence trick communicated by email, text, instant message, telephone, or other electronic means, by a person falsely purporting to be **your** vendor or **client**, or an **employee**, which results in **your** transfer, payment, or delivery of **money** and/or **securities**.
- Fraudulent instruction** means:
- an electronic, telegraphic, cable, teletype, telefacsimile, or telephone instruction which purports to have been transmitted by **you**, but which was in fact fraudulently transmitted by someone else without **your** knowledge or consent;
 - a written instruction issued by **you**, which was forged or altered by someone other than **you** without **your** knowledge or consent, or which purports to have been issued by **you**, but was in fact fraudulently issued without **your** knowledge or consent; or
 - an electronic, telegraphic, cable, teletype, telefacsimile, telephone, or written instruction initially received by **you** which purports to have been transmitted by an **employee** but which was in fact fraudulently transmitted by someone else without **your** or the **employee's** knowledge or consent.
- Money** means:
- currency, coins, and bank notes in current use anywhere in the world and having a face value; or

Endorsement 5

APPLICANT NAME:

Securities

2. traveler's checks, register checks, and money orders held for sale to the public.

means negotiable or nonnegotiable instruments or contracts representing either **money** or property and includes:

1. tokens, tickets, revenue, and other stamps (whether represented by actual stamps or unused value in a meter) in current use;
2. casino chips issued by **you**; or
3. evidences of debt issued in connection with credit or charge cards, which cards are not issued by **you**,

but does not include **money**.

Transfer account

means any account maintained by **you** at a financial institution from which **you** can initiate the transfer, payment, or delivery of **money** or **securities**:

1. by means of electronic, telegraphic, cable, teletype, telefacsimile, or telephone instructions communicated directly through an electronic funds transfer system; or
2. by means of written instructions establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

Cyber Crime and Deception Limit of Liability: \$xxxxxx

Cyber Crime and Deception Retention: \$xxxxxx

Endorsement 6

NAMED INSURED: xxxxxxxx

E9999.2 Cap on Losses from Certified Acts of Terrorism Endorsement

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE FEDERAL TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

The following is hereby added to the Policy and shall apply to all coverage:

With respect to any one or more "act of terrorism", the Company will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

The term "act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the federal Terrorism Risk Insurance Act for an "act of terrorism" include the following:

- 1 The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- 1 The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to the pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

All other terms and conditions remain unchanged.

Endorsement effective:	xx/xx/xxxx	Certificate No.:	MPLxxxxxxxx xx/
Endorsement No:	6	Processed Date:	xx/xxxx

Hiscox Inc.

Endorsement 6

NAMED INSURED: xxxxxxxx



Authorized Representative
Carl Bach

Endorsement 7

NAMED INSURED: xxxxxxxx

E9997.4 Policyholder Disclosure Notice of Terrorism Insurance Coverage

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. *As defined in Section 102(1) of the Act:* the term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury – in consultation with the Secretary of Homeland Security, and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020 of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism is \$56.00, and does not include any charges for the portion of losses covered by the United States government under the Act.

I ACKNOWLEDGE THAT I HAVE BEEN NOTIFIED THAT UNDER THE TERRORISM RISK INSURANCE ACT, AS AMENDED, ANY LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM UNDER MY POLICY COVERAGE MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT AND MAY BE SUBJECT TO A \$100 BILLION CAP THAT MAY REDUCE MY COVERAGE AND I HAVE BEEN NOTIFIED OF THE PORTION OF MY PREMIUM ATTRIBUTABLE TO SUCH COVERAGE.

Policyholder/Applicant's Signature: _____

Print Name: _____ Date: _____

Insurance Company: _____

Endorsement effective: xx/xx/xxxx

Certificate No.: MPLxxxxxx

Endorsement No: 7

Processed Date: xx/xx/xxxx

Hiscox Inc.

Endorsement 7

NAMED INSURED: xxxxxxxx



Authorized Representative
Carl Bach

Congratulations on your purchase of a Hiscox Privacy and Data Breach Protection Policy!

This Policyholder Guide provides details of the **risk management tools** made available to you, as a Hiscox Technology and Privacy policyholder, and how you access them.

Guide Contents

- I) How to notify Hiscox when you have a claim**
Provides details on Hiscox claims service and contact information for claim notification.
- II) How to access the complimentary risk management tools**
Provides details on how to access the value added services available to help you to reduce your risk, for which you have qualified for complimentary access as a Hiscox Technology Protection policyholder.
- III) Breach preparedness and response**
Suffered a data breach? This Policyholder Guide provides details on how to access available resources, including a toll-free hotline to a Breach Coach[®] to get your started.

I) How to notify Hiscox when you have a claim

Claims Service

We understand how important the claims handling process is to our policyholders, and **our dedicated in-house technology claims attorneys believe in a “fast and fair” claims approach**, which includes:

- A dedicated claims inbox for receiving claim notifications, monitored multiple times per day
- New claim acknowledgement within 1 business day
- Assigned claims representative contact with policyholder/broker within 2 business days
- An open dialogue throughout the claims process

Claim Notification

The specific provisions regarding proper notification of a claim against your policy are contained in your policy wording and endorsements. However, if you ever have any questions about when or how to notify us of a claim, please contact your agent or broker. Alternatively, you can contact the Hiscox Tech and Privacy/Data Breach Claims Department: tmtclaims@hiscox.com

II) How to access the complimentary risk management tools**Complimentary Risk Management Tools**

As a Hiscox Technology or Privacy Protection policyholder, you qualify for complimentary access to value added services meant to help you reduce your risk. Due to the coverage you have purchased, you have qualified for complimentary access to the following services (detailed on the following pages):

- a) Risk Management Assistance**
- b) BreachProtection™ Breach Prevention Resources**
- c) Hiscox eRisk Hub® Breach Response Resource and Information Web Portal**
- d) Control Risks Cyber Extortion Response (contingent on purchase of Hiscox Cyber Extortion policy)**

a) Risk Management Assistance

As a complimentary service to this policy, we are pleased to provide a free, confidential risk management and loss prevention service, consisting of an initial consultation and up to 1-hour of legal services to assist you in better understanding and minimizing risks that commonly lead to the types of claims covered under this policy.

If you have a question about minimizing these types of liability risks in your business, please email your question to: riskmanagement@hiscox.com

Please include your Hiscox Policy Number which can be found on the Declaration Page of your policy.

A Hiscox representative will get back to you within 1 (one) business day with a referral to a nationally recognized law firm with a practice specifically focused on your industry¹.

- Please note that any inquiries made to this service will not constitute a notice of claim or potential claim under your policy. For all claim or potential claim matters, please follow the notification provisions in your policy.
- Please also note that this service is not intended to respond to questions regarding your insurance policy or coverage. For all such inquiries, please contact your agent or broker.

b) BreachProtection™ Breach Prevention Resources²**Don't let a breach catch you unprepared.**

As a qualified Hiscox Technology Protection policyholder, you now have free access to BreachProtection™. BreachProtection provides comprehensive risk management tools through BreachProtection.com and subject-matter specialists to help answer your questions.

Getting Started Using breachprotection.com**BreachProtection.com provides unlimited access to:**

Online compliance materials: Federal and state compliance materials regarding data security, data breaches, and data privacy, including:

- summaries of federal and state laws with links to statutes and regulations
- sample policies and procedures
- continuing updates and electronic notification of changes to the online materials.

Email updates: Periodic newsletters provide information on changes in federal and state laws regarding data security, data breach, and data privacy issues. Additional emails provide notice of matters requiring immediate attention.

Online support: Receive support from privacy/security specialists regarding:

- healthcare, HIPAA and HITECH compliance issues
- data breach prevention and computer forensic issues
- data security best practices

Procedures and sample forms

- Risk assessment procedures
- Guidance to improve safeguards (administrative/physical/technical)
- Procedures for responding to a data breach and customizing an Incident Response Plan
- Pre-publication checklists

Workforce training

- Online training programs
- Employee training bulletins
- Periodic webinars

Data Breach Response

- Breach notification law summaries
- HIPAA/HITECH security breach guidance
- Links to your data breach response provider

Getting started

To ensure you get timely access to these services, email signup@breachprotection.com or call the BreachProtection Account Specialists at **559-577-1248**. Please provide: (1) the name of your business as it appears on your Hiscox insurance policy; (2) your Hiscox insurance policy or certificate number; and (3) your Hiscox insurance policy expiration date.

c) Hiscox eRisk Hub[®] Breach Response Resource and Information Web Portal³

Register now! Don't wait until you have suffered a breach. Be prepared.

As a qualified Hiscox Technology Protection policyholder, you now have free access to the Hiscox eRisk Hub[®] portal, powered by NetDiligence[®].

Hiscox eRisk Hub is a private, web-based portal containing information and technical resources provided to assist you in the timely reporting, response and recovery from a data breach event.

Key features of the Hiscox eRisk Hub[®] portal

- **Breach Response Services:**
 - **Incident Roadmap** – includes suggested steps to take following a breach event.
 - **Breach Coach[®]** – a resource to support you in managing your response, including a free initial consultation.
 - **Breach Response Team** – a list of data breach service providers at predetermined rates.
- **eRisk resources** – a directory to quickly find external resources with expertise in pre- and post-breach disciplines.

Please note the following:

1. The Hiscox eRisk Hub portal is a private site for Hiscox Technology Protection policyholders only. Do not share portal access instructions with anyone outside your organization. You are responsible for maintaining the confidentiality of the Hiscox access code provided to you.
2. Up to three individuals from your organization may register and use the portal. Ideal candidates include your company's Risk Manager, Compliance Manager, Privacy Officer, IT Manager or Legal Counsel.
3. This portal contains a directory of experienced providers of cyber risk management and breach recovery services. Hiscox does not endorse these companies or their respective services. Before you engage any of these companies, we urge you to conduct your own due diligence to ensure the companies and their services meet your needs. Unless otherwise indicated or approved, payment for services provided by these companies is your responsibility.
4. Should you experience a data breach event, you may choose to call the Breach Coach[®] listed in the portal for immediate triage assistance. Your initial consultation of up to one hour is free of charge. Please be aware that the Breach Coach[®] service is provided by a third-party law firm. Therefore, calling the Breach Coach[®] does not satisfy the claim notification requirements of your policy.

We are pleased to provide our qualified Hiscox Technology Protection Insurance policyholders with free access to this portal. To register:

1. go to www.eriskhub.com/hiscox.php
2. complete the registration form. Your **Hiscox access code** is xxxxxx
3. once registered, you can access the portal immediately.

For more information or questions, email hiscox@eriskhub.com.

d) Control Risks Cyber Extortion Response

Since 1975, Control Risks has advised clients on the resolution of more than 2,600 cases of extortive crime in 129 countries. Their dedicated team of Response consultants responds to an average of 155 cases of extortive crime per year, including threat extortions.

Alongside their Response division, Control Risks has a specialist Cyber team (with expertise in providing cyber threat intelligence, incident prevention and cyber breach response services).

For Cyber response services including cyber extortions, Control Risks' approach is to assist the affected business to manage the incident, identify its objectives and follow the resulting plan of action.

As part of their crisis management assistance, Control Risks will involve internal and external experts, including their IT Forensics partner, MWR InfoSecurity, whose technical experts will assist in IT forensic investigations, and legal and public relations experts to help clients respond to and contain the fallout from a cyber-attack⁴.

To contact Control Risks in the event of a cyber extortion incident or advise regarding cyber extortion management:

Control Risks

Control Risks Response Team

888 245 8654

III) Breach Preparedness and Response

Knowing what to do in the event of a data breach can make the situation much less daunting, helping to minimize the impact to your business. We have produced this quick guide to assist you in responding to a breach event.

Our philosophy: it is not our place to mandate exactly how you respond to such a critical event for your business, but rather we should provide you with the necessary resources and guidance to help minimize the impact the event has on your business. The following provides you with details on quickly accessing the resources available to guide you and assist you in responding to the event.

PRIOR TO A BREACH

Register at BreachProtection™ (see registration details in this document) for risk management policies, procedures, training, and other tools to help your company prevent and better respond to a breach of confidential information.

Register at Hiscox eRisk Hub® (see registration details in this document) to assist you in getting a response plan in place with access to the third party resources available to help you more efficiently and cost-effectively respond to and recover from a breach.

IF A BREACH OCCURS

Step 1: Engage the expert resources available to you

A) Contact the Breach Coach® at the toll free Hiscox Breach Response Hotline

Registered members of the Hiscox **eRisk Hub®** are entitled to one hour of free consultation with a Breach Coach®.

You may request the assistance of a Breach Coach® by phone or email. As part of your request, be sure to provide your company name, along with the names of all other companies and/or individuals that may be involved in the breach event.

1-855-HISCO-BR(447-2627)

HiscoxUSBreachCoach@eRiskHub.com

An attorney from Baker Hostetler is on call 24 hours a day/7 days a week.

B) Notify Hiscox

At such as critical time, it is important that the claims handling process be fast and fair. Engaging our dedicated in-house claim attorneys early in the process provides you with additional experienced professionals to assist you in your breach response. This also provides for an open dialogue throughout the process so you can worry about properly responding to the breach and not worry about your insurance.

Please work with your broker or agent to properly notify Hiscox of the breach event...the specific provisions for formal notification of a claim or breach event against your policy are contained in your policy wording and endorsements.

If you or your agent or broker have any questions or need to contact us regarding claim notification, you can contact the Hiscox Tech and Privacy/Data Breach Claims Department: tmtclaims@hiscox.com

Step 2: Work with the expert resources to determine next and appropriate steps

Hiscox Claims specialists and/or the Breach Coach[®] are available to assist you in determining what steps to take and how to engage the breach response providers from the pre-approved Hiscox Preferred Breach Response Providers List. This list is comprised of specialists available to provide the legal, forensics, notification, call center and credit or identity protection services in response to your breach.

The Hiscox Claims specialists and/or Breach Coach[®] can help you determine:

- if a forensics investigation is needed,
- if breach notifications are required,
- the potential for regulatory investigations,
- the potential for legal action,
- your next steps.

Be prepared

Today a breach of confidential information is almost inevitable. By registering for and using the breach prevention and breach response services as well as promptly engaging your Breach Coach[®] and the Hiscox Claims specialists in the event you have a breach, you are taking appropriate steps to lessen the impact the breach event has on your business.⁴

[About Hiscox in the US](#)

Hiscox, the international specialist insurer, is headquartered in Bermuda and listed on the London Stock Exchange (LSE:HSX). There are three main underwriting parts of the Group - Hiscox London Market, Hiscox UK and Europe and Hiscox International. Hiscox International includes operations in Bermuda, Guernsey and the USA. Hiscox ASM Ltd, Hiscox Underwriting Ltd and Hiscox Syndicates Ltd are authorized and regulated by the UK Financial Services Authority. The ability of syndicates at Lloyd's to do business in the USA, and its territories, is restricted as they are not US-based insurers.

Hiscox Inc., a Delaware corporation headquartered in New York, d/b/a Hiscox Insurance Agency in CA, is a licensed insurance intermediary for admitted and surplus lines business. Hiscox Inc. underwrites on behalf of, and places business with, Hiscox Insurance Company Inc., other domestic insurers, and syndicates at Lloyd's (www.lloyds.com). Hiscox Insurance Company Inc. (NAIC Number 10200) is a Chicago, IL domiciled insurer, which is admitted or licensed to do business in all 50 states and the District of Columbia.

Inquiries as to insurance or other products or services should be directed to an insurance agent or broker licensed to conduct business in the relevant US state. For further information about an insurer's ability to do business in the USA and US territories please contact a licensed agent or broker for advice.

This communication provides general information on Hiscox's products and services only and is not intended to be, and does not constitute, a solicitation of business by syndicates at Lloyd's from or in respect of the USA or US territories. Coverages are subject to underwriting and may not be available in all states. The information contained herein is not a part of an insurance policy, and may not be used to modify any insurance policy that might be issued. In the event the actual policy forms are inconsistent with any information provided herein, the language of the policy forms shall govern.

¹ The law firm, or other resource utilized for this risk management assistance, is solely responsible for all content and advice provided.

² BreachProtection™ is solely responsible for all content and advice provided on breachprotection.com. The information provided through breachprotection.com does not constitute legal or other professional advice. Please consult your attorney or other professional advisor to discuss your specific situation and obtain the appropriate legal or other expert advice.

³ Coverage for the costs of engaging the services of a law firm or breach response service provider are subject to the terms and conditions of your policy, which in some instances may require the prior approval by Hiscox. Please familiarize yourself with the terms and conditions of your policy. Information provided through the Hiscox eRisk Hub® portal does not constitute legal advice. Please consult your, attorney or other professional advisor to discuss your specific situation and obtain the appropriate legal or other expert advice.

⁴ Coverage for the costs of engaging the services of Control Risks are subject to the terms and conditions of your policy, which in some instances may require the prior approval by your insurance carrier. Please familiarize yourself with the terms and conditions of your policy.

ECONOMIC AND TRADE SANCTIONS POLICYHOLDER NOTICE

Hiscox is committed to complying with the U.S. Department of Treasury Office of Foreign Assets Control (OFAC) requirements. OFAC administers and enforces economic sanctions policy based on Presidential declarations of national emergency. OFAC has identified and listed numerous foreign agents, front organizations, terrorists, and narcotics traffickers as Specially Designated Nationals (SDN's) and Blocked Persons. OFAC has also identified Sanctioned Countries. A list of Specially Designated Nationals, Blocked Persons and Sanctioned Countries may be found on the United States Treasury's web site <http://www.treas.gov/offices/enforcement/ofac/>.

Economic sanctions prohibit all United States citizens (including corporations and other entities) and permanent resident aliens from engaging in transactions with Specially Designated Nationals, Blocked Persons and Sanctioned Countries. Hiscox may not accept premium from or issue a policy to insure property of or make a claim payment to a Specially Designated National or Blocked Person. Hiscox may not engage in business transactions with a Sanctioned Country.

A Specially Designated National or Blocked Person is any person who is determined as such by the Secretary of Treasury.

A Sanctioned Country is any country that is the subject of trade or economic embargoes imposed by the laws or regulations of the United States.

In accordance with laws and regulations of the United States concerning economic and trade embargoes, this policy may be rendered void from its inception with respect to any term or condition of this policy that violates any laws or regulations of the United States concerning economic and trade embargoes including, but not limited to the following:

- (1) Any insured under this Policy, or any person or entity claiming the benefits of such insured, who is or becomes a Specially Designated National or Blocked Person or who is otherwise subject to US economic trade sanctions;
- (2) Any claim or suit that is brought in a Sanctioned Country or by a Sanctioned Country government, where any action in connection with such claim or suit is prohibited by US economic or trade sanctions;
- (3) Any claim or suit that is brought by any Specially Designated National or Blocked Person or any person or entity who is otherwise subject to US economic or trade sanctions;
- (4) Property that is located in a Sanctioned Country or that is owned by, rented to or in the care, custody or control of a Sanctioned Country government, where any activities related to such property are prohibited by US economic or trade sanctions; or
- (5) Property that is owned by, rented to or in the care, custody or control of a Specially Designated National or Blocked Person, or any person or entity who is otherwise subject to US economic or trade sanctions.

Please read your Policy carefully and discuss with your broker/agent or insurance professional. You may also visit the US Treasury's website at <http://www.treas.gov/offices/enforcement/ofac/>.