CYBERCHOICE PROFESSIONAL

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THE HARTFORD

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THE HARTFORD

CYBERCHOICE PROFESSIONAL

The Hartford
Home Office: One Hartford Plaza, Hartford, CT

WITH RESPECT TO THE LIABILITY COVERAGES, THIS IS A CLAIMS MADE POLICY. COVERAGE UNDER THIS POLICY APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE OPTIONAL EXTENDED REPORTING PERIOD (IF PURCHASED) AND REPORTED IN ACCORDANCE WITH SECTION 8 (NOTICE) OF THIS POLICY. CLAIM EXPENSES ARE WITHIN AND REDUCE THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE APPLICABLE RETENTIONS.

WITH RESPECT TO THE FIRST PARTY COVERAGES AND PRIVACY BREACH RESPONSE COVERAGES, THIS IS AN INCIDENT DISCOVERED POLICY. COVERAGE UNDER THIS POLICY APPLIES ONLY TO INCIDENTS FIRST DISCOVERED BY THE INSURED DURING THE POLICY PERIOD AND REPORTED IN ACCORDANCE WITH SECTION 8 (NOTICE) OF THIS POLICY.

TERMS THAT APPEAR IN BLUE ARE DEFINED IN SECTION 6 (DEFINITIONS) OF THIS POLICY.

If the Insuring Agreement has been purchased, as stated in the Item 4 of the Declarations, and in consideration of the payment of the premium and in reliance upon the Application, and subject to all terms, conditions and limitations of this Policy, including the Retention and Limit of Liability, the insurance company shown in the Declarations (the "Insurer") and the Insured agree:

Section 1. Insuring Agreements

A. LIABILITY COVERAGES

The Insurer will pay Damages and Claim Expenses on behalf of the Insured, in excess of the applicable Retention, that the Insured becomes legally obligated to pay as a result of a Claim made against the Insured during the Policy Period and reported to the Insurer in accordance with Section 8 (Notice) of this Policy, alleging:

1. Technology Liability, Professional Services Liability and Media Liability

A Technology Liability Wrongful Act, Professional Services Liability Wrongful Act or Media Liability Wrongful Act committed by the Insured or by someone on behalf of the Insured and for whose Wrongful Acts the Insured is legally liable.

2. Privacy Liability (including Privacy Regulation Proceedings & Fines and PCI Fines & Assessments)

A Privacy Liability Wrongful Act committed by the Insured or by someone on behalf of the Insured and for whose Wrongful Acts the Insured is legally liable.

3. Cyber Security Liability

A Cyber Security Liability Wrongful Act committed by the Insured or by someone on behalf of the Insured and for whose Wrongful Acts the Insured is legally liable.

B. FIRST PARTY COVERAGES

The Insurer will pay in excess of the applicable Retention or following the applicable Waiting Period for:

1. Cyber & System Failure Business Interruption Loss

Business Income Loss and associated Extra Expenses that the Insured incurs for a continuous period of up to twenty four (24) months resulting directly from a Cyber Attack or from System Failure causing Network Interruption.

2. **Contingent Cyber & System Failure Business Interruption Loss**

   Business Income Loss and associated Extra Expenses that the Insured incurs for a continuous period of up to twenty four (24) months resulting directly from a Cyber Attack to or from System Failure at a Third Party Service Provider causing Network Interruption.

3. **Cyber Recovery Expenses**

   Cyber Recovery Expenses that the Insured incurs for a continuous period of up to twenty four (24) months resulting directly from a Cyber Attack.

4. **Cyber Extortion Expenses**

   Cyber Extortion Expenses that the Insured incurs for a continuous period of up to twenty four (24) months directly in response to a Cyber Extortion Demand.

5. **Cyber Deception Loss**

   Cyber Deception Loss that the Insured incurs resulting directly from a Cyber Attack.

6. **Telecommunication Loss**

   Telecommunication Loss that the Insured incurs resulting directly from a Cyber Attack.

C. PRIVACY BREACH RESPONSE AND CRISIS MANAGEMENT COVERAGES

The Insurer will pay in excess of the applicable Retention for:

1. **Privacy Breach Response**

   Privacy Breach Response Expenses that the Insured incurs for a continuous period of up to twenty four (24) months resulting directly from a Privacy Breach.

2. **Crisis Management**

   Crisis Management Expenses that the Insured incurs for a continuous period of up to twenty four (24) months directly in response to a Privacy Breach or Cyber Attack.

D. HOW COVERAGE APPLIES

1. **The coverages under Insuring Agreement A. above apply only if:**

   a. such Wrongful Act is committed on or after the Retroactive Date as stated in Item 4.A of the Declarations under each Coverage and the Claim is first made during the Policy Period or the Optional Extended Reporting Period (if purchased) and reported to the Insurer in accordance with Section 8 (Notice) of this Policy;

   b. prior to the inception date of this Policy or the inception date of the first policy issued and continuously renewed by the Insurer to the inception date of this Policy, whichever is earlier, no Executive Officer knew or reasonably could have known that such Wrongful Act did or could result in a Claim; and

   c. such Wrongful Act has not been part of any notice provided under any prior policy.

2. **The coverages under Insuring Agreements B. and C. above apply only if:**

   a. an Executive Officer first becomes aware of such Cyber Attack, Cyber Extortion Demand, Privacy Breach or System Failure during the Policy Period;

   b. such Cyber Attack, Cyber Extortion Demand, Privacy Breach or System Failure is reported to the Insurer during the Policy Period in accordance with Section 8 (Notice) of this Policy;

   c. such Cyber Attack, Cyber Extortion Demand, Privacy Breach or System Failure has not been part of any notice provided under any prior policy; and

   d. Extra Expenses, Cyber Recovery Expenses, Cyber Extortion Expenses, Privacy Breach Response Expenses and Crisis Management Expenses have been incurred with the prior written consent of the Insurer, such consent not to be unreasonably withheld.

Section 2. Coverage Extensions

A. Vicarious Liability

This Policy extends to provide coverage for any **Claim**:

1. arising out of a **Wrongful Act** committed by an employee of the **Named Insured** who deliberately acts outside the scope of duties of employment, except if such employee is an **Executive Officer**;
2. arising out of a **Wrongful Act** of a **Third Party Service Provider** if the **Named Insured** has agreed to provide indemnification for or has assumed liability on behalf of such **Third Party Service Provider** in a written contract and such contract is entered into before the **Wrongful Act** is committed;
3. made against any entity or natural person that the **Named Insured** is required by written contract to include as an additional insured under this Policy, but only in respect of **Wrongful Acts** committed by the **Insured** and only if such written contract is entered into before the **Wrongful Act** is committed.

B. Pre-Claim Investigation

If during the **Policy Period** the **Insured** reports a **Potential Claim** in accordance with Section 8 (Notice) of this Policy which could lead to an actual **Claim**, the Insurer may at its sole discretion and without obligation spend reasonable and necessary costs to investigate such **Potential Claim**. Until the time an actual **Claim** arising from such **Potential Claim** is made, the cost of such investigation will solely be the Insurer's and will be outside the Limit of Liability and will not be subject to any Retention.

C. Claim Prevention Assistance

If the Insurer decides to investigate a **Potential Claim** as mentioned in B. above, and such investigation results in the Insurer recommending **Claim** prevention measures that the **Insured** agrees to undertake, the Insurer will reimburse the **Insured**, in excess of the Retention and up to 10% of the Policy Aggregate Limit, for:

1. reasonable costs and expenses to perform remediation measures incurred with the prior written consent of the Insurer; or
2. outstanding contractually agreed fees (net of any profits and taxes) owed to the **Insured** by a customer, if there is written evidence from the **Insured's** customer that they intend to make a **Claim** against the **Insured** that is reasonably likely to result in covered **Damages** greater than the amount of fees owed to the **Insured** and the **Insured** has no reasonable legal grounds on which to force payment of such outstanding fees;

if such measures are reasonably likely to prevent a **Claim**. If a **Claim** is subsequently made against the **Insured** then any resulting **Claim Expenses** and **Damages** will be reduced by the amount of remediation expenses or fees paid by the Insurer. Any reimbursement of such expenses or fees will not be in addition to and will reduce the Policy Aggregate Limit.

D. Optional Extended Reporting Period

If this Policy is non-renewed or terminated by either the **Named Insured** or the Insurer other than for non-payment of premium, then the **Named Insured** will have the right to purchase an Optional Extended Reporting Period of one (1), two (2) or three (3) years. The Optional Extended Reporting Period will apply to any **Claim** that is first made during such period for any **Wrongful Act** committed on or after the Retroactive Date stated in Item 4.A of Declarations and before the end of the **Policy Period**. In order to purchase the Optional Extended Reporting Period the **Named Insured** must:

1. make full payment of the premium for this Policy;
2. provide notice to the Insurer of its decision to purchase the Optional Extended Reporting Period and full payment of such period within sixty (60) days of the end of the **Policy Period** in accordance with the percentages stated in Item 6. of the Declarations.

Purchase of the Optional Extended Reporting Period is non-cancelable and the entire premium is earned at the beginning of such period. The Limits of Liability applicable during any purchased Optional Extended Reporting Period will be part of and not in addition to the applicable Limit of Liability. In no event will there be a separate or additional Limit of Liability available for any purchased Optional Extended Reporting Period. The offering at renewal of different terms and conditions and/or higher premium is not considered a non-renewal for the purposes of this section.

Section 3. Defense, Allocation & Settlement

A. The Insurer will have the right and duty to defend any **Claim** made against any **Insured** covered under this Policy, even if such **Claim** is groundless, false or fraudulent. The **Insured** will have the right, at their own expense, to associate with the Insurer in the defense of any **Claim** and the negotiation of any settlement thereof. The Insurer selects and appoints defense counsel. The Insurer's duty to defend ends with the earlier of the exhaustion of the applicable Limit of Liability or the **Insured's** refusal to consent to a settlement recommended by the Insurer and agreed to by the claimant as described in Item D below.

B. If a **Claim** is made against any **Insured**, which includes both covered and uncovered matters, or if a **Claim** is made against any **Insured** and others, the **Insured** and the Insurer recognize that there must be an allocation between insured and uninsured **Damages**, settlement amounts and other liabilities in connection with such **Claim**. With respect to such a **Claim**, the Insurer will:

1. pay 100% of the **Claim Expenses**; and
2. with respect to **Damages**, the Insurer will make such payment to the **Insured** as is reflected by a fair and proper allocation. The Insurer will calculate this amount by comparing: (a) the amount being claimed for the covered portion of the **Claim** with the amount being claimed for the matters that are not covered, (b) the legal merit of the covered **Claim** with the legal merit of the matters that are not covered and (c) the difficulty of proving liability with respect to the covered **Claim** or allegations compared with the difficulty of proving liability with respect to any **Claim** or allegations that are not covered.

C. The **Insured** cannot admit liability or settle any **Claim** without the prior written consent of the Insurer, such consent not to be unreasonably withheld, unless such **Claim** can be fully and finally resolved within the applicable Retention for an amount no greater than 50% of the Retention.

D. The Insurer has the right with the prior written consent of the **Insured**, such consent not to be unreasonably withheld, to settle a **Claim**. If any **Insured** refuses to consent to a settlement recommended by the Insurer and agreed to by the claimant, and elects to contest or continue to contest the **Claim**, the Insurer's liability will not exceed the amount of **Claim Expenses** incurred prior to the date of the recommendation plus the amount of the recommended settlement plus seventy percent (70%) of all future **Claim Expenses** and **Damages**, however in no event will the Insurer's liability under this Policy for such **Claim** exceed the remaining portion of the Policy Aggregate Limit stated in Item 4.D. of the Declarations. Further, the Insurer has the right to withdraw from the further defense of the **Claim** by tendering control of the defense thereof to the **Insured**, however in that event all other rights and obligations of the Insurer and the **Insured** in this Policy will continue to apply to the **Claim** (other than the duty to defend) and the Insurer will have the right to effectively associate with the **Insured** in the defense and settlement of the **Claim**.

Section 4. Limit of Liability

A. The Policy Aggregate Limit stated in Item 4.D of the Declarations is the maximum liability of the Insurer under all circumstances for all **Loss** payable under this policy regardless of the number of **Claims**, **Cyber Attacks**, **Cyber Extortion Demands**, **Privacy Breaches**, **System Failures**, individuals or entities making **Claims** or Insuring Agreements triggered.

B. The Limits of Liability specified under the Insuring Agreement set forth in Item 4.A of the Declarations, Liability Coverages is the maximum liability of the Insurer for each **Claim** or **Loss** for Technology Liability, Professional Services Liability, Media Liability, Privacy Liability, **Privacy Regulation Proceedings**, **Privacy Regulation Fines**, **PCI Fines & Assessments** and Cyber Security Liability as the case may be. Each specified Limit of Liability is part of and is not in addition to the Policy Aggregate Limit stated in Item 4.D of the Declarations.

C. The Limits of Liability specified under the Insuring Agreement set forth in Item 4.B of the Declarations, First Party Coverages, is the maximum aggregate liability of the Insurer for Cyber Business Interruption Loss, Contingent Cyber Business Interruption Loss, System Failure Business Interruption Loss, Contingent System Failure Business Interruption Loss, **Cyber Recovery Expenses**, **Cyber Extortion Expenses**, **Cyber Deception Loss** and **Telecommunication Loss** as the case may be. Each specified Limit of Liability is part of and is not in addition to the Policy Aggregate Limit set forth in Item 4.D of the Declarations. The specified Limits of Liability for Contingent Cyber Business Interruption Loss, System Failure Business Interruption Loss and Contingent System Failure Business Interruption Loss are part of and are not in addition to the Cyber Business Interruption Loss Limit of Liability.

D. The Limits of Liability specified under the Insuring Agreement set forth in Item 4.C of the Declarations, Privacy Breach Response and Crisis Management Coverages, is the maximum aggregate liability of the Insurer for **Privacy Breach Response Expenses** and **Crisis Management Expenses** as the case may be. Each specified Limit of Liability is part of and is not in addition to the Policy Aggregate Limit set forth in Item 4.D of the Declarations.

E. In the event the Insurer's maximum aggregate Limit of Liability with respect to any of the coverages set forth in Items 4.A, 4.B or 4.C of the Declarations is or has been exhausted or in the event the Policy Aggregate Limit set forth in Item 4.D of the Declarations is or has been exhausted by payment of **Loss** or by depositing of the Policy Aggregate Limit or any other applicable Limit or Liability with a court of competent jurisdiction the Insurer thereafter will have no further obligation to make any further payments of **Loss** with respect to such Limit of Liability or Policy Aggregate Limit nor have any further obligation to defend or continue to defend a **Claim** under this Policy.

Section 5. Retention

A. The Insurer will only pay covered **Loss** in excess of the applicable Retention and following the applicable **Waiting Period** set forth in Item 4. of the Declarations. The Retention amount and any **Business Income Loss** or **Extra Expenses** incurred by the **Insured** during the **Waiting Period** will be borne by the **Insured** and remain uninsured, however the Insurer may at its sole and absolute discretion pay **Loss** within the Retention amount, in which event the **Insured** agrees to repay the Insurer any amounts so paid.

B. One single Retention applies to each **Claim**, **Cyber Attack**, **Cyber Extortion Demand**, **Privacy Breach** and **System Failure**. In the event more than one Retention applies only the Retention with the highest amount will apply. One single Retention will apply to each series of interrelated **Claims**, **Cyber Attacks**, **Cyber Extortion Demands**, **Privacy Breaches** or **System Failures** as described in Section 9.H (Interrelated Matters) of this Policy.

Section 6. Definitions

A. **Application** means all signed applications, information, statements and any other materials submitted by the **Insured** in connection with the underwriting by the Insurer of this Policy.

B. **Business Income Loss** means:

1. the amount of net income (net profit or loss before income tax) which would have been earned or incurred during the **Network Interruption** had it not occurred;
2. continuing normal and reasonable operating expenses including payroll during the **Network Interruption**;
3. reasonable and necessary expenses to investigate the cause and extent of the **Business Income Loss**.

Business Income Loss is calculated based on the lesser of:

1. the **Insured's** net income (net profit or loss before income tax) in the previous twelve (12) months prior to the **Network Interruption** taking into account seasonality, the reduction in fixed operating expenses as a result of the **Network Interruption**, reasonable projection of future net income and the ability of the **Insured** to use alternative networks, facilities, equipment or personnel during the **Network Interruption**;
2. The estimated loss until the **Insured's** business operations could have been resumed.

Business Income Loss does not include any **Claim**, **Claim Expenses**, **Damages** or other third party liability losses.

C. Claim means:

1. a written demand for monetary damages, injunctive, declaratory or other non-monetary relief;
2. a civil or arbitration proceeding seeking monetary damages, injunctive, declaratory or non-monetary relief and commenced by the service of a complaint or similar pleading including any appeal therefrom;
3. Privacy Regulation Proceedings;
4. A written demand for PCI Fines & Assessments from a payment card association, acquiring bank, merchant bank or payment processor alleging the failure to comply with the PCI Data Security Standard in connection with a Privacy Breach;
5. a written request for the Insured to toll or waive any potentially applicable statute of limitations in relation to 1, 2 or 3 above.

However, Claim does not mean criminal proceedings or investigations or other regulation proceedings.

D. Claim Expenses means reasonable and necessary legal fees, costs and expenses incurred in the investigation, defense or appeal of any Claim defended by counsel selected by the Insurer in accordance with Section 3 (Defense, Allocation & Settlement) of this Policy, including the costs of an appeal bond, attachment bond or similar bond. However, the Insurer has no obligation to apply for or furnish any such bond. Claim Expenses do not include fees and expenses of independent adjusters or salaries of the Insurer's officials or employees.

E. Consumer Redress Amounts means any settlement which the Insured is legally obligated to deposit in a fund for the payment of consumer claims as a result of a settlement or adverse judgment in a Privacy Regulation Proceeding.

F. Crisis Management Expenses means reasonable and necessary public relations, crisis management and related expenses charged by an Incident Response Provider and which are required to minimize the Insured's reputational injury from a Cyber Attack or Privacy Breach, but it does not mean Privacy Breach Response Expenses.

G. Cyber Attack means:

1. any unauthorized access to or unauthorized use or modification of a Network through hacking or otherwise including unauthorized access resulting from the theft of credentials from a Network or an Insured through phishing, other types of social engineering or otherwise;
2. denial of service attacks against a Network;
3. infection of a Network by malicious code;
4. ransomware attack;
5. zero-day attack;
6. Cyber Fraud, but only in respect of Section 1.B.5 (Cyber Deception Loss).

H. Cyber Deception Loss means loss of the Named Insured's money, securities or goods resulting from the delivery of the Named Insured's goods or transfer of the Named Insured's money or securities to a person or entity that is not authorized to receive them, but only if such delivery or transfer is caused by the intentional and criminal act of a third party. Cyber Deception Loss does not include any amounts reimbursed to the Named Insured by a financial institution.

I. Cyber Extortion Demand means a credible threat of or an actual Cyber Attack or Privacy Breach made against the Named Insured by a third party or rogue employee demanding payment in order for such third party or rogue employee to refrain from or discontinue the Cyber Attack or Privacy Breach.

J. Cyber Extortion Expenses means:

1. reasonable and necessary expenses incurred by the Insured to hire a third party vendor to analyze and modify, if necessary, the Network to prevent or stop the Cyber Attack or Privacy Breach threatened or carried out in the Cyber Extortion Demand;
2. reasonable and necessary amounts paid by the Insured to the individual(s) making a Cyber Extortion Demand to avoid a threatened or on-going Cyber Attack or Privacy Breach;
3. with the prior written consent of the Insurer, such consent not to be unreasonably withheld.

K. **Cyber Fraud** means a fraudulent written, electronic or telephone instruction that is intended to mislead or deceive an **Insured** or a financial institution to transfer money or securities.

L. **Cyber Recovery Expenses** means reasonable and necessary expenses, including but not limited to data restoration expenses, to recover and restore the **Network** to substantially the form in which it existed immediately prior to the **Cyber Attack**. **Cyber Recovery Expenses** do not include **Extra Expenses**, the value of data, intellectual property or proprietary information or any **Claim**, **Claim Expenses**, **Damages** or other third party liability losses.

M. **Cyber Security Liability Wrongful Act** means any act, error or omission that results in or fails to prevent a **Cyber Attack** which causes:

1. the inability of third party authorized users to gain access to the **Network** or the inability of the **Network** to communicate with other networks;
2. disruption or destruction of a third party's network;
3. transmission of malicious code to a third party's network.

N. **Damages** means compensatory monetary settlements, judgments, awards or other amounts for which the Insured is legally liable to pay as a result of a covered **Wrongful Act**.

Damages include:

1. punitive, exemplary and multiple damages to the extent such damages are insurable under the laws of the jurisdiction most favorable to the **Insured**;
2. **Consumer Redress Amounts**.
3. any award of pre-judgment and post-judgment interest.

However, **Damages** do not include:

1. any amount for which the **Insured** is absolved from payment by reason of any covenant, agreement or court order;
2. matters deemed uninsurable under the law pursuant to which this Policy is construed;
3. any loss of investment income;
4. the **Insured's** cost of recalling, replacing, repairing, correcting, withdrawing or reproducing **Technology Products**, including products that incorporate the **Insured's Technology Products** or **Technology Services**, or the **Insured's** re-performance of **Technology Services** or **Professional Services**;
5. The **Insured's** profits, any profits the **Insured** is not legally entitled to or the return of fees, royalties, costs, commissions or expenses paid to or by an **Insured** including the offset of any future fees, set-off amounts, service credits or other discounts;
6. liquidated damages in a written contract or agreement in excess of the **Insured's** liability for a **Wrongful Act**;
7. any costs to comply with any non-monetary relief, including the cost to comply with any injunctive relief;
8. civil or criminal fines, penalties, taxes, assessments, forfeitures or sanctions imposed on an **Insured**, including any voluntary settlements with any government authority, except **Privacy Regulation Fines**, **Consumer Redress Amounts** and **PCI Fines & Assessments**;
9. royalties and licensing fees;
10. loss of electronic fund transfers.

O. **Executive Officer** means any Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Risk Officer, General Counsel, Chief Information Security Officer, Chief Information Officer, Chief Privacy Officer, Risk Manager of the **Named Insured** or the functional equivalent of any of the foregoing.

P. **Extra Expenses** means reasonable and necessary expenses incurred in excess of ordinary operating expenses to avoid or minimize **Business Income Loss** resulting directly from a **Network Interruption** that the **Insured** would have not incurred had the **Network Interruption** not occurred, however **Extra Expenses** will not be covered in an amount greater than the reduction in **Business Income Loss** achieved by the expenditure of **Extra Expenses**. **Extra Expenses** do not include **Cyber Recovery Expenses** or any **Claim**, **Claim Expenses**, **Damages** or other third party liability losses.

Q. **Incident Response Provider** means:

1. the Insurer's pre-approved providers of incident response services following a **Cyber Attack**, **Cyber Extortion Demand** or **Privacy Breach** available on the eRisk Hub® portal or in the Claim Notice & Incident Response Guidance attached to this Policy;

2. providers of incident response services engaged by the **Insured** with the Insurer's prior written consent, such consent not to be unreasonably withheld, but only for reasonable and necessary expenses to respond to a **Privacy Breach** and at a maximum hourly rate not to exceed that of the pre-negotiated rates with the providers in 1 above.

R. **Insured** means the **Named Insured** and any past, present or future duly elected or appointed director, officer, member of the board of managers or management committee, principal, partner, trustee, employee, temporary or leased worker, paid or unpaid intern or independent contractor of the **Named Insured**, but solely with respect to a **Wrongful Act** committed within the scope of such individual's duties on behalf of the **Named Insured**, other than coverage as provided under Section 2.A.1 (Vicarious Liability) of this Policy.

S. **Loss** means **Damages** and **Claim Expenses**, **Privacy Regulation Proceedings**, **Privacy Regulation Fines**, **PCI Fines & Assessments**, **Business Income Loss**, **Extra Expenses**, **Cyber Recovery Expenses**, **Cyber Extortion Expenses**, **Cyber Deception Loss**, **Telecommunication Loss**, **Privacy Breach Response Expenses** and **Crisis Management Expenses**.

T. **Media Content** means any information whether electronic or non-electronic including but not limited to words, sounds, music, numbers, images, photos, code or graphics.

U. **Media Liability Wrongful Act** means any act, error or omission, including negligent supervision of an employee, that results in:

1. defamation or other tort related to disparagement or harm to the character or reputation of any person or organization, including libel, slander, product disparagement, trade libel, infliction of emotional distress, malicious falsehood, outrage or outrageous conduct, or any prima facie tort;

2. invasion or infringement of or interference with rights of privacy or publicity, including false light, public disclosure of private facts, intrusion, breach of confidence and commercial appropriation of name or likeness;

3. infringement of copyright, including software or source code copyright infringement, title, slogan, trademark, trade name, domain name, trade dress, service mark or service name, deep-linking or framing, plagiarism, passing off, piracy, misappropriation or theft of ideas under implied contract or other misappropriation or theft of ideas or information or false attribution of authorship;

4. wrongful entry or eviction, trespass, eavesdropping or other invasion of the right to private occupancy, or false arrest, detention or imprisonment or malicious prosecution including any emotional distress or mental anguish in connection with any of the foregoing;

5. unfair competition or unfair trade practices, but only if alleged in conjunction with 1. through 4. above;

in connection with the **Insured's** acquisition, advertisement, broadcast, distribution, exhibition, licensing, marketing, online or physical publication, performance, printing, promotion, sale or release of any **Media Content**.

However, **Media Liability Wrongful Act** does not mean **Privacy Liability Wrongful Act**.

V. **Named Insured** means the entity named in Item 1. of the Declarations and any **Subsidiary**.

W. **Network** means a computer system including any electronic data, software, hardware, firmware, data storage devices, mobile devices and electronic components and equipment residing on or forming part of the computer system:

1. owned, operated, controlled by or leased to the **Insured**;

2. owned, operated or controlled by a **Third Party Service Provider**, but only in respect of:

   a. Section 1.A (LIABILITY COVERAGES)

   b. Section 1.B.2 (Contingent Business Interruption Loss);

   c. Section 1.C (PRIVACY BREACH RESPONSE & CRISIS MANAGEMENT COVERAGES).

X. **Network Interruption** means a total or partial measurable disruption or interruption to the **Insured's** business operations caused directly by **System Failure** or by a **Cyber Attack** to the **Network**. **Network Interruption** also means the **Insured's** voluntary shutdown of the **Network** to avoid or minimize **Loss** from a **Cyber Attack**, but only if such shutdown results in an amount of **Loss** which is less than the **Loss** that would have been incurred without the voluntary shutdown.

Y. **PCI Fines & Assessments** means:

1. direct monetary fines and penalties, fraud recovery assessments, operating expense recoveries, card monitoring costs and card replacement costs that the **Insured** is required to pay and which are levied or assessed by a payment card association, acquiring bank, merchant bank or payment processor as a result of a **Privacy Breach** due to the **Insured's** failure to comply with the Payment Card Industry Data Security Standard;
2. an investigation by a PCI Forensic Investigator.

PCI Fines & Assessments do not include any charge backs, processing fees, interchange fees, discount fees, or other service related fees, rates or charges, nor any costs or expenses in connection with a PCI certification or PCI self-assessment, including without limitation any increases in such fees, rates or charges.

Z. **Personally Identifiable Information** means any information stored on the **Network** or in printed format, whether encrypted or unencrypted, and which can be used alone or in conjunction to identify an individual including any protected healthcare information, personally identifiable financial information or payment card information.

AA. **Policy Period** means the period from the inception date of this Policy to the expiration date of this Policy as set forth in Item 3. of the Declarations, or to its earlier termination if applicable.

BB. **Potential Claim** means any matter reasonably likely to result in a covered **Claim**.

CC. **Privacy Breach** means the actual or suspected unauthorized disclosure, theft or loss of **Personally Identifiable Information** or **Proprietary Business Information**.

DD. **Privacy Breach Response Expenses** means reasonable and necessary costs to respond to a **Privacy Breach** and charged by an **Incident Response Provider** or incurred indirectly as a result of an indemnification agreement in a written contract between the **Insured** and a **Third Party Service Provider** or a customer, if such indemnification agreement was entered into prior to the **Privacy Breach**, including costs:

1. to conduct a forensic investigation to determine the existence and extent of a **Privacy Breach**;
2. to determine the **Insured's** legal obligations following a **Privacy Breach**;
3. to effect compliance with a privacy regulation following a **Privacy Breach**;
4. to notify regulators of a **Privacy Breach**, as may be required by law;
5. to notify individuals affected by a **Privacy Breach**, whether or not such notification is required by law;
6. to provide credit monitoring and identity theft restoration services to individuals affected by a **Privacy Breach**.

Privacy Breach Response Expenses do not include **Crisis Management Expenses**.

EE. **Privacy Liability Wrongful Act** means any act, error or omission, failure to act, statement, neglect or breach of duty which results in:

1. a **Privacy Breach**;
2. **Privacy Regulation Proceedings**;
3. **Privacy Regulation Fines**;
4. **PCI Fines & Assessments**;
5. violation of the **Named Insured's** privacy policy or privacy statement;
6. violation of any local, state, federal or foreign statutes, rules or regulations governing the privacy, integrity, confidentiality and availability of **Personally Identifiable Information** including failure to implement required security and privacy policies and procedures or failure to disclose a **Privacy Breach**.

FF. Privacy Regulation Proceedings means any investigation, request for information or proceedings by or on behalf of a government, data protection authority or regulatory authority in connection with a **Privacy Breach** or **Cyber Attack**.

GG. Privacy Regulation Fines means any civil or monetary fines or penalties imposed on the **Insured** by a government, data protection authority or regulatory authority as a result of **Privacy Regulation Proceedings**, except any amounts which constitute a voluntary settlement.

HH. Professional Services means those services specified in Item 7 of the Declarations performed by the **Insured** for others. However, if no services have been specified in the Declarations, **Professional Services** means any services performed by the **Insured** for others, except **Professional Services** do not include **Technology Services** or services performed as any of the following:

1. accountant;
2. architect or surveyor;
3. civil, structural or geotechnical engineer;
4. insurance agent, broker, consultant or representative;
5. healthcare professional;
6. investment advisor or securities broker/dealer;
7. lawyer;
8. real estate agent or broker.

II. Professional Services Liability Wrongful Act means any act, error or omission, neglect, negligent misrepresentation or breach of duty arising out of the provision of or failure to provide **Professional Services**.

However, **Professional Services Liability Wrongful Act** does not mean **Media Liability Wrongful Act**, **Technology Liability Wrongful Act**, **Cyber Security Liability Wrongful Act**, **Privacy Liability Wrongful Act** or any consequences of a **Cyber Attack**, **Privacy Breach** or **Cyber Extortion Demand**.

JJ. Proprietary Business Information means confidential information including trade secrets of a third party provided to the **Insured** and not available to the general public.

KK. Subsidiary means any entity in which the **Named Insured** has owning interest representing more than fifty percent (50%) of the outstanding voting securities or voting rights representing the present right to vote for the election of directors or equivalent executives of such organization including the management committee of a joint venture:

1. before or at the beginning of the **Policy Period**;
2. following an acquisition by the **Named Insured** during the **Policy Period** if the revenues of the newly acquired entity do not exceed fifteen percent (15%) of the current annual revenues of the **Named Insured**;
3. following an acquisition by the **Named Insured** during the **Policy Period** if the revenues of the newly acquired entity exceed fifteen percent (15%) of the current annual revenues of the **Named Insured**, but only if within 90 days of such acquisition the **Named Insured**:
   a. provides the Insurer with written notice of the acquisition and any underwriting information which the Insurer may require;
   b. pays an additional premium and accepts any required changes to the terms and conditions of this Policy.

Coverage for entities described in 1, 2 and 3 above will only be provided for **Wrongful Acts** committed on or after, **Cyber Extortion Demands** occurring on or after and **Cyber Attacks**, **Privacy Breaches** and **System Failure** first discovered on or after, the date on which such entity became a **Subsidiary** and prior to the date such entity ceased to be a **Subsidiary**.

LL. System Failure means the unscheduled and unintentional failure of the Network, but it does not mean Cyber Attack.

MM. Technology Liability Wrongful Act means:

1. any act, error or omission, neglect, negligent misrepresentation or breach of duty in the provision of or failure to provide Technology Services;
2. the failure of Technology Products to perform the intended function or serve the intended purpose;
3. defects in Technology Products;
4. Technology Services or Technology Products failing to meet applicable legal or industry standards regarding quality, safety or fitness for purpose;
5. breach of a written contract to provide Technology Services or Technology Products.

However, Technology Liability Wrongful Act does not mean Media Liability Wrongful Act, Cyber Security Liability Wrongful Act or Privacy Liability Wrongful Act.

NN. Technology Products means any computer, telecommunications and information technology hardware and components, electronic equipment, electronic devices, software or firmware products sold, leased, manufactured, created, assembled, licensed or distributed by the Insured for others, or on behalf of the Insured.

OO. Technology Services means any information technology, computer, internet or telecommunication services including but not limited to consulting, information technology design, computer software implementation and integration, data entry and processing, predictive analytics, social media, big data, cyber security, hardware installation, managed network services, data and application hosting services, cloud computing services, software-as-a-service (SaaS), platform-as-a-service (PaaS), infrastructure-as-a-service (IaaS), on-demand consumer services, search engine, information technology training and information technology staffing.

PP. Telecommunication Loss means charges for unauthorized calls made from or unauthorized use of the Named Insured's telecommunication system including as a result of crypto-jacking, but only if such unauthorized calls or use are the intentional and criminal act of a third party who is not a Third Party Service Provider.

QQ. Third Party Service Provider means:

1. any third party entity with whom the Insured has entrusted Personally Identifiable Information;
2. any third party entity that the Insured depends on to conduct its business.

RR. Waiting Period means the number of hours stated in Item 4.B of the Declarations that must elapse once a Network Interruption has begun and before Cyber Business Interruption Loss, Contingent Cyber Business Interruption Loss, System Failure Business Interruption Loss and Contingent System Failure Business Interruption Loss coverage applies.

SS. Wrongful Act means Technology Liability Wrongful Act, Professional Services Liability Wrongful Act, Media Liability Wrongful Act, Privacy Liability Wrongful Act or Cyber Security Liability Wrongful Act.

Section 7. Exclusions

This Policy does not apply to any **Claim** or **Loss** based upon, arising out of, resulting from or in consequence of:

A. Anti-Trust & Unfair Competition

any actual or alleged anti-trust violations, restraint of trade, price fixing, monopolization or unfair competition including any violation of the Federal Trade Commission Act, the Sherman Act, the Clayton Act, the Robinson- Patman Act, or any other federal, state, local or foreign equivalent, except a **Privacy Regulation Proceeding**, **Privacy Regulation Fines** or in connection with an otherwise covered **Claim** arising out of a **Privacy Liability Wrongful Act** or a **Media Liability Wrongful Act**.

B. Bodily Injury or Property Damage

1. bodily injury, sickness, disease or death, except a **Claim** seeking **Damages** for mental anguish or emotional distress arising out of a **Privacy Liability Wrongful Act** or **Media Liability Wrongful Act**;
2. damage to, loss of use of or destruction of any tangible property, however electronic data is not considered tangible property.

C. Consumer Protection Laws

any actual or alleged unfair and deceptive trade practices, false or deceptive advertising or pricing, unsolicited communication or unauthorized collection or use of **Personally Identifiable Information** including violation of any consumer protection laws such as the Federal Trade Commission Act, Telephone Consumer Protection Act, CAN-SPAM Act, Children's Online Privacy Protection Act, Fair Credit Reporting Act, Fair and Accurate Credit Transactions Act, Fair Debt Collection Practices Act, Federal Wiretap Act, Video Privacy Protection Act or any federal, state, local or foreign equivalent, except:

1. when arising solely from a **Privacy Breach**;
2. allegations of unfair trade practices in connection with an otherwise covered **Claim** arising out of a **Media Liability Wrongful Act**.

D. Deliberate Acts

any actual or alleged dishonest, fraudulent or criminal act error or omission or any deliberate, willful or knowing violation of the law committed by any **Executive Officer**, except for **Claim Expenses**. The Insurer's duty to defend an otherwise covered **Claim** alleging any such conduct by an **Executive Officer** will continue until there is a final, non-appealable judgment or adjudication adverse to the **Executive Officer** or a guilty or no contest plea at which time the **Named Insured** will reimburse the Insurer for such **Claim Expenses**.

E. Discrimination

any actual or alleged wrongful employment practices, harassment or discrimination of any person or entity on any basis, except in connection with an otherwise covered **Claim** arising out of a **Privacy Liability Wrongful Act** or a **Media Liability Wrongful Act**.

F. ERISA / Securities / RICO

any actual or alleged violation of:

1. the Employee Retirement Income Security Act of 1974 (ERISA);
2. the Organized Crime Control Act of 1970 (RICO);
3. the Investment Advisers Act of 1940;
4. the Securities Act of 1933;
5. the Securities Exchange Act of 1934;
6. any other local, federal, state or foreign law similar to 1. through 5. above;

except in connection with an otherwise covered **Claim** arising out of a **Privacy Liability Wrongful Act** or a **Cyber Security Liability Wrongful Act**.

G. Government Actions

any allegations made against any **Insured** and brought by or on behalf of, or any action or order by, any domestic or foreign law enforcement, administrative, regulatory or judicial entity or other governmental entity, except:

1. **Privacy Regulation Proceedings** and **Privacy Regulation Fines**;
2. where the **Insured** is or was a provider of **Professional Services**, **Technology Services** or **Technology Products** to such entity in accordance with a written contract.

H. Infrastructure Interruption

any failure, outage or interruption of critical infrastructure including satellite, internet, telecommunications, electricity, gas or water services not in the **Insured's** direct operational control, except a **Claim**, **Claim Expenses** and **Damages** if such service is a **Technology Service** or **Technology Product** provided by the **Insured**.

I. Insured vs. Insured

any allegations made against an **Insured** and brought by or on behalf of any **Insured**, except:

1. any allegations brought by any past, present or future duly elected or appointed director, officer, member of the board of managers or management committee, principal, partner, trustee, employee, temporary or leased worker, paid or unpaid intern or independent contractor of the **Named Insured** arising out of a **Privacy Liability Wrongful Act**;
2. any allegations brought by any entity or natural person that the **Named Insured** is required by written contract to include as an additional insured under this Policy, when such entity or natural person is a customer of the **Named Insured**.

J. Natural Perils

any natural perils including but not limited to fire, flood, volcanic eruption, tornados, explosion, lightning, wind, hail, tidal wave, landslide or act of God.

K. Other Contractual Liability

any actual or alleged obligation of the **Insured** under a written contract, other than:

1. a **Technology Liability Wrongful Act**;
2. negligence in the performance of **Professional Services** to a client or customer;
3. a **Media Liability Wrongful Act**;
4. an obligation to maintain the integrity, security and confidentiality of **Personally Identifiable Information**;
5. breach of a non-disclosure or confidentiality agreement regarding **Proprietary Business Information**;
6. **PCI Fines & Assessments** as a result of a **Privacy Breach** due to the **Insured's** failure to comply with the Payment Card Industry Data Security Standard;
7. indemnification for or assumed liability on behalf of a **Third Party Service Provider** as stated in Section 2.A.2 (Vicarious Liability) of this Policy;
8. liability an **Insured** would have in the absence of a contract.

L. Over-redemption

any actual or alleged over-redemption of coupons, awards or prizes from advertisements, promotions, games, sweepstakes, or contests.

M. Owned Entities

any allegations made against an **Insured** and brought by or on behalf of any business entity which either at the time the **Wrongful Act** giving rise to the **Claim** was committed or during the processing of the **Claim**:

1. was owned, controlled, managed or operated by the **Named Insured**;
2. any **Insured** who was an owner, director, officer, partner or principal stockholder;
3. was a joint venture partner of the **Named Insured**.

For the purposes of this exclusion "owned, controlled, managed or operated by" means a ten percent (10%) or more ownership of the voting stock of a publicly held entity or a forty percent (40%) or more ownership of a privately held entity.

N. Patents / Trade Secrets

any actual or alleged validity or invalidity, infringement, violation, misuse or misappropriation of any patent or trade secret, except unintentional disclosure of a third party's trade secret by the **Insured**.

O. Pollution

any actual or alleged presence of, actual or threatened discharge, dispersal, release or escape of, or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants or contaminants on the list of hazardous waste or substances issued by United States Environmental Protection Agency or any federal, state, local or foreign equivalent as well as any other air emission, odor, waste water, oil or oil products, nuclear materials, infectious or medical waste, asbestos, silica, noise, fungus, electric or magnetic or electromagnetic fields.

P. Prior Acts

any actual or alleged **Wrongful Acts** committed prior to the Retroactive Date as stated in Item 4.A of the Declarations or any **Cyber Extortion Demand** occurring or **Cyber Attack**, **Privacy Breach** or **System Failure** first discovered prior to the inception date of this Policy or the inception date of the first policy issued and continuously renewed by the Insurer to the inception date of this Policy.

Q. Upgrades

any costs incurred by the **Insured** to improve the functionality or security of the **Network** beyond the level which existed prior to a **Claim**, **Cyber Attack**, **Cyber Extortion Demand**, **Privacy Breach** or **System Failure**.

R. War

any war, undeclared or civil war, warlike action by a military force, including action in hindering or defending against an actual or expected attack by any government, sovereign, or other authority using military personnel or other agents, insurrection, rebellion, revolution, usurped power, riot, lock-out, terrorism (whether or not certified by the United States or any other country or body) or action taken by governmental authority in hindering or defending against any of these, except that part of a **Claim** or **Loss** arising solely and directly from a **Cyber Attack**, **Cyber Extortion Demand** or **Privacy Breach**.

Section 8. Notice

A. Notice of Claim, Cyber Attack, Cyber Extortion Demand, Privacy Breach or System Failure

As a condition precedent to coverage under this Policy, the **Insured** must notify the Insurer of any **Claim**, **Cyber Attack**, **Cyber Extortion Demand**, **Privacy Breach** or **System Failure** as soon as reasonably practicable once such **Claim**, **Cyber Attack**, **Cyber Extortion Demand** or **Privacy Breach** is known to an **Executive Officer** and in no event later than ninety (90) days after the termination or expiration of the **Policy Period** or, only in respect of a **Claim**, during the Optional Extended Reporting Period (if purchased).

B. Notice of Potential Claim

In the event of a **Potential Claim**, the **Named Insured** may notify the Insurer of such **Potential Claim** once such **Potential Claim** is known to an **Executive Officer**. If a **Potential Claim** is notified to the Insurer, such notification must be provided as soon as reasonably practicable after the **Potential Claim** becomes known to an **Executive Officer** and must include the particulars of the **Potential Claim**, including identification of the claimant, the basis for the potential **Wrongful Act** , the potential damages and losses, the dates and persons or entities involved and any other information which may reasonably be requested by the Insurer. If such **Potential Claim** is so notified to the Insurer then any resulting **Claim** which is subsequently made will be considered made at the time such notice of **Potential Claim** was provided.

C. How to Provide Notice

Notification of a **Claim**, **Potential Claim**, **Cyber Attack**, **Cyber Extortion Demand**, **Privacy Breach** or **System Failure** should be provided in accordance with the Claim Notice & Incident Response Guidance attached to this Policy.

Section 9. General Conditions

A. Assignment

The **Insured** may not change, modify or assign any interest under this Policy without the Insurer's written consent endorsed to this Policy.

B. Bankruptcy

The **Insured's** bankruptcy will not relieve the Insurer of any of its obligations under this Policy.

C. Cancellation

This Policy expires at the end of the **Policy Period** and the Insurer has no obligation to renew the Policy. Except for non-payment of premium, the **Named Insured** has the exclusive right to cancel this Policy during the **Policy Period** by providing written notice to the Insurer stating when such cancellation is effective after which the Insurer will return the unearned premium on a pro-rata basis. In the event of non-payment of premium the Insurer may cancel this Policy by providing at least 15 days written notice to the **Named Insured** stating the reason for cancellation and when the policy will be canceled. The offering at renewal of different terms and conditions and/or higher premium is not considered a non-renewal for the purposes of this section.

D. Change in Ownership

The **Insured** must notify the Insurer as soon as reasonably practicable of the **Named Insured's** merger with or acquisition by another entity or the divestiture of substantially all of its assets to another entity. In any of these events, or if an entity ceases to be a **Subsidiary**, this Policy will remain in force but coverage will only apply to **Wrongful Acts** committed prior to, **Cyber Extortion Demands** occurring prior to or **Cyber Attacks**, **Privacy Breaches** and **System Failures** first discovered prior to, the date of the merger, acquisition or divestiture. However, this Policy will also apply to **Wrongful Acts** committed on or after, **Cyber Extortion Demands** occurring on or after and **Cyber Attacks**, **Privacy Breaches** and **System Failures** first discovered on or after, the date of the merger, acquisition or divestiture, if:

1. the Insurer receives written notice of the transaction no later than thirty days (30) after its effective date and agrees in writing to provide such coverage; and
2. the **Named Insured** pays an additional premium required by the Insurer and agrees to any required changes to the terms and conditions of this Policy.

E. Conformity to Statute

Any terms of this Policy which are in conflict with the terms of any applicable laws as set forth in any state amendatory endorsement to this Policy are amended to conform to such laws.

F. Cooperation

The **Insured** will cooperate with the Insurer and, if requested, provide the Insurer with full assistance in the investigation of any **Claim** or **Potential Claim**, **Cyber Attacks**, **Cyber Extortion Demands**, **Privacy Breaches** and **System Failures** including assisting in defending and effecting settlement, securing or giving evidence, obtaining the attendance of witnesses, conducting suits, meeting with and giving written statements to the Insurer's representatives, enforcing contractual rights and indemnifications and allowing a digital forensic expert access to the **Network**. The **Insured** will not do anything which adversely affects the outcome of any **Claim** or **Loss** or prejudice the rights of the Insurer in any manner.

G. Headings

The headings of the various sections of this Policy are intended for reference only and are not to form part of the terms and conditions of coverage.

H. Interrelated Matters

All **Claims**, **Cyber Attacks**, **Cyber Extortion Demands**, **Privacy Breaches** and **System Failures** which are logically or causally connected by any common fact, circumstance, situation, transaction, event, advice or decision will be considered one single **Claim**, **Cyber Attack**, **Cyber Extortion Demand**, **Privacy Breach** or **System Failure**. All such interrelated **Claims** will be considered a single **Claim** made against the **Insured** on the date the first such **Claim** was made. All **Cyber Attacks**, **Cyber Extortion Demands**, **Privacy Breaches** and **System Failures** will be considered as first discovered when the first such **Cyber Attack**, **Cyber Extortion Demand**, **Privacy Breach** or **System Failure** was first discovered.

I. Other Insurance

This Policy is excess over any other valid and collectible insurance unless such insurance was bought specifically to apply excess of the Limit of Liability provided by this Policy.

J. Representations

The **Insured** agrees that all representations made in connection with the **Application** for this Policy are true, accurate and were relied upon by the Insurer and material to the acceptance of the risk to which this Policy applies. If the Insurer learns that such representations made by the **Insured** were untrue, inaccurate or misleading in any material respect, then this Policy will be null and void and have no effect whatsoever with respect to those Insureds who made or had knowledge of such misrepresentations. Knowledge of any matter or any misrepresentation made by an **Executive Officer** will be imputed to the **Named Insured**. Knowledge of any matter or any misrepresentation by any natural person **Insured** will not be imputed to any other natural person **Insured** who had no knowledge of the matter or the misrepresentation.

K. Subrogation

When the Insurer pays **Loss** under this Policy it will be subrogated to all of the **Insured's** rights of recovery to such payment. The **Insured** will do nothing to impair such rights of recovery and will do everything necessary to secure such rights, including the execution of any documents necessary to allow the Insurer to bring suit in the **Insured's** name. If the **Named Insured** has waived its rights to recovery in a written contract or agreement prior to a **Claim** being made, then the Insurer will waive its rights to subrogation to the same extent as the **Insured's** waiver.

L. Territory

This Policy provides coverage for any **Claim** or **Loss** Worldwide, except in countries where such **Claim** or **Loss** is uninsurable due to trade or economic sanctions enforced and administered by the Office of Foreign Assets Control (OFAC).

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