

BID SIGNATURE PAGE

Type or Print the following information.

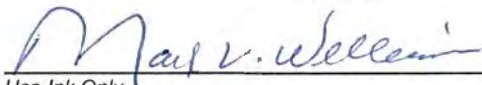
PROSPECTIVE CONTRACTOR'S INFORMATION				
Company:	Mark V Williamson Co., Inc.			
Address:	1910 N Grant Street			
City:	Little Rock	State:	AR	Zip Code: 72207
Business Designation:	<input type="checkbox"/> Individual <input type="checkbox"/> Partnership	<input type="checkbox"/> Sole Proprietorship <input checked="" type="checkbox"/> Corporation	<input type="checkbox"/> Public Service Corp <input type="checkbox"/> Nonprofit	
Minority and Women-Owned Designation*:	<input checked="" type="checkbox"/> Not Applicable	<input type="checkbox"/> American Indian	<input type="checkbox"/> Asian American	<input type="checkbox"/> Service Disabled Veteran
	<input type="checkbox"/> African American	<input type="checkbox"/> Hispanic American	<input type="checkbox"/> Pacific Islander American	<input type="checkbox"/> Women-Owned
AR Certification #: _____		* See <i>Minority and Women-Owned Business Policy</i>		

PROSPECTIVE CONTRACTOR CONTACT INFORMATION			
Provide contact information to be used for bid solicitation related matters.			
Contact Person:	Mark V Williamson	Title:	CEO
Phone:	501-664-7728 or 888-588-7631	Alternate Phone:	501-690-0388 Cell
Email:	mvw@mvwilliamson.com		

CONFIRMATION OF REDACTED COPY
<input type="checkbox"/> YES, a redacted copy of submission documents is enclosed. <input checked="" type="checkbox"/> NO, a redacted copy of submission documents is <u>not</u> enclosed. I understand a full copy of non-redacted submission documents will be released if requested. <i>Note: If a redacted copy of the submission documents is not provided with Prospective Contractor's response packet, and neither box is checked, a copy of the non-redacted documents, with the exception of financial data (other than pricing), will be released in response to any request made under the Arkansas Freedom of Information Act (FOIA). See Bid Solicitation for additional information.</i>
ILLEGAL IMMIGRANT CONFIRMATION
By signing and submitting a response to this <i>Bid Solicitation</i> , a Prospective Contractor agrees and certifies that they do not employ or contract with illegal immigrants. If selected, the Prospective Contractor certifies that they will not employ or contract with illegal immigrants during the aggregate term of a contract.
ISRAEL BOYCOTT RESTRICTION CONFIRMATION
By checking the box below, a Prospective Contractor agrees and certifies that they do not boycott Israel, and if selected, will not boycott Israel during the aggregate term of the contract. <input checked="" type="checkbox"/> Prospective Contractor does not and will not boycott Israel.

An official authorized to bind the Prospective Contractor to a resultant contract must sign below.

The signature below signifies agreement that any exception that conflicts with a Requirement of this *Bid Solicitation* will cause the Prospective Contractor's bid to be rejected:

Authorized Signature:  Title: CEI
Use Ink Only.

Printed/Typed Name: Mark V Williamson Date: 4/5/2019



STATE OF ARKANSAS
OFFICE OF STATE PROCUREMENT
1509 West 7th Street, Room 300
Little Rock, Arkansas 72201-4222

ADDENDUM 1

TO: Vendors Addressed
FROM: Brandi Schroeder, Buyer
DATE: March 14, 2019
SUBJECT: SP-19-0028 State Cyber Liability Insurance

The following change(s) to the above-referenced RFP have been made as designated below:

- Change of specification(s)
- Change to Technical Proposal Packet
- Change of bid opening time
- Cancellation of bid
- Revised price sheet

CHANGE OF SPECIFICATIONS

- Delete Item 1.7.A.2.d.

The specifications by virtue of this addendum become a permanent addition to the above referenced RFP. Failure to return this signed addendum may result in rejection of your proposal.

If you have any questions, please contact Brandi Schroeder at Brandi.Schroeder@dfa.arkansas.gov or (501) 682-4169.

Company: Mark V. Williamson
Signature: [Handwritten Signature]
Date: 4-5-19

OFFICIAL PRICE SHEET

SP-19-0028 State Commercial Cyber Liability Insurance

	VALUES (as of February 2019)	RATE**	ANNUAL PREMIUMS
Cyber Liability Coverage as defined in IFB Section 3 <small>Including Tech E&O As Per Specs</small>	\$ 22,770,189,352.00	\$ 0.00002419	\$ 550,900.00
Surplus Lines Tax (enter "0" if not applicable)			\$ 22,036.00
Grand Total Annual Premium (used for low cost determination)			\$ 572,936.00

**Rate must be per one dollar (\$1) of Total Insured Value.

Lloyd's of London (quota share with 3 syndicates)

A XV

Primary Cyber Liability Insurance Company Name

A.M. Best Rating

Excess Cyber Liability Insurance Company Name

A.M. Best Rating

Excess Cyber Liability Insurance Company Name

A.M. Best Rating

Excess Cyber Liability Insurance Company Name (insert additional lines if needed)

A.M. Best Rating

Mark V. Williamson
Prospective Contractor Agency or Company Name

CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

Failure to complete all of the following information may result in a delay in obtaining a contract, lease, purchase agreement, or grant award with any Arkansas State Agency.

SUBCONTRACTOR:		SUBCONTRACTOR NAME:	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Mark V Williamson Company Inc.	
TAXPAYER ID NAME: Mark V Williamson Company Inc.		IS THIS FOR: <input checked="" type="checkbox"/> Goods? <input type="checkbox"/> Services? <input type="checkbox"/> Both?	
YOUR LAST NAME: Williamson		FIRST NAME: Mark	
ADDRESS: 1910 North Grant Street		M.I.: V	
CITY: Little Rock	STATE: AR	ZIP CODE: 72117	COUNTRY: Pulaski

AS A CONDITION OF OBTAINING, EXTENDING, AMENDING, OR RENEWING A CONTRACT, LEASE, PURCHASE AGREEMENT, OR GRANT AWARD WITH ANY ARKANSAS STATE AGENCY, THE FOLLOWING INFORMATION MUST BE DISCLOSED:

FOR INDIVIDUALS *

Indicate below if: you, your spouse or the brother, sister, parent, or child of you or your spouse is a current or former: member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee:

Position Held	Mark (√)		Name of Position of Job Held <small>[senator, representative, name of board/ commission, data entry, etc.]</small>	For How Long?		What is the person(s) name and how are they related to you? <small>[i.e., Jane Q. Public, spouse, John Q. Public, Jr., child, etc.]</small>	
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Relation
General Assembly							
Constitutional Officer							
State Board or Commission Member							
State Employee							

None of the above applies

FOR AN ENTITY (BUSINESS) *

Indicate below if any of the following persons, current or former, hold any position of control or hold any ownership interest of 10% or greater in the entity: member of the General Assembly, Constitutional Officer, State Board or Commission Member, State Employee, or the spouse, brother, sister, parent, or child of a member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee. Position of control means the power to direct the purchasing policies or influence the management of the entity.

Position Held	Mark (√)		Name of Position of Job Held <small>[senator, representative, name of board/commission, data entry, etc.]</small>	For How Long?		What is the person(s) name and what is his/her % of ownership interest and/or what is his/her position of control?		
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Ownership Interest (%)	Position of Control
General Assembly								
Constitutional Officer								
State Board or Commission Member								
State Employee								

None of the above applies

Contract and Grant Disclosure and Certification Form

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

As an additional condition of obtaining, extending, amending, or renewing a contract with a state agency I agree as follows:

1. Prior to entering into any agreement with any subcontractor, prior or subsequent to the contract date, I will require the subcontractor to complete a **CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM**. Subcontractor shall mean any person or entity with whom I enter an agreement whereby I assign or otherwise delegate to the person or entity, for consideration, all, or any part, of the performance required of me under the terms of my contract with the state agency.

2. I will include the following language as a part of any agreement with a subcontractor:

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this subcontract. The party who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the contractor.

3. No later than ten (10) days after entering into any agreement with a subcontractor, whether prior or subsequent to the contract date, I will mail a copy of the **CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM** completed by the subcontractor and a statement containing the dollar amount of the subcontract to the state agency.

I certify under penalty of perjury, to the best of my knowledge and belief, all of the above information is true and correct and that I agree to the subcontractor disclosure conditions stated herein.

Signature Mark V. Williamson Title CEI Date 4/5/2019

Vendor Contact Person Mark V Williamson Title CEO Phone No. 501-664-7728

Agency use only

Agency Number _____ Agency Name _____ Agency Contact Person _____ Contact Phone No. _____ Contract or Grant No. _____

EQUAL OPPORTUNITY POLICY

The **Mark V. Williamson Company, Inc.** is an equal employment opportunity employer and strives to provide a culturally diverse workforce. The Mark V. Williamson Company, Inc. will not discriminate in employment (or the provision of service) on the basis of race, creed, color, national origin, age, sex, religion, marital status, sexual orientation, Vietnam-era or special disabled veteran status, or disability.

Upon request, the Mark V. Williamson Co., Inc. will make reasonable accommodation to disabled persons in employment/service related matters.

For further information contact: Kim Ellis, Vice-President of Operations, 1910 N. Grant Street, Little Rock, AR Telephone (501) 664-7728, Fax Number (501) 664-6285. Or email kime@mwilliamson.com

Denise Smalling

2501 West 58th St
Little Rock, AR 72118
Tel: 501-413-9289

PROFESSIONAL SUMMARY

Service-oriented and Licensed Commercial Insurance Account Manager with 39 years of experience in the insurance industry. 17 years of experience servicing Public School Accounts creating good relationships with the school contacts. Handling coverage questions, claims administration and record keeping. Resource contact for School Districts on any insurance concerns they encounter.

SKILLS

Property Insurance
Underwriting Knowledge
Rating Experience
Communication Skills

EMPLOYMENT HISTORY

2001-Present Mark V. Williamson Co., Inc.	Commercial Lines Account & Claims Manager Little Rock, AR
1991-2001 Great Southern Insurance	Commercial Lines Account Manager Springfield, MO
1989-1991 Thomason Agency	Commercial Lines Account Manager Springfield, MO
1979-1989 Liberty Mutual Insurance	Personal Lines Account Manager Springfield, MO

EDUCATION

Southwest MO State University, Springfield, MO

- Continuing Education
- Emphasis in Insurance

The School of the Ozarks, Point Lookout, MO

- Bachelor of Science – Psychology and English

CERTIFICATIONS

- Arkansas Casualty, Property, Surety, Life and Health Insurance License
- The Society of Certified Insurance Service Representatives

CONTACT INFORMATION

Mark V. Williamson Co., Inc.

1910 N. Grant St.

Little Rock, AR 72207

Or

PO Box 7503

Little Rock, AR 72217

Office phone: 501-664-7728

Direct phone: 501-320-0008

Toll free: 888-588-7631

Fax: 501-664-6285

Email: denises@mvwilliamson.com



Gallagher

Insurance | Risk Management | Consulting

Biography

JOEY SYLVESTER
REGIONAL DIRECTOR OF
SPECIALTY PROGRAMS



AREAS OF RESPONSIBILITY

In addition to his work as a producer assisting public k-12s, municipal governments, state governments, and public housing authorities, Joey focuses his time on Cyber placements for Gallagher's Mid-South region.

Joey has also developed Gallagher-exclusive products focused on terrorism, violent acts, and disaster recovery. In that role, he is responsible for all aspects of new insurance product development, from creation to completion, including the development of applications, quoting and binding coverage, the publication of marketing material and deploying internal and external communications. He also serves as liaison to Lloyd's underwriters.

Joey brings a deep understanding of organizational culture and psychology to his clients in the public sector and is a frequent speaker and author on risk management and organizational culture.

EXPERIENCE

Former National Director of Gallagher Public Sector
Former Human Resources Professional specializing in Compensation and Benefits
Former member of US Technical Advisory Group to ISO 31000 having represented the US in international meetings
Experience in Management Consulting and Executive Coaching

EDUCATION AND PROFESSIONAL DESIGNATIONS

- Bachelor of Science Degree from Louisiana State University
- Master of Arts in Industrial/Organizational Psychology from New York University

Appendix A – Vendor Panel

Phelps Dunbar operate the 24/7 tol-free number – 1-833-299-1647

Ascent run a non-prescriptive claims panel whereby the appointment of vendors are dependant on the incident, however below is a list of vendors we may well use:

US CyberPro	Firm	Contact	Address	Tel	Email
Monitoring Counsel	Kissel, Hirsch & Wilmer	Richard Kissel	580 White Plains Road, Tarrytown, NY 10591, USA	1 (212) 557-7927	rkissel@kphwlaw.com
Breach Counsel	Mullen Coughlin	John Mullen	1275 Drummers Lane, Wayne, PA 19807	267 930-4770	jmullen@mullen.law
Breach Counsel	Clark Hill	Melissa Ventrone	130 E. Randolph St. Suite 3900, Chicago, IL 60601	312 360 2506	mventrone@clarkhill.com
Breach Counsel	Wilson Elser Moskowitz Edelman & Dicker LLP	Gregory J. Bautista	1133 Westchester Avenue, White Plains, NY 10604	914.323.7000 (Main)	gregory.bautista@wilsonelser.com
Forensic	Rob Driscoll	The Crypsis Group	1410 Spring Hill Road, McLean, VA 22102	703 570 4103	Rob.driscoll@crypsisgroup.com
Forensic	Adam DeMonaco	Kivu Consulting	44 Montgomery St, San Francisco, CA 94104, USA	415-524-7320	sf@kivuconsulting.com
Forensic	Elgin Jones	Kivu Consulting	1875 Connecticut Avenue NW, Floor 10, Washington DC, 20009	202 888 7287	ejones@kivuconsulting.com
Publi Relations	Ian McCaleb	Levick	1900 M Street, NWWashington, DC 20036	001 202.973.1340	imccaleb@levick.com



Presents

Cyber Claims Protocol

For Public Entities



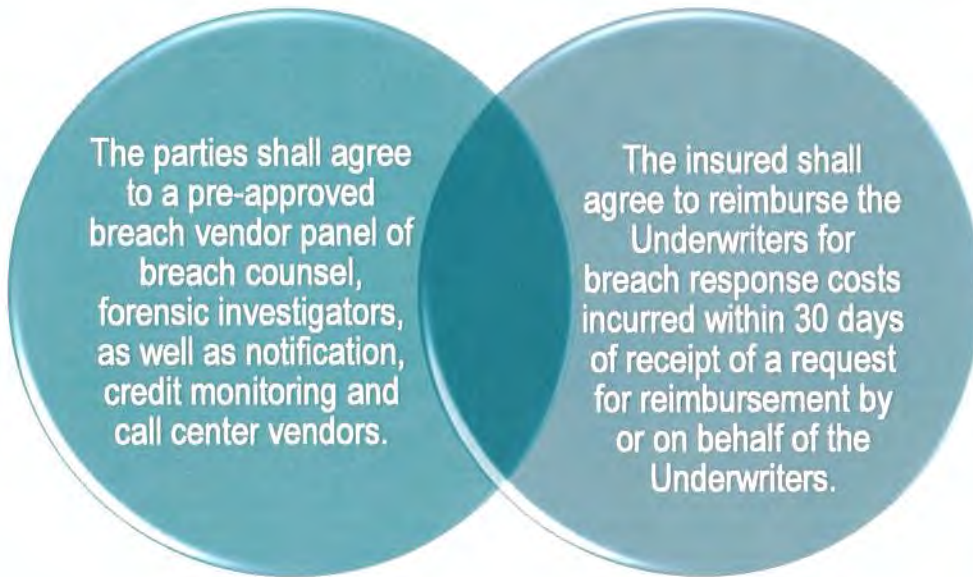
Gallagher

Insurance | Risk Management | Consulting

Problem Solving

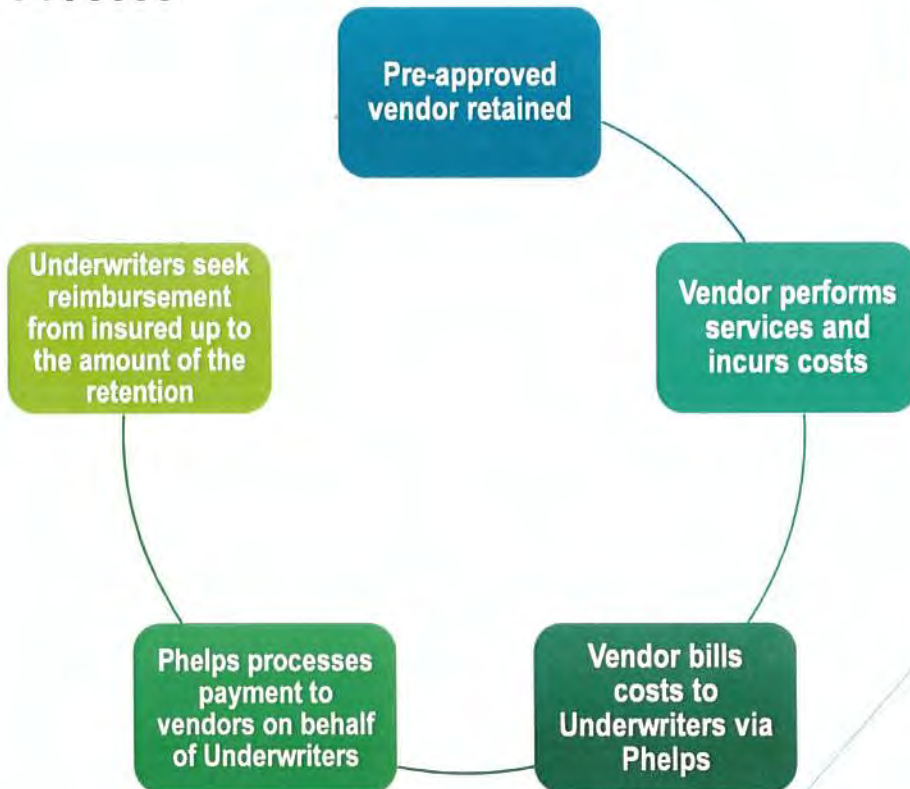
Retention Reimbursement for Breach Response Costs

To meet the specific needs of public entities as insureds in the breach context, Gallagher has proposed a solution—that the Underwriters pay breach response costs on behalf of the insured and seek reimbursement from the insured up to the amount of the retention. All other coverages and retention obligations shall remain unchanged. For purposes of breach response, the protocol shall be as follows:



The **goal** is to streamline and make more efficient the retention of vendors and payment of costs and expenses.

The Process:



Cyber Claims Handling Protocol



Toll-Free Number and E-Mail

The 24/7 toll-free Phelps number is (833) 229-1647

The email notification address is publicintellias.cyber.notice@phelps.com

- Phelps listed as notice of claim
- Oral notification is sufficient



Initial Call With Insured

Gather relevant information and complete *Cyber/Tech Loss Notice*

Educate the insured on the claim process to try and avoid, e.g., costs incurred without consent



Immediate Contact With Breach Counsel in the Event of Breach

Phelps to call Breach Counsel regarding details of any actual known, or potential, breach and send *Cyber/Tech Loss Notice*

Phelps will err on the side of caution and send any possible breach to Breach Counsel for analysis



Initial Communications within 24 Hours of Notice

Acknowledgement email to Underwriters and Broker

Standard pre-approved non-waiver letter to insured

- One letter for breaches, another for non-breaches



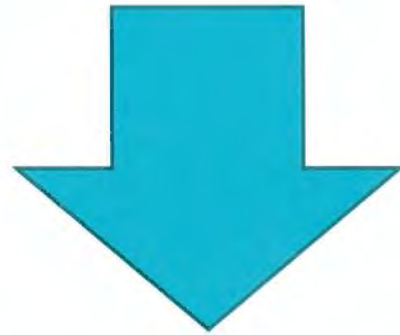
Coverage, Monitoring and Reporting

Phelps will issue an initial email report after analyzing coverage and gathering relevant information

Coverage position letters will be issued by coverage counsel with approval of Underwriters

Cyber Claims Handling Protocol

Then, future reporting will be handled *via* monthly bordereau, including both *Tier 1* and *Tier 2* matters — with *Tier 1* matters also reported on an individual basis.



- ***Tier 1: Actual/Malicious Breach***
 - Newsworthy event
 - Requires breach counsel involvement
 - Actual or potential notification obligations
 - Requires vendor involvement
 - Potential to exceed 25% of limit
 - Otherwise complex
- ***Tier 2: Potential Malicious Breach/Non-Malicious***
 - Notification only
 - No need for further investigation
 - Internal handling through closure
 - Pure monitoring
 - Non-breach/standard tech/media

Claims

- ▶ The people within the list are claims personnel, not attorneys but will monitor claims as claims professionals. Since the establishment of an in-house claims team 30 years ago, we have coordinated and handled nationwide, casualty and property claims on various classes of business. We now apply this approach to cyber claims using a two-tiered approach, with our in-house claims team responsible for day-to-day operations and, where necessary (unique claim or coverage issues), involvement from our coverage attorneys.

Claims:

Pablo Gonzalez

Partner

Hunter McFadden, Jr.

Department Head

.....

Glen Vinet

Senior Claims Analyst

.....

Stephanie Petras

Claims Analyst

Lauren Bayly Griffith

Claims Analyst

Scott Keiser

Claims Analyst

Jeff Marshall

Claims Analyst

.....

Rachel Henderson

Claims Coordinator

Coverage Counsel

- ▶ The people within the list are our core coverage team of coverage attorneys and support staff. Being one of our firm's five core practices, the Insurance and Reinsurance Regional Practice Group has more than 50 attorneys who specializing in representing insurers regarding counseling on wordings, coverage, reinsurance, placing and regulatory matters and representation of insurers in litigation, arbitration and mediation. Our expertise includes most all lines of commercial insurance business, including: excess and umbrella liability; general liability; professional liability, including media/tech and cyber risks; marine and energy risks; employment practices liability; directors & officers liability; financial products; reinsurance; and first party property insurance.

Claims:
Pablo Gonzalez
Partner
Pamela G. Michiels
Counsel
.....
Caroline F. Crosby
Associate
Gabriel Crane
Associate
Katherine L. Wyly
Associate
.....
Kathleen Schneider
Paralegal
Susan Bradford
Paralegal
Adrienne Zeisloft
Paralegal
.....
Rachel Roberts
Legal Assistant



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/28/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER IIAA Agency Administrative Services, Inc. P O Box 780		CONTACT NAME:	
Prosperity SC 29127		PHONE (A/C, No, Ext):	FAX (A/C, No):
INSURED Mark V. Williamson Co, Inc. PO Box 7503 Little Rock AR 72207		E-MAIL ADDRESS: AllianceEliteEQ@iilaba.net	
		INSURER(S) AFFORDING COVERAGE	
		INSURER A: First Specialty Insurance Corp	NAIC # 34916
		INSURER B:	
		INSURER C:	
		INSURER D:	
		INSURER E:	
		INSURER F:	

COVERAGES CERTIFICATE NUMBER: CL18122800445 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liability			FGP4BI011801700	01/01/2019	01/01/2020	Limit Each Claim \$4,000,000 Aggregate \$4,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Claims Made Policy - Independent Insurance Agents and Brokers Errors and Omissions Liability

CERTIFICATE HOLDER Evidence of Coverage	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

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SP-19-0028

Insurance Company Market Submission Log

Name of Insurance Company	Date IFB SP-19-0028 Submitted to Company	Company Quoted (mark with an "x")	Company Did Not Quote (mark with an "x")	Notes
Travelers	4/1/2019		X	Declined – seen elsewhere
AIG	3/9/2019		X	Declined – seen elsewhere
The Hartford	4/1/2019		X	Declined – size
Berkley Cyber Risk Solutions a W.R. Berkley Company	4/1/2019		X	Declined – seen elsewhere
Validus Specialty	4/1/2019		X	Restricted Class
HDI Global Insurance Company	4/1/2019		X	Declined – seen elsewhere
Hiscox Inc.	4/1/2019		X	Declined – seen elsewhere
RSUI Group, Inc	4/2/2019		X	Declined – seen elsewhere
Chubb	4/2/2019		X	Declined – seen elsewhere
Markel Insurance Company	4/2/2019		X	Declined – seen elsewhere
Beazley Insurance Group	4/2/2019		X	Declined – seen elsewhere
NAS Insurance	4/2/2019		X	Declined – seen elsewhere
Navigators Insurance Co	4/2/2019		X	Declined – seen elsewhere
AWAC – NYC	4/1/2019		X	Declined – seen elsewhere
London MGAs:				
Ascent	3/11/2019	X		Quoted lead primary terms
Ptarmigan	3/26/2019	X		Offered support to primary terms
Occam	3/26/2019		X	Declined – lack of underwriting information
Dual	3/26/2019		X	Declined - appetite
Emergin Risk	3/29/2019		X	Declined – seen elsewhere
Nirvana	4/1/2019		X	Declined – size, can't follow Lead wording
Lloyd's Syndicates:				
Channel	3/11/2019		X	Declined – appetite
AXA XL	3/27/2019		X	Declined – blocked by their domestic
WRB – syndicate	4/1/2019		X	Declined - appetite

Attachment H: Insurance Company Market Submission Log

Aspen	4/1/2019		X	No response
Markel Syndicate	4/1/2019		X	Declined – lack of underwriting information
CNA Hardy	4/1/2019		X	Declined – appetite
MSAmlin	4/1/2019		X	Declined – size of insured
Talbot	4/1/2019		X	Declined – appetite
AmTrust	4/1/2019		X	Declined – seen elsewhere
Barbican	4/1/2019	X		Offered support to Primary terms

CERTIFICATE NO. «PolicyCode»

«EffectedWith» under Binding Authority UMR:
 «UMR»«UMR2»

DECLARATIONS

- 1 **NAMED INSURED** «InsuredName»
ADDRESS «Block»
- 2 **POLICY PERIOD** FROM: «EffectiveDate» TO: «RiskExpiryDate»
 (both days «Time» at the address shown in Item 1)

3 POLICY LIMITS OF LIABILITY AND COVERAGES PURCHASED

You have purchased some or all of the following Insuring Modules. Only those Insuring Module(s) that specify a Limit of Liability below have been purchased. If an Insuring Module has not been purchased that portion of this policy is not applicable.

3(A) LIMIT OF LIABILITY

- (1) INSURING MODULE 1: SECURITY AND PRIVACY LIABILITY
 «Cur» «Lsec_priv1» Each claim and «Cur» «LAssec_priv1» in the aggregate including claims expenses
- (2) INSURING MODULE 2: MULTIMEDIA AND INTELLECTUAL PROPERTY LIABILITY
 «Cur» «Lmulti_IP1» Each claim and «Cur» «LAMulti_IP1» in the aggregate including claims expenses
- (3) INSURING MODULE 3: TECHNOLOGY SERVICES
 «Cur» «Ltech_srv1» Each claim and «Cur» «LAttech_srv1» in the aggregate including claims expenses
- (4) INSURING MODULE 4: MISCELLANEOUS PROFESSIONAL SERVICES
 «Cur» «Lprof_srv1» Each claim and «Cur» «LAprof_srv1» in the aggregate including claims expenses
- (5) INSURING MODULE 5: NETWORK INTERRUPTION AND RECOVERY
 «Cur» «Lbus_int1» Each claim and «Cur» «LABus_int1» in the aggregate
- (6) INSURING MODULE 6: EVENT SUPPORT EXPENSES
 «Cur» «Lcrisis1» Each claim and «Cur» «LAcrisis1» in the aggregate
- (7) INSURING MODULE 7: PRIVACY REGULATORY DEFENSE AND PENALTIES
 «Cur» «Lprivacy1» Each claim and in «Cur» «LAPrivacy1» the aggregate including claims expenses
- (8) INSURING MODULE 8: NETWORK EXTORTION
 «Cur» «Lcyber_ex1» Each claim and «Cur» «LAcyber_ex1» in the aggregate
- (9) INSURING MODULE 9: ELECTRONIC THEFT, COMPUTER FRAUD AND TELECOMMUNICATIONS FRAUD
 «Cur» «Leltheft1» Each claim and in the aggregate
- (10) INSURING MODULE 10: SOCIAL ENGINEERING FRAUD
 «Cur» «Lsoc_eng1» Each claim and in the aggregate
- (11) INSURING MODULE 11: REPUTATIONAL DAMAGE
 «Cur» «Lrep_damage1» Each claim and in the aggregate

3(B) TOTAL LIMIT OF LIABILITY UNDER THE POLICY

«Cur» «LimitAgg1» is the Total Limit of Liability under the policy

3(C) Notwithstanding the aggregate Limit of Liability under each Insuring Module as set forth in item 3(A) above, all payments made under the policy, regardless of the number of Insuring Modules that apply, will reduce the total Limit of Liability as set forth in item 3(B) above. In no event will Underwriters pay more than the total Limit of Liability as set forth in item 3(B) above.

4 DEDUCTIBLE and WAITING PERIOD

(1) INSURING MODULE 1: SECURITY AND PRIVACY LIABILITY

«Cur» «Dsec_priv1» Each and every **claim** including **claims expenses**

(2) INSURING MODULE 2: MULTIMEDIA AND INTELLECTUAL PROPERTY LIABILITY

«Cur» «Dmulti_IP1» Each and every **claim** including **claims expenses**

(3) INSURING MODULE 3: TECHNOLOGY SERVICES

«Cur» «Dtch_srv1» Each and every **claim** including **claims expenses**

(4) INSURING MODULE 4: MISCELLANEOUS PROFESSIONAL SERVICES

«Cur» «Dprof_srv1» Each and every **claim** including **claims expenses**

(5) INSURING MODULE 5: NETWORK INTERRUPTION AND RECOVERY

Network Expenditure	«Cur» «Dbus_int1»	Each claim
Loss of Business Income Coverage		waiting period

(6) INSURING MODULE 6: EVENT SUPPORT EXPENSES

«Cur» «Dcrisis1» Each and every **claim**

(7) INSURING MODULE 7: PRIVACY REGULATORY DEFENSE AND PENALTIES

«Cur» «Dprivacy1» Each and every **claim** including **claims expenses**

(8) INSURING MODULE 8: NETWORK EXTORTION

«Cur» «Dcyber_ex1» Each and every **claim**

(9) INSURING MODULE 9: ELECTRONIC THEFT, COMPUTER FRAUD AND TELECOMMUNICATIONS FRAUD

«Cur» «Dtheft1» Each and every **claim**

(10) INSURING MODULE 10: SOCIAL ENGINEERING FRAUD

«Cur» «Dsoc_eng1» Each and every **claim**

(11) INSURING MODULE 11: REPUTATIONAL DAMAGE

«Cur» «Drep_damage1» Each and every **claim**

5 RETROACTIVE DATE «RetroDate»

6 PREMIUM «TableStart:Premium» «breakdown» «Cur» «option1» «TableEnd Premium»

«TableStart:PolicyCertificate»
«TableEnd:PolicyCertificate»

11 MISCELLANEOUS PROFESSIONAL SERVICES FOR WHICH COVERAGE HAS BEEN PURCHASED
«MiscProfServices»

FORMS AND ENDORSEMENTS ATTACHED HERETO
«WordingDescription»
NVA 1256 Nuclear Incident Exclusion (USA)
NVA 1477 Radioactive Contamination Clause (USA)
LSW1001 Several Liability Notice (Insurance)
LSW3000 Premium Payment Clause 45 Days
«Conditions»

SECURITY
«SecurityLong»

COVERHOLDER
«Coverholder»

DATED IN LONDON
«Dated»



«Authorised»

«TableStart:IDT911»**RISK MANAGEMENT SERVICES**
Please refer to the back of this certificate for details of how to activate and access our Risk Management Services powered by CyberScout (formerly known as IDT911)
«TableEnd:IDT911»

CERTIFICATE PROVISIONS

1. **Signature Required.** This Certificate shall not be valid unless signed by the Correspondent on the attached Declaration Page.
2. **Correspondent Not Insurer.** The Correspondent is not an Insurer hereunder and neither is nor shall be liable for any loss or claim whatsoever. The Insurers hereunder are those Underwriters at Lloyd's, London whose syndicate numbers can be ascertained as hereinbefore set forth. As used in this Certificate "Underwriters" shall be deemed to include incorporated as well as unincorporated persons or entities that are Underwriters at Lloyd's, London.
3. **Cancellation.** If this Certificate provides for cancellation and this Certificate is cancelled after the inception date, earned premium must be paid for the time the insurance has been in force.
4. **Service of Suit.** It is agreed that in the event of the failure of Underwriters to pay any amount claimed to be due hereunder, Underwriters, at the request of the Assured, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon the firm or person named in item 11 of the attached Declaration Page, and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.
The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon request of the Assured to give a written undertaking to the Assured that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.
Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-mentioned as the person to whom the said officer is authorized to mail such process or a true copy thereof.
5. **Assignment.** This Certificate shall not be assigned either in whole or in part without the written consent of the Correspondent endorsed hereon.
6. **Attached Conditions Incorporated.** This Certificate is made and accepted subject to all the provisions, conditions and warranties set forth herein, attached or endorsed, all of which are to be considered as incorporated herein.

Important Notice to the Insured

This Certificate is a legal contract. Please read it carefully to ensure that it is in accordance with your requirements and that you understand its terms and conditions. The insurance broker or agent or other intermediary who arranged this Insurance should be contacted immediately if any correction is necessary.

Regulatory Status

This insurance is underwritten by Ascent Underwriting LLP of 10-12 Eastcheap, London, EC3M 1AJ«BehalfOf». Ascent Underwriting LLP is authorised and regulated by the Financial Conduct Authority (FCA). Ascent Underwriting LLP's FCA Registration Number is 605637. These details may be checked on the Financial Conduct Authority Register website at <http://www.fca.org.uk/firms/systems-reporting/register> or by contacting the Financial Conduct Authority on Tel: 0800 111 6768 (or from outside the United Kingdom on Tel: +44 20 7066 1000).

Complaints Procedure

It is always our intention to provide a first class standard of service. However, if you have any cause for complaint or you wish to make any inquiry regarding this Insurance you should, in the first instance, contact the Insurance Broker or Agent or other intermediary who arranged this Insurance for you.

You can also contact us directly at complaints@ascentunderwriting.com or write to us at:

Ascent Underwriting LLP
10-12 Eastcheap
London
EC3M 1AJ
United Kingdom

Your complaint will be acknowledged, in writing, within 5 (five) business days of the complaint being made.

A decision on your complaint will be provided to you, in writing, within 8 (eight) weeks of the complaint being made.

Should you remain dissatisfied with the final response or if you have not received a final response within 8 (eight) weeks of the complaint being made, you may be eligible to refer your complaint to the Complaints Team at Lloyd's:

The address is:
Complaints Team
Lloyd's
One Lime Street
London
EC3M 7HA
United Kingdom
Email: complaints@lloyds.com
Telephone: +44 (0) 20 7327 5693
Fax: +44 (0) 20 7327 5225

The complaints handling arrangements above are without prejudice to your right to commence a legal action or an alternative dispute resolution proceeding in accordance with your contractual rights.

NUCLEAR INCIDENT EXCLUSION CLAUSE-LIABILITY-DIRECT (BROAD) (U.S.A.)

For attachment to insurances of the following classifications in the U.S.A., its Territories and Possessions, Puerto Rico and the Canal Zone:

Owners, Landlords and Tenants Liability, Contractual Liability, Elevator Liability, Owners or Contractors (including railroad) Protective Liability, Manufacturers and Contractors Liability, Product Liability, Professional and Malpractice Liability, Storekeepers Liability, Garage Liability, Automobile Liability (including Massachusetts Motor Vehicle or Garage Liability),

not being insurances of the classifications to which the Nuclear Incident Exclusion Clause-Liability-Direct (Limited) applies.

This Policy* does not apply:

- I. Under any Liability Coverage, to injury, sickness, disease, death or destruction:
 - (a) with respect to which an insured under the Policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (b) resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the insured is, 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.
- II. Under any Medical Payments Coverage, or under any Supplementary Payments Provision relating to immediate medical or surgical relief, to 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.
- III. Under any Liability Coverage, to injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if:
 - (a) the nuclear material (1) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (2) has been discharged or dispersed therefrom;
 - (b) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 - (c) the injury, sickness, disease, death or destruction arises out of the furnishing by an insured 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 (c) applies only to injury to or destruction of property at such nuclear facility.
- IV. As used in this endorsement:

"hazardous properties" include radioactive, toxic or explosive properties; "nuclear material" means source material, special nuclear material or by-product material; "source material", "special nuclear material", and "by-

product material" have the meanings given them in the Atomic Energy Act 1954 or in any law amendatory thereof; "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 by-product material and (2)

resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof; "nuclear facility" means:

- (a) any nuclear reactor,
- (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,
- (c) 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 the custody of the insured 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,
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations; "nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material. With respect to injury to or destruction of property, the word "injury" or "destruction" includes all forms of radioactive contamination of property.

It is understood and agreed that, except as specifically provided in the foregoing to the contrary, this clause is subject to the terms, exclusions, conditions and limitations of the Policy to which it is attached.

* NOTE: As respects policies which afford liability coverages and other forms of coverage in addition, the words underlined should be amended to designate the liability coverage to which this clause is to apply.

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NMA1256

RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE-LIABILITY-DIRECT (U.S.A.)

For attachment (in addition to the appropriate Nuclear Incident Exclusion Clause-Liability-Direct) to liability insurances affording worldwide coverage.

In relation to liability arising outside the U.S.A., its Territories or Possessions, Puerto Rico or the Canal Zone, this Policy does not cover any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

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NMA1477

SEVERAL LIABILITY NOTICE LSW 1001 (INSURANCE)

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

PREMIUM PAYMENT CLAUSE

The (Re)Insured undertakes that premium will be paid in full to Underwriters within 45 days of inception of this policy (or, in respect of instalment premiums, when due).

If the premium due under this policy has not been so paid to Underwriters by the 45th day from the inception of this policy (and, in respect of instalment premiums, by, the date they are due) Underwriters shall have the right to cancel this policy by notifying the (Re)Insured via the broker in writing. In the event of cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters are on risk but the full policy premium shall be payable to Underwriters in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this policy.

It is agreed that Underwriters shall give not less than 15 days prior notice of cancellation to the (Re)Insured via the broker. If premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the Leading Underwriter (and Agreement Parties if appropriate) are authorised to exercise rights under this clause on their own behalf and on behalf of all Underwriters participating in this contract.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

Where the premium is to be paid through a London Market Bureau, payment to Underwriters will be deemed to occur on the day of delivery of a premium advice note to the Bureau.

LSW3000 (11/01)

SMALL ADDITIONAL OR RETURN PREMIUMS CLAUSE (U.S.A.)

NOTWITHSTANDING anything to the contrary contained herein and in consideration of the premium for which this Insurance is written, it is understood and agreed that whenever an additional or return premium of \$2 or less becomes due from or to the Assured on account of the adjustment of a deposit premium, or of an alteration in coverage or rate during the term or for any other reason, the collection of such premium from the Assured will be waived or the return of such premium to the Assured will not be made, as the case may be.

NMA1168

SPECIFIC PROVISIONS FOR ASSURED'S DOMICILED IN CALIFORNIA ONLY

NOTICE:

1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.
2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.
3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.
4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC'S INTERNET WEB SITE AT WWW.NAIC.ORG.
5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.
6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.
7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.
8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU

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LSW1147D

SPECIFIC PROVISIONS FOR ASSUREDS DOMICILED IN ILLINOIS ONLY

NOTICE TO POLICYHOLDER: THIS CONTRACT IS ISSUED, PURSUANT TO SECTION 445 OF THE ILLINOIS INSURANCE CODE, BY AN INSURER NOT AUTHORIZED AND LICENSED TO TRANSACT BUSINESS IN ILLINOIS AND AS SUCH IS NOT COVERED BY THE ILLINOIS INSURANCE GUARANTY FUND.

SPECIFIC PROVISIONS FOR ASSUREDS DOMICILED IN WASHINGTON ONLY

It is understood and agreed that **XXIII. CHOICE OF LAW** is deleted and replaced with the following:

The interpretation of this policy and any disputes involving this policy shall be resolved applying the law in **Washington**.

All other terms and conditions remain unchanged.

SPECIFIC PROVISIONS FOR ASSUREDS DOMICILED IN NEW YORK ONLY

THE INSURER(S) NAMED HEREIN IS (ARE) NOT LICENSED BY THE STATE OF NEW YORK, NOT SUBJECT TO ITS SUPERVISION, AND IN THE EVENT OF THE INSOLVENCY OF THE INSURER(S), NOT PROTECTED BY THE NEW YORK STATE SECURITY FUNDS. THE POLICY MAY NOT BE SUBJECT TO ALL OF THE REGULATIONS OF THE DEPARTMENT OF FINANCIAL SERVICES PERTAINING TO POLICY FORMS.

LMA9067



CyberPro Policy

THIS POLICY IS A CLAIMS MADE AND REPORTED POLICY WITH DEFENSE COSTS, EXPENSES OR ANY OTHER AMOUNT COVERED BY THIS POLICY INCLUDED WITHIN THE LIMIT EXCEPT AS OTHERWISE MIGHT BE PROVIDED WITHIN ANY ATTACHED ENDORSEMENTS. THIS POLICY COVERS ONLY CLAIMS FIRST MADE AND REPORTED TO US DURING THE POLICY PERIOD AND ARISING FROM ANY WRONGFUL ACTS, FACTS, OR CIRCUMSTANCES THAT WERE FIRST COMMITTED OR OCCURRED ON OR AFTER THE RETROACTIVE DATE BUT BEFORE THE END OF THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD, IF APPLICABLE. ALL CLAIMS ARE SUBJECT TO THE APPLICABLE LIMITS OF LIABILITY AND THE APPLICABLE DEDUCTIBLE(S) AS STATED IN THE DECLARATIONS, WHICH ARE CONSIDERED TO BE PART OF THIS POLICY.

TERMS THAT APPEAR IN BOLD FACE TYPE ARE DEFINED TERMS IN THIS POLICY AND HAVE SPECIAL MEANING. PLEASE READ THIS POLICY CAREFULLY.

You have purchased some or all of the Insuring Modules contained within this policy. The Insuring Modules purchased are what we cover. Please refer to the Declarations, which show the Insuring Module(s) you have purchased. If an Insuring Module(s) has not been purchased, that portion of this policy is not applicable and no coverage will be provided under that Insuring Module.



I. WHAT WE COVER: INSURING MODULES

INSURING MODULE 1: (SECURITY AND PRIVACY LIABILITY)

We shall pay on your behalf **damages** and **claims expenses** that exceed **your deductible** as stated within item 4 of the Declarations, which **you** become legally obligated to pay as a result of any **claim** first made against **you** and notified by **you** to **us** in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, arising from an actual or alleged **security and privacy wrongful act(s)** for which **you** are legally liable provided that such act(s) occurred on or after the **retroactive date**.

INSURING MODULE 2: (MULTIMEDIA AND INTELLECTUAL PROPERTY LIABILITY)

We shall pay on your behalf **damages** and **claims expenses** that exceed **your deductible** as stated within item 4 of the Declarations, which **you** become legally obligated to pay as a result of any **claim** first made against **you** and notified by **you** to **us** in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, resulting from any actual or alleged **multimedia and intellectual property wrongful act(s)** arising during **your multimedia activities**, provided that such act(s) occurred on or after the **retroactive date**.

INSURING MODULE 3: (TECHNOLOGY SERVICES)

We shall pay on your behalf **damages** and **claims expenses** that exceed **your deductible** as stated within item 4 of the Declarations, which **you** become legally obligated to pay as a result of any **claim** first made against **you** and notified by **you** to **us** in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, arising from an actual or alleged **professional wrongful act(s)**, provided that such act(s) occurred on or after the **retroactive date**.

INSURING MODULE 4: (MISCELLANEOUS PROFESSIONAL SERVICES)

We shall pay on your behalf **damages** and **claims expenses** that exceed **your deductible** as stated within item 4 of the Declarations, which **you** become legally obligated to pay as a result of any **claim** first made against **you** and notified by **you** to **us** in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, arising from an actual or alleged **professional wrongful act(s)**, provided that such act(s) occurred on or after the **retroactive date**.

INSURING MODULE 5: (NETWORK INTERRUPTION AND RECOVERY)

We shall indemnify **you** for **network expenditure** that exceed **your deductible** as stated within item 4 of the Declarations, and for **loss of business income** incurred during the **restoration period** after expiration of the applicable **waiting period** as stated within item 4 of the Declarations, resulting from a **network event** sustained by **you** and notified by **you** to **us** in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, provided that such event(s) occurred on or after the **retroactive date**. This Insuring Module provides no coverage for **loss of business income** resulting from direct physical loss or direct physical damage to **covered property**, which is only covered under Insuring Module 6.

INSURING MODULE 6: (COVERED PROPERTY: PHYSICAL DAMAGE, PHYSICAL LOSS AND DEBRIS REMOVAL)

We shall indemnify **you** for **your specified loss** that exceeds **your deductible** as stated within item 4 of the Declarations and for **loss of business income** incurred during the **restoration period** after expiration of the applicable **waiting period** as stated within item 4 of the Declarations arising from direct physical loss or direct physical damage to **covered property** sustained by **you** that is discovered by **you** during the **policy period** or any **extended reporting period**, if applicable, to have resulted solely from a **security event** and notified by **you** to **us** in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, provided that such event(s) occurred on or after the **retroactive date**.

It is a condition precedent to coverage under this Insuring Module that **you** have an in force property insurance policy at the inception date of this policy and at the time the physical loss or physical damage is sustained.

Coverage will only be provided in accordance with the terms, conditions and limitations of this policy if the in force property insurance policy maintained by **you** would otherwise provide coverage for **specified loss** or **loss of business income**, but is excluded because it arises from a **security event**.

INSURING MODULE 7: (EVENT SUPPORT EXPENSES)

We shall pay on your behalf **event management costs, notification expenses, support and credit monitoring expenses and third party event support expenses** that exceed your deductible as stated within item 4 of the Declarations, when such costs and expenses are incurred, following a **security event, privacy event, social media event** or breach of **privacy regulations** and notified by you to us in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, provided that such event(s) or breach(es) occurred on or after the **retroactive date**.

INSURING MODULE 8: (PRIVACY REGULATORY DEFENSE AND PENALTIES)

We shall pay on your behalf those amounts that exceed your deductible as stated within item 4 of the Declarations, which you are legally obligated to pay, including **claims expenses**, as a result of a civil regulatory action or investigation, including a **regulatory compensatory award, civil penalty, or fines** to the extent insurable by law, imposed by a federal, state, governmental, or other regulatory body against you and notified by you to us in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, as a result of a **privacy event, security event, or breach of privacy regulations** sustained by you, provided that such event(s) or breach(es) occurred on or after the **retroactive date**.

INSURING MODULE 9: (NETWORK EXTORTION)

We shall pay on your behalf **network extortion monies** that exceed your deductible as stated within item 4 of the Declarations, when such monies are paid by you following a **network extortion threat**, to the extent insurable by law and notified by you to us in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, provided that such threat(s) occurred on or after the **retroactive date**.

INSURING MODULE 10: (ELECTRONIC THEFT, COMPUTER FRAUD AND TELECOMMUNICATIONS FRAUD)

We shall indemnify you for your direct monetary loss that exceeds your deductible as stated within item 4 of the Declarations sustained from **electronic theft, computer fraud or telecommunications fraud**, which occurs on your **computer network** and arises from a **security event** sustained by you and notified by you to us in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, provided that such event(s) occurred on or after the **retroactive date**. Direct monetary loss only includes the specific amount lost by you due to the **electronic theft, computer fraud or telecommunications fraud** and does not include any other amounts.

INSURING MODULE 11: (SOCIAL ENGINEERING FRAUD)

We shall indemnify you for your direct monetary loss that exceeds your deductible as stated within item 4 of the Declarations sustained from **social engineering fraud** sustained by you and notified by you to us in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, provided that such event(s) occurred on or after the **retroactive date**. Direct monetary loss includes the amount lost by you due to the **social engineering fraud** and does not include any other amounts.

INSURING MODULE 12: (REPUTATIONAL DAMAGE)

We shall indemnify you for **reputational damage** incurred during the **restoration period** that exceeds your deductible as stated within item 4 of the Declarations arising directly from a **network event** sustained by you and notified by you to us in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, provided that such **network event** occurred on or after the **retroactive date**.

II. DEFENSE, SETTLEMENT, AND INVESTIGATION OF CLAIMS

- A. With respect to Insuring Modules 1, 2, 3, 4, and 8, we shall have the right and duty to defend any **claim** by a third party against you seeking payment under the terms of this policy, even if any of the allegations of the **claim** are groundless, false, or fraudulent, and subject to the Limit of Liability, exclusions, and other terms and conditions of this policy. You have the right to select counsel to defend any **claim** notified under this Policy, subject to our consent, which shall not be unreasonably withheld.
- B. The Limit of Liability available to pay **damages** and as stated within item 3 of the Declarations shall be reduced, and may be completely exhausted, by payment of **claims expenses** or any other amounts covered under the policy. **Damages, claims expenses**, and any other amounts covered under this policy shall be applied against the **deductible**.

- C. We shall have the right to make any investigation we deem necessary including, without limitation, any investigation with respect to the **application** and statements made in the **application** and with respect to coverage.
- D. With respect to Insuring Modules 1, 2, 3, 4, and 8, if **you** refuse to consent to any settlement or compromise recommended by **us** that is acceptable to the claimant and elect to contest the **claim**, **our** total liability for any **damages**, **claims expenses**, and other amounts covered under this policy shall not exceed:
1. The amount for which the **claim** could have been settled, less the remaining **deductible**, plus the **claims expenses** incurred up to the time of such refusal; and
 2. Eighty percent (80%) of any **damages**, **claims expenses**, or other amounts covered under this policy incurred after the date such settlement or compromise was recommended to **you**. The remaining twenty percent (20%) of such **damages**, **claims expenses**, or other amounts covered under this policy are to be borne by **you** at **your** own risk and uninsured under this policy.

or the unexhausted portion of the applicable Limit of Liability, whichever is less.

- E. It is further provided that **we** shall not be obligated to pay any **damages**, **claims expenses**, or any other amounts covered under this policy, or to undertake or continue defense of any suit or proceeding after the applicable Limit of Liability has been exhausted by payment of **damages**, **claims expenses**, or other amounts covered under this policy and that upon such payment, **we** shall have the right to withdraw from the further defense thereof by tendering control of said defense to **you**.

III. LIMIT OF LIABILITY

- A. The Limit of Liability set forth in item 3(A) of the Declarations shall be the limit of **our** liability for each **claim** and in the aggregate arising under each Insuring Module, including **claims expenses**, where applicable. However, the limit of **our** liability under Insuring Module 6 for each **claim** and in the aggregate shall be the lesser of: 1) the Limit of Liability set forth in item 3(A) of the Declarations; or 2) the applicable Limit of Liability or Sum Insured for each occurrence, loss, accident, incident or event, as applicable, as provided in **your** property insurance policy that is in force on the date the physical loss or physical damage is sustained.
- B. The Limits of Liability set forth in item 3(B) of the Declarations shall be **our** total Limit of Liability under this policy regardless of the number of Insuring Modules that apply, including **claims expenses** where applicable.
- C. Notwithstanding the aggregate Limit of Liability under each Insuring Module as set forth in item 3(A) of the Declarations, all payments made under this policy, regardless of the number of Insuring Modules that apply, will reduce the total Limit of Liability set forth in item 3(B) of the Declarations. In no event will **we** pay more than the total Limit of Liability as set forth in item 3(B) of the Declarations.
- D. All **claims** arising out of the same, related, or continuing acts, facts, or circumstances, without regard to the number of insureds, **claims**, or claimants shall be considered a single **claim** and only one Limit of Liability, as set forth in item 3(A) of the Declarations, will apply. All such **claims** shall be deemed to have been made at the time of the first such **claim**.
- E. In the event that a **claim** is notified by **you**, in accordance with Section XI of this policy, and attaches to more than one Insuring Module, only one Limit of Liability as set forth in item 3(A) of the Declarations shall apply. In such event, at most, only the highest of the applicable Limits of Liability shall apply to such **claim**. **We** have the sole discretion to allocate **claims** paid, if any, against the appropriate applicable Limit of Liability. With regard to such **claim**, in no event shall the amount paid by **us** under any Insuring Module be greater than the Limit of Liability set forth in item 3(A) of the Declarations.
- F. The Limits of Liability for the **extended reporting period**, if applicable, shall be part of and not in addition to the Limit of Liability for the **policy period**.

IV. DEDUCTIBLE

- A. The **deductible** amount set forth in item 4 of the Declarations shall apply to each and every **claim**. The **deductible** shall be satisfied by **your** payment of amounts covered under the policy. If a **claim** attaches to more than one Insuring Module, only the highest **deductible** applies.
- B. **Your** payment of the applicable **deductible** is a condition precedent to the payment by **us** of any amounts covered under this policy and **we** shall only be liable for the amount in excess of **deductible**, not to exceed **our** total Limit of Liability as stated in item 3 of the Declarations. **You** shall make direct payments within the **deductible** to the appropriate parties.

- C. All **claims** arising out of the same, related, or continuing acts, facts, or circumstances, without regard to the number of insureds, claims, or claimants shall be considered a single **claim** and only one **deductible** shall apply. All such **claims** shall be deemed to have been made at the time of the first such **claim**.
- D. We will not indemnify you in respect of **loss of business income** incurred during the time of the **waiting period** listed in item 4 of the Declarations.

V. TERRITORIAL LIMITS

This policy applies to any wrongful acts, insured events, breaches or threats detailed under the relevant Insuring Modules, committed, alleged to have been committed or occurring anywhere in the world unless otherwise stated in item 10 of the Declarations.

VI. INSURED

The insured means:

- A. The legal entity(s) shown in item 1 of the Declarations;
- B. Any **subsidiary** of the legal entity(s) shown in item 1 of the Declarations, but only with respect to wrongful acts, insured events, breaches or threats as detailed under the relevant Insuring Module that occur while it is a **subsidiary** and otherwise covered by this policy;
- C. Any past, present, or future officer, director, trustee, or **employee** of any party described in VI (A) or (B) above, but only while acting within the scope of their duties as such;
- D. In the event that any party described in VI (A) or (B) above is a partnership, limited liability partnership, or limited liability company, then any partner, principal, stockholder, or owner thereof, but only while acting within the scope of their duties as such, and solely with regard to Insuring Module(s) 1, 2, 3 and/or 4, if purchased;
- E. Any agent or independent contractor, including distributors, licensees, and sub-licensees, but only while acting on behalf of, at the direction of, or under the control of any party described in VI (A) or (B) above, and solely with regard to Insuring Module(s) 1, 2, 3 and/or 4, if purchased; and
- F. With respect to Insuring Module(s) 1, 2, 3, and/or 4, if purchased, coverage hereunder is extended to any individual(s) or entity(ies) required by contract to be named as an additional insured under this policy, but only to the extent of the services as provided by the contract between the party described in VI (A) or (B) above and these individual(s) or entity(ies) and only with respect to **damages and claims expenses** that exceed **your deductible** which they become legally obligated to pay as a result of any **claim** arising solely out of **security and privacy wrongful act(s), multimedia and intellectual property wrongful act(s), and/or professional wrongful act(s)** committed or allegedly committed by the party(ies) described in VI (A) or (B) above. It is a condition precedent to coverage under the foregoing paragraph that:
 - 1. all individuals and entities included in VI (F) above must abide by all of the policy's terms and conditions;
 - 2. all individuals and entities included in VI (F) above must accept and abide by the decisions of **us** and the legal entity(s) shown in item 1 of the Declarations with regard to the handling and resolving of any **claim**; and
 - 3. the **named insured** is authorized to act and agrees to act on behalf of all individual(s) or entity(ies) insured under this policy with respect to all matters pertaining to the insurance afforded by the policy;

Nothing in this policy shall serve to provide coverage for any party described in VI (F) above for **claims** arising out of **security and privacy wrongful act(s), multimedia and intellectual property wrongful act(s), professional wrongful act(s), security event(s), privacy event(s), social media event(s)** and/or breach(es) of **privacy regulations** committed or allegedly committed by any party described in VI (F) above or occurring on the **computer networks** of the party(ies) described in VI (F) above.

VII. DEFINITIONS

- A. **Application** means all application forms, including any attachments thereto, and all other information and materials submitted to **us** by **you** or on **your** behalf in connection with the underwriting of this policy. All such applications, attachments, information, and materials are deemed attached to and incorporated into this policy.

- B. **Bodily injury** means physical injury, sickness, disease, death, mental anguish, mental injury, shock, humiliation or emotional distress sustained by any person.
- C. **Breach of contract** means breach of a written contract(s) with a client to perform **technology services** because of:
1. The **technology services** being negligently performed or containing a material defect;
 2. The **technology services** failing to meet any statutory term concerning quality, safety, or fitness for a particular express purpose, or failing to meet an implied duty to exercise that degree of care or skill consistent with applicable industry standards; or
 3. Breach of any hold harmless or indemnity provision regarding infringement of intellectual property rights, breach of security, or the confidentiality of information.
- D. **Claim** means:
1. A written demand for monetary damages or non-monetary relief, a request for a tolling agreement, the service of a civil suit, or institution of arbitration proceedings received by **you** seeking monetary damages or the threat or initiation of a suit and/or proceeding seeking a temporary restraining order or a preliminary or permanent injunction;
 2. A formal civil administrative proceeding or regulatory action or investigation to the extent covered by Insuring Module 8;
 3. A **network event**;
 4. Physical damage or physical loss and/or debris when discovered by **you** to have resulted from a **security event**;
 5. Notification to **us** of the need to incur **event management costs, notification expenses, support and credit monitoring expenses or third party event support expenses**;
 6. A **network extortion threat**, or
 7. Notification to **us** that **electronic theft, computer fraud, social engineering fraud and/or telecommunications fraud** has occurred.
- E. **Claims expenses** means:
1. Reasonable and necessary legal costs and expenses incurred with **our** consent and charged by an attorney(s) approved by **us** to defend a **claim**;
 2. All other reasonable and necessary fees, costs, and expenses resulting from the investigation, adjustment, defense, and appeal of a **claim**, if incurred by **us**, or by **you** with **our** written consent; or
 3. With respect to Insuring Modules 1 and 8, **your** reasonable and necessary legal costs and expenses incurred with **our** consent in the defense of any civil administrative proceeding or regulatory action as a result of a **privacy event, security event, or breach of privacy regulations** by **you** or on **your** behalf by someone for whom **you** are legally responsible.
- Claims expenses** does not include any salary, overhead, or other charges incurred by **you** for any time spent in cooperating in the defense and investigation of any **claim** or circumstance which might lead to a **claim** notified under this policy.
- F. **Computer fraud** means an intentional, unauthorized or fraudulent entry of **data** including when such entry is made via the internet or another **computer network** provided that such act is committed by any person or persons who is not an **employee**, director or partner or is committed by an **employee** with the intent to defraud that results in any or all of the following:
1. **Your money, your securities or your other asset** being transferred, disbursed, paid, delivered, altered, corrupted or lost.

2. **Money, securities or other asset of your customers or clients** being disbursed, paid, delivered, altered, corrupted, or lost from an account that is in **your** trust or control.
3. Creation of an unauthorized or fictitious account in **your** name.

Computer fraud does not include **electronic theft, social engineering fraud, or telecommunications fraud**

- G. Computer network(s)** means interconnected electronic, wireless, web, or similar systems (including all hardware and software) used to share or process **data** or information in an analog, digital, electronic or wireless format including, but not limited to, computer programs, electronic data, operating systems, servers, media libraries, associated input and output devices, mobile devices, networking equipment, telecommunications system, websites, extranets, off line storage facilities (to the extent that they hold electronic data), and electronic backup equipment. With the exception of Insuring Modules 5, 6, 10 and 12 **computer network(s)** also means the use of computing resources that are delivered as a service over a network or the internet (commonly known as "cloud computing") and/or **your** outsourced data center or other premises where **your data** is stored or managed by a third party.
- H. Computer virus** means a program that possesses the ability to create replicas of itself (commonly known as "auto-reproduction" program) within other programs or operating system areas, or which is capable of spreading copies of itself wholly or partly to other **computer network(s)**.
- I. Covered property** means all real and personal property owned by **you** or in **your** care custody and control, which is listed as covered or is otherwise covered in a separate in force property insurance policy purchased by **you**. **Covered property** does not include **property not covered**;
- J. Credit card association** means Visa, MasterCard, American Express, Discover, or JCB.
- K. Damages** means a monetary judgment, consumer redress fund, award, settlement (provided that such is agreed in writing by us), multiples of compensatory damages, punitive or exemplary damages to the extent insurable under the law of any applicable jurisdiction that most favors coverage. **Damages** does not include:
1. **Your** future profits or royalties, restitution, or disgorgement of **your** profits;
 2. The cost to comply with orders granting injunctive or non-monetary relief, including specific performance, or any agreement to provide such relief;
 3. Loss of **your** fees or profits, return or offset of **your** fees or charges, or **your** commissions or royalties provided or contracted to be provided;
 4. Taxes, fines, penalties, or sanctions; however, this does not include civil fines or penalties to the extent insurable by law or to the extent otherwise covered under Insuring Module 8.
 5. Any amount which **you** are not financially or legally obligated to pay;
 6. Disgorgement or return of any remuneration or financial advantage to which **you** were not legally entitled;
 7. Monetary judgments, awards, or settlements which are uninsurable under the law pursuant to which this policy is construed;
 8. Past, present and/or future license fees of any kind;
 9. Liquidated damages;
 10. **Payment Card Industry fines and assessments**; or
 11. Any charge backs, interchange fees, settlements, discount fees or prospective service fees or any amounts due under a **Merchant Services Agreement**.
- L. Data** means any machine readable information, including ready for use programs or electronic data, irrespective of the way it is used and rendered including, but not limited to, text or digital media.
- M. Deductible** means the amount specified in item 4 of the Declarations.

- N. Denial of service** means an unauthorized or malicious attempt or attack on or via a **computer network** to make a **computer network** unavailable to its intended users.
- O. Electronic theft** means:
1. The transfer, alteration, corruption, or theft of **your intangible asset**
 2. Disclosure, duplication, or theft of **your intangible asset(s)** to a person(s) or entities(s) who are not authorized to receive it.
- Electronic theft** does not include **social engineering fraud, computer fraud** or **telecommunications fraud**.
- P. Employee(s)** means any individual in **your** service, including any volunteers, interns, part-time, seasonal, leased and temporary workers or any individual who is working on **your** behalf, or at **your** direction, and under **your** direct control. **Employee** does not include any of **your** partners or directors.
- Q. Event management costs** means those reasonable and necessary fees **you** incur with **our** consent and which are approved by **us** for the engagement of a public relations consultant or a breach counsel if **you** reasonably consider that such appointment is needed in order to avert or mitigate any material damage to any of **your** brands following an actual or alleged **security event, privacy event, breach of privacy regulations, or a social media event**.
- R. Extended reporting period** means the period of time after the end of the **policy period** for reporting **claims** as provided in Section X of this policy.
- S. Hardware** means any and all physical components of a computer system.
- T. Human error** means an accidental action or operating error, by **your employee(s)**.
- U. Intangible Asset** means non-public information or non-tangible property, which is owned by **you** and is held within **your computer network** but has no physical substance including trade secrets, copyrights, patents, trademarks, **data** or other information when the disclosure, theft, corruption or copying of such would cause you a monetary loss or give a competitor commercial advantage to which they would not have previously had.
- V. Loss of business income** means the net income (net profit or loss before income taxes) that **you** would have earned: 1) had no **network event** occurred pursuant to Insuring Module 5; or 2) had no **security event** occurred pursuant to Insuring Module 6.
- Loss of business income** does not include **reputational damage, computer fraud, electronic theft, social engineering fraud** or **telecommunications fraud**.
- W. Malicious code** means software designed to infiltrate, disrupt, or damage a **computer network** or gather sensitive information, all without the owner's informed consent, by a variety of forms including, but not limited to, Trojan horses, spyware, malware, ransomware dishonest adware and crimeware.
- X. Merchant Services Agreement** means an agreement between **you** and a financial institution, **credit card association** or payment card processor that enables **you** to accept credit cards, debit cards or prepaid cards for the payment of goods services or donations.
- Y. Miscellaneous professional services** means **your** business services, which are performed for and on behalf of **your** clients or in the course of **your** business and limited to those services stated in item 11 of the Declarations.
- Z. Money(ies)** means a medium of exchange in current use and authorized or adopted by a domestic or foreign government and includes currency, coins, banknotes, bullions, or registered checks. **Money** also means virtual currencies and cryptocurrencies including bitcoins.
- AA. Multimedia** means the release of any content in a physical or electronic format, including, internet content, newspapers, newsletters, magazines, books, brochures, images or other types of publications and advertising materials.
- BB. Multimedia and intellectual property wrongful act** means:

1. Defamation including, but not limited to, disparagement or harm to the reputation or character of any person or organization, libel, slander, product disparagement, trade libel, or infliction of emotional distress or mental anguish;
2. Invasion, infringement, or interference with the right to privacy or right of publicity, including false light, public disclosure of private facts, including those of an **employee**, intrusion, or commercial appropriation of name or likeness;
3. Plagiarism, piracy or misappropriation of ideas;
4. Infringement of copyright, domain name, title, or slogan, trade dress; or the dilution or infringement of trademark, service mark, service name, or trade name;
5. Wrongful entry or eviction, trespass, eavesdropping, false arrest, malicious prosecution; or
6. Liability arising out of **your** negligence in connection with **your** release of **multimedia** content in advertising.

CC **Named insured** means the individual, partnership, entity, or corporation designated as such in item 1 of the Declarations.

DD **Network event** means loss sustained by **you** in connection with **your** computer network(s) arising from:

1. A **security event**, **privacy event** or a breach of **privacy regulations**;
2. **Computer virus**;
3. **Malicious code**; or
4. **System failure**

However, a **network event**;

1. Only pertains to **your** loss and does not include coverage for any **claim** made by a third party or any **claim** resulting from an incident occurring on the computer infrastructure of an outsourced entity or third party service provider.
2. Does not include coverage for loss of any **money** or **securities**.

EE **Network expenditure** means costs incurred with **our** consent and authorized by **us** arising from a **network event**, which may include:

1. **Your** actual costs to restore, re-collect, or replace **data**, including expenses for materials, working time, and overhead cost allocation at the affected location(s) associated with restoring or replacing **data**;
2. **Your** reasonable and necessary costs and expenses incurred with **our** consent of specialists, investigators, forensic auditors, breach counsel or loss adjusters retained by **you** for the purpose of conducting a review or audit to substantiate that a **network event** is occurring or has occurred, or to determine the scope, cause, or extent of any theft or unauthorized disclosure of information or **data**, including when **your** portable media and **data** storage devices are away from **your** premises;
3. **Your** reasonable and necessary costs and expenses for the use of rented, leased, or hired external equipment, services, labor, premises, or additional operating costs, including staff overtime and expenditure, provided that these costs and expenses were reasonably incurred as a result of a **network event**; or
4. Any other reasonable and necessary costs and expenses that **you** incur directly as a result of a **network event**.

Network expenditure does not include loss of profits or **loss of business income** or **reputational damage**. **Network expenditure** is part of, and not in addition to, the Limit of Liability stated within item 3 of the Declarations.

FF **Network extortion monies** means:

1. **Monies** payable by **you**, with **our** prior written consent, to a person(s) or entity(ies) reasonably believed to present a **network extortion threat** for the purpose of terminating such a threat; or

2. Other reasonable and necessary costs and expenses payable by **you** with **our** prior written consent directly resulting from a **network extortion threat**.
- GG. **Network extortion threat** means a credible threat or series of related threats, including a demand for **money**, funds, securities, bitcoins, **property** or services directed at **you**, and threatening;
1. corruption, damage and/or destruction to any aspect of **your computer network**;
 2. introduction of a **computer virus**, **malicious code**, or a **denial of service** to any aspect of **your computer network**; and/or
 3. the release or disclosure of confidential and personal information which resides within **your computer network**.
- HH. **Notification expenses** means those reasonable and necessary legal expenses, postage expenses, and related advertising expenses **you** incur with **our** consent and which are approved by **us**:
1. to mitigate damage to **your brand**, or
 2. to comply with governmental privacy legislation mandating notification to affected individuals or regulators, in the event of a **security event**, **privacy event**, or breach of **privacy regulations** that results in the compromise or potential compromise of personal information maintained by **you** or otherwise residing on a **computer network** operated by **you** or on **your** behalf.
- II. **Other asset** means a tangible and physical product that is owned by **you** or is under **your** trust or control and:
1. Has an economic value, or
 2. Is held as inventory for sale, or
 3. Is sold or exchanged in trade or commerce, or
 4. Is shipped via land sea or air
- Other asset** does not include **money** or **securities**
- JJ. **Payment Card Industry Data Security Standard** means Payment Card Industry Data Security Standard implemented and/or published by or on behalf of the Payment Card Industry Security Standards Council.
- KK. **Payment Card Industry fines and assessments** means all financial responsibilities and liabilities including, but not limited to monetary fines, fees, costs, expenses, financial settlements, reimbursements, operational reimbursement, operational expense recoveries or assessments, fraud recoveries or assessments, resulting from an actual or alleged violation of the **Payment Card Industry Data Security Standard** or the security rules and procedure manuals issued by any member of the **Credit card association**
- LL. **Policy period** means the period of time from the effective date to the expiration date as specified in item 2 of the Declarations, or to any earlier cancellation date.
- MM. **Privacy event** means a breach of confidentiality, infringement, or violation of any right to privacy including, but not limited to, a breach of **your** privacy policy, breach of a person's right of publicity, false light, intrusion upon a person's seclusion, or public disclosure of a person's private information
- NN. **Privacy regulations** means statutes and regulations, associated with the confidentiality, access, control, and use of personally identifiable, non-public information including, but not limited to the following or similar statutes and regulations:
1. Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191), known as HIPAA, including amendments contained in the Health Information Technology for Economic and Clinical Health Act (HITECH) and related state medical privacy laws;
 2. Gramm-Leach-Bliley Act of 1999 (G-L-B), also known as the Financial Services Modernization Act of 1999
 3. State and Federal statutes and regulations regarding the security and privacy of consumer information;

4. Governmental privacy protection regulations or laws associated with the control and use of personal information;
5. Privacy provisions of consumer protection laws;
6. Children's Online Privacy Protection Act or similar laws;
7. The EU Data Protection Act or other similar privacy laws in other jurisdictions;
8. Identity Theft Red Flags Rules under the Fair and Accurate Credit Transactions Act of 2003 (FACTA); or
9. Financial Industry Regulatory Authority (FINRA)

OO. Professional wrongful act means:

1. Negligent breach of duty, negligent misrepresentation, or negligent act, error, omission, or misleading statement or negligent infringement of copyright in **your** performance of or failure to perform **technology services** with reference to Insuring Module 3 or **miscellaneous professional services** with reference to Insuring Module 4.
2. Unintentional **breach of contract**, but only in connection with **your** performance of or failure to perform **technology services**.

PP. Programming error means an error, flaw, mistake, failure, or fault, which occurs during the development or encoding of a computer program, software, or application, which would, when in operation, result in a malfunction or incorrect operation of a **computer network**.

QQ. Property damage means physical injury to, impairment, destruction, or corruption of any tangible property, including the loss thereof. **Data** is not considered tangible property.

RR. Property Not Covered means:

1. **Data**; or
2. Infrastructure that is not under **your** operational control; or
3. **Money(ies)** or **Securities**, or
4. Property that is not included as **covered property** or is specifically listed as property that is not covered in a separate in force property insurance policy purchased by **you**; or
5. All property of any type if **you** do not have an in force property insurance policy at the time the direct physical loss or direct physical damage is sustained by **you**

SS. Regulatory compensatory award means a regulatory agency's monetary award to a third party, including a sum or amount which **you** are legally required to deposit into a fund as equitable relief for the payment of consumer claims due to an adverse judgement or settlement of a regulatory proceeding. **Regulatory compensatory award** does not include a criminal penalty or fine issued by a regulatory agency of any kind, including federal, state, or local governmental agencies.

TT. Reputational damage means **your** loss of net income (net profit or loss before income taxes) due to:

1. Termination of **your** services contract by one of **your** client(s) and/or
2. Reduction in the value of **your** business and brands;

where such loss arises directly from a **network event**

UU. Restoration Period means the period of time that commences upon the date when the **network event** began and ends on the later of:

1. The date when **your computer network** is repaired or restored or could have been repaired or restored with reasonable speed to the same condition, functionality and level of service that existed prior to the **network event** plus no more than thirty (30) days after the restoration of **your computer network**; or
 2. Twelve (12) months after the **network event** began.
- VV. **Retroactive date** means the date specified in item 5 of the Declarations.
- WW. **Securities** means written negotiable and non-negotiable instruments or contracts which represent **money** or **other asset**
- Securities** does not include the actual **money** or **other asset**
- XX. **Security and privacy wrongful act** means:
1. A **privacy event**, **security event** or breach of **privacy regulations** committed by you or which occurs on **your computer network**;
 2. **Your** failure to disclose a **security event** or **privacy event** in violation of notification laws or regulations;
 3. **Your** failure to prevent transmission of **malicious code**, a **computer virus**, or a **denial of service** attack from **your computer network**;
 4. **Your** failure to prevent loss of **employee** personally identifiable information, as defined in **privacy regulations**; or
 5. **Your** failure to maintain the security or confidentiality of personally identifiable information stored on **your computer network** under any contract
- YY. **Security event** means:
1. The misuse or unauthorized access of **your computer network**;
 2. The use of **your computer network** for a **denial of service** attack;
 3. A **denial of service** attack against **your computer network**; or
 4. **Your** breach of duty to protect the security and confidentiality of non-public proprietary corporate information, and/or personally identifiable non-public information either in an electronic or physical format.
- ZZ. **Social engineering fraud** means a misrepresentation of fact or an intentional, malicious, willful or fraudulent act undertaken by a third party and delivered via any aspect of **your computer network** that misleads an **employee**, officer or director of the **Named Insured** and directly results in any or all of the following:
1. **Your money**, **your securities**, **your intangible asset** or **your other asset** being transferred, disbursed, paid, delivered, altered, corrupted or lost;
 2. **Money**, **securities**, **intangible asset** or **other asset** of **your** customers or clients being disbursed, paid, delivered, altered, corrupted, or lost from an account that is in **your** trust or control.
- Social engineering fraud** does not include **electronic theft**, **telecommunications fraud**, or **computer fraud**
- AAA. **Social media event** means the release of any electronic **multimedia** content, by an **employee** on any social network or social media electronic platform.
- BBB. **Specified Loss** means:
1. The cost of the repair, replacement, or reinstatement of **covered property** as provided in Section XII of this policy Specified Loss Valuation; and,
 2. Reasonable and necessary costs and expenses to clean-up or remove debris of **covered property**

- CCC. **System failure** means loss sustained by you in connection with your computer network(s) arising from:
1. Accidental corruption or destruction of your data because of human error;
 2. Damage or destruction of hardware, so that your data stored is not machine readable;
 3. Malfunction or failure of your computer network;
 4. Programming error
 5. Natural disaster, but only in respect of your network expenditure due to corruption, destruction, or damage to your data and not in respect of any loss of business income; or
 6. Failure of a direct or back-up power supply or under/over voltage but only if such power supply is owned, operated, and controlled by you.
- DDD. **Subsidiary(ies)** means:
1. Any entity of which more than fifty percent(50%) of the issued and outstanding shares are owned by you, on or before the commencement of the policy period; or
 2. Any entity which becomes a subsidiary during the policy period provided that such entity does not represent more than a twenty percent (20%) increase in your total assets, employee count or gross revenue as of the date of the acquisition. Where such entity represents an increase in your total assets, employee count or gross revenue of more than twenty percent (20%), such entity shall be deemed a subsidiary under this policy, but only upon the condition that within thirty (30) days of it becoming a subsidiary, you shall have provided us with full particulars of the new subsidiary and agreed to any additional premium and/or amendment of the provisions of this policy required by us relating to such new subsidiary, subject to advanced receipt, review and acceptance by us of full and complete underwriting information.
- EEE. **Support and credit monitoring expenses** means those reasonable and necessary expenses you incur with our consent and which are approved by us for the provision of credit file monitoring services, credit repair and restoration costs, identity theft monitoring expenses, identity theft education and assistance, including call center expenses, in the event of a security event, privacy event or a breach of privacy regulations, which results in the compromise or potential compromise of personal information maintained by you or otherwise residing on a computer network operated by you or on your behalf.
- FFF. **Technology services** means your computer and electronic technology services, which are performed for and on behalf of your clients or in the course of your business and may include data processing, web design, hosting, internet or network services, content delivery, programming, technology consulting, installation, integration, configuration, support or management services, software development, design, sale or other related technology services. **Technology services** does not include any other professional activities or advice which is not directly related to technology activities.
- GGG. **Telecommunications fraud** means an intentional, malicious or willful act that results in the misuse or unauthorized access of your telecommunication system by a third party
- Telecommunications fraud** does not include electronic theft, social engineering fraud, or computer fraud
- HHH. **Third party event support expenses** means notification expenses and support and credit monitoring expenses which an entity(ies) you have contractually agreed to indemnify becomes legally obligated to pay due to a security event, privacy event, social media event or breach of privacy regulations which occurs on your computer network and results in the compromise or potential compromise of personal information you hold on your computer network on behalf of this entity(ies), subject to our consent, which shall not be unreasonably withheld. It is a condition precedent to coverage for third party event support expenses that:
1. The entity(ies) you have contractually agreed to indemnify must abide by all of the policy's terms and conditions, and
 2. The entity(ies) you have contractually agreed to indemnify must accept and abide by the decision of us and the legal entity(s) shown in item 1 of the Declarations with regard to the handling and resolving of any claim; and

3. The legal entity(ies) shown in item 1 of the Declarations is authorized to act on behalf of this entity(ies) you have contractually agreed to indemnify with respect to all matters pertaining to the insurance afforded by this policy.

For the avoidance of doubt, no coverage is provided hereunder for an event which did not occur on **your computer network**.

- III. **Waiting period** means the number of hours that must elapse as provided in item 4 of the Declarations before the recovery of **loss of business income** can be considered.

JJJ. "We," "us", or "our" means the insurers providing this insurance.

KKK. "You," "your" and "yours" means the insured as provided in Section VI of this policy.

VIII. WHAT WE DO NOT COVER: EXCLUSIONS

We shall not be liable for any **claim** or any amounts directly or indirectly arising out of or in any way attributable to:

- A. Any wrongful acts or the same, related, or continuing acts, facts, or circumstances that were first committed or first occurred prior to the **retroactive date**;
- B. Any event, threat and/or breach of regulations or the same, related or continuing events, threats, breaches, facts or circumstances that were first committed or first occurred prior to the **retroactive date**;
- C. Any wrongful acts or the same, related or continuing acts, facts, or circumstances that took place prior to the continuity date if after reasonable enquiry **your** Chief Information Officer, Risk Manager, General Counsel, Chief Operations Officer, Chief Executive Officer or their functional equivalents within the legal entity(s) shown in item 1 of the Declarations knew or could have reasonably foreseen by that date that such acts, facts, or circumstances could be the basis of a **claim** or circumstance. The continuity date is the earlier of the inception date of either this policy or **your** first policy issued by Ascent Underwriting that has been continuously renewed;
- D. Any event, threat and/or breach of regulations or the same, related or continuing events, threats, breaches, facts or circumstances that took place prior to the continuity date, if after reasonable enquiry **your** Chief Information Officer, Risk Manager, General Counsel, Chief Operations Officer, Chief Executive Officer or their functional equivalents within the legal entity(s) shown in item 1 of the Declarations knew or could have reasonably foreseen such events, threats, breaches, facts or circumstances could be the basis of a **claim** or circumstance. The continuity date is the earlier of the inception date of either this policy or **your** first policy issued by Ascent Underwriting that has been continuously renewed;
- E. Any **claim** or circumstance notified to a previous insurer prior to the inception of this policy;
- F. Any **claim** made by an insured against another insured, unless such **claim** is:
 - 1. brought by an **employee** under Insuring Modules 1 or 7; or
 - 2. the result of **your** actual or alleged **security and privacy wrongful act(s), multimedia and intellectual property wrongful act(s), and/or professional wrongful act(s)** as provided by the contract between **you** and any party covered under section VI. (F)
- G. **Your** malicious, fraudulent, dishonest, or criminal act. Notwithstanding the foregoing, the insurance afforded by this policy shall apply to **claims expenses** incurred in defending any such **claim** until final adjudication, but shall not apply to any **damages** that **you** might become legally obligated to pay. **We** will have the right to recover those **claims expenses** incurred from those parties found to have committed malicious, fraudulent, dishonest, or criminal acts by a court, jury, or arbitrator. However, this exclusion does not bar coverage for the actions of a **rogue employee**, or coverage afforded under Insuring Module 10. For purposes of this exclusion, "rogue **employee**" means an **employee** who acts maliciously, fraudulently, dishonestly or criminally without the knowledge or consent of **your** Chief Information Officer, Risk Manager, General Counsel, Chief Operations Officer, Chief Executive Officer or their functional equivalents within the legal entity(s) shown in item 1 of the Declarations;
- H. **Bodily injury**, except that this exclusion shall not apply to wrongful infliction of emotional distress or mental anguish arising out of **technology services, multimedia, privacy event, security event, or a breach of privacy regulations**;

- I. **Property damage**, except that this exclusion shall not apply to **claims** otherwise covered under Insuring Module 6, 10 and/or 11. For the avoidance of doubt, this policy provides coverage arising from the loss of **data** when such loss arises from physical damage to **hardware**;
- J. Satellite failures; electrical or mechanical failures and/or interruption including, but not limited to, electrical disturbance, spike, brownout, or blackout, outages to electricity, gas, water, telephone, cable, telecommunications; gradual deterioration of overhead transmission, distribution lines or subterranean insulation or cabling or other infrastructure. For the avoidance of doubt, this exclusion does not apply in respect of infrastructure under **your** operational control to the extent they are covered under a **network event**, or a **security event** under Insuring Module 6;
- K. The actual or alleged inaccurate, inadequate, or incomplete description of the price of goods, products, or services; including **your** cost guarantees, cost representations, contract price, or cost estimates being exceeded;
- L. The violation of any economic or trade sanctions by the United States government including, but not limited to, sanctions administered and enforced by the United States Treasury Department's Office of Foreign Assets Control ("OFAC");
- M. Any breach of any express, implied, actual, or constructive contract, warranty, guarantee, or promise, or the liability of others assumed by **you** under any contract or agreement, but this exclusion does not apply to:
 - 1. Any liability or obligation **you** would have in the absence of such contract or agreement;
 - 2. Unintentional **breach of contract**, but only with respect to **technology services**;
 - 3. A breach of **your** privacy policy; or
 - 4. **Third party event support expenses**
- N. The actual or alleged government enforcement or investigation of any state or federal regulation including, but not limited to, regulations promulgated by the United States Federal Trade Commission, Federal Communications Commission, or the Securities and Exchange Commission; but this exclusion does not apply:
 - 1. To the extent that a **claim** falls under Insuring Module 8 or
 - 2. To a **claim** by a government entity brought in its capacity as a customer of **you** arising in the course of **your** provision of **technology services** or **miscellaneous professional services** to such government entity;
- O. Any employer-**employee** relations policies, practices, acts, or omissions, any actual or alleged refusal to employ any person, or any misconduct with respect to **employees**. This includes, but is not limited to, claims arising under workers compensation or similar laws unless such claims are made by an employee arising out of a **security event**, **privacy event** or breach of **privacy regulations**;
- P. Any actual or alleged discrimination of any kind including, but not limited to, age, color, race, gender, creed, national origin, marital status, sexual preferences, disability, or pregnancy;
- Q. Strikes or similar labor actions, war, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular uprising, military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions. This exclusion also excludes coverage for any loss or **damages** arising out of confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority. This exclusion also excludes loss, cost, **damages**, or **claims expenses** of whatsoever nature directly or indirectly caused by, resulting from, or in connection with any action taken in controlling, preventing, suppressing, or in any way relating to the above;
- R. All losses or expenses arising from a terrorist act. For the purposes of this agreement, a terrorist act means an act or series of acts including the use of force or violence of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious, or ideological purposes, including the intention to influence any government and/or to put the public in fear for such purposes;
- S. Prizes, awards, or coupons;
- T.
 - 1. **Payment Card Industry fines and assessments**;

2. Any charge backs, interchange fees, discount fees or prospective service fees and/or any other amount arising out of any agreement by **you** to comply with or follow the **Payment Card Industry Data Security Standards** or any Payment Card Company rules; or implement, maintain, or comply with any security measures or standards related to any payment card data or any other amounts due under a **Merchant Services Agreement**.
- U. Any actual or alleged unfair competition, antitrust violations, deceptive trade practices, or restraint of trade or antitrust statute, legislation, or regulation. However, this exclusion shall not apply to the extent that a **claim** falls under Insuring Module 8;
- V. The actual or alleged infringement of any patent or the misappropriation, theft, copying, display or publication of any trade secret, unless such **claim** arises from a **security event** or a **privacy event** and does not involve **your** actual or alleged infringement, misappropriation, theft, copying, display or publication;
- W. **Your** knowing use of illegal or unlicensed programs that are in violation of the provisions or laws referring to software protection;
- X. The actual or alleged purchase, sale, offer of, or solicitation of an offer to purchase or sell securities, or violation of any securities law including, but not limited to, the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, the Sarbanes-Oxley Act of 2002, or any regulation promulgated under the foregoing statutes, or any federal, state, local, or foreign laws similar to the foregoing statutes, including "Blue Sky" laws, whether such law is statutory, regulatory, or common law;
- Y. Unauthorized trading of **money, securities, property** or any other medium whether or not in **your** name and whether or not in a genuine or fictitious account. This exclusion also applies to trading in excess of approved authority levels or outside of approved parameters. This exclusion shall not apply to direct losses incurred by **you** as a result of **computer fraud** which results in improper financial gain to an **employee**. However, **we** shall not be liable for any **employee** salary, commissions, fees or other employment associated compensation.
- Specifically, with regard to Insuring Module 6 only, the following exclusions shall apply
- Z. Any **specified loss and loss of business income** if **you** do not have an in force property insurance policy at the time direct physical loss or direct physical damage resulting from a **security event** is sustained by **you**.
- AA. Anything that is not covered or is excluded under **your** in force property insurance policy that is in place at the time the direct physical loss or physical damage from a **security event** is sustained by **you**, except for that portion of a **specified loss or loss of business income** that would otherwise be covered by such policy, but is excluded because it arises from a **security event**.
- IX. INNOCENT INSURED PROVISION**
- A. Whenever coverage under this policy would be excluded, suspended, or lost because of non-compliance with Section XI, relating to the giving of notice of **claim** to **us**, with respect to which any other insured shall be in default solely because of the failure to give such notice or concealment of such failure by one or more insureds responsible for the loss or damage otherwise insured hereunder, then such insurance as would otherwise be afforded under this policy shall cover and be paid with respect to those insureds who did not personally commit, personally participate in committing, or personally acquiesce in such failure to give notice, provided that the insured entitled to the benefit of this provision shall comply with Section XI promptly after obtaining knowledge of the failure of any other insured to comply therewith. Notwithstanding the foregoing, the reporting of any such **claim** must be made during the **policy period** or **extended reporting period**, if applicable.
- B. Whenever coverage under this policy would be excluded, suspended, or lost because of Exclusion G relating to malicious, fraudulent, dishonest, or criminal acts by any insured, then such insurance as would otherwise be afforded under this policy shall cover and be paid with respect to those insureds who did not personally commit, personally participate in committing, personally acquiesce, or remain passive after having personal knowledge thereof.

X. EXTENDED REPORTING PROVISIONS

A Automatic Extended Reporting Period: If either you or us shall cancel or non-renew this policy, you shall have the right following the effective date of such cancellation or non-renewal, to a period of sixty (60) days thereafter in which to give written notice to us of claims relating to those Insuring Module(s) purchased as shown in the Declarations, provided that any actual or alleged wrongful acts under Insuring Module(s) 1, 2, 3, or 4, **network event** under Insuring Module(s) 5 or direct physical loss or direct physical damage to **covered property** under Insuring Module 6, **security event, privacy event, or breach of privacy regulations** under Insuring Module 7, **privacy event, security event, or breach of privacy regulations** under Insuring Module 8, **network extortion threat** under Insuring Module 9, **security event** under Insuring Module 6 or 10, or **social engineering fraud** under Insuring Module 11 all if applicable, occurred prior to the end of the **policy period** and are otherwise covered by this policy, and are reported to us during the automatic **extended reporting period**, and subject to the conditions set forth herein.

B Extended Reporting Period Endorsement: In the event of cancellation or non-renewal of this policy by you or us, you shall have the right, upon payment in full and not proportionally or otherwise in part of:

1. One hundred percent (100%) of the gross annual premium set forth in item 6 of the Declarations to have issued an endorsement providing a 12-month **extended reporting period** for **claims** relating to those Insuring Module(s) purchased as shown in the Declarations, provided that any actual or alleged wrongful acts under Insuring Module(s) 1, 2, 3, or 4, **network event** under Insuring Module(s) 5 or 12, **security event, privacy event, or breach of privacy regulations** under Insuring Module 7, direct physical loss or direct physical damage to **covered property** under Insuring Module 6, **privacy event, security event, or breach of privacy regulations** under Insuring Module 8, **network extortion threat** under Insuring Module 9, **security event** under Insuring Module 6 or 10, or **social engineering fraud** under Insuring Module 11, all if applicable, occurred prior to the end of the **policy period** and are otherwise covered by this policy and are reported to us during the **extended reporting period**, and subject to the conditions set forth herein; or
2. One hundred and fifty percent (150%) of the gross annual premium set forth in item 6 of the Declarations to have issued an endorsement providing a 24-month **extended reporting period** for **claims** relating to those Insuring Module(s) purchased as shown in the Declarations, provided that any actual or alleged wrongful acts under Insuring Module(s) 1, 2, 3, or 4, **network event** under Insuring Module(s) 5 or 12, **security event, privacy event, or breach of privacy regulations** under Insuring Module 7, direct physical loss or direct physical damage to **covered property** under Insuring Module 6, **privacy event, security event, or breach of privacy regulations** under Insuring Module 8, **network extortion threat** under Insuring Module 9, **security event** under Insuring Module 6 or 10, or **social engineering fraud** under Insuring Module 11, all if applicable, occurred prior to the end of the **policy period** and are otherwise covered by this policy and are reported to us during the **extended reporting period**, and subject to the conditions set forth herein.

In order for the **named insured** to purchase the **extended reporting period**, the payment of the additional premium must be paid to us within thirty (30) days of the non-renewal or cancellation.

- C. The Limit of Liability for the above **extended reporting periods** shall be part of, and not in addition to, the Limit of Liability for the **policy period**.
- D. Our quotation of a different premium, **deductible**, or Limit of Liability or changes in policy language for the purpose of renewal shall not constitute a refusal to renew by us.
- E. The right to the **extended reporting period** shall not be available to the **named insured** where cancellation or non-renewal by us is because of non-payment of premium or your failure to pay amounts within the applicable **deductible**.
- F. All notices and premium payments with respect to the **extended reporting period** shall be directed to us through your insurance agent or broker.
- G. At the commencement of the **extended reporting period** in Paragraph B above, the entire premium shall be deemed earned and in the event the **named insured** terminates the **extended reporting period** for any reason prior to its natural expiration, we will not be liable to return any premium paid for the **extended reporting period**.

XI. NOTICE OF CLAIM OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

A If any **claim** is made against you under Insuring Module(s) 1, 2, 3, 4 or 8 then you shall forward every demand, notice, summons, or other information received by you or your representative to us, through persons named in item 7 of the Declarations, as soon as practicable after your Chief Information Officer, Risk Manager, General Counsel, Chief

Operations Officer, Chief Executive Officer or their functional equivalents within the legal entity(s) shown in item 1 of the Declarations have first become aware of such **claim**, provided that such demand, notice, summons or other information is not received by us more than fourteen (14) days after the expiration of the **policy period**.

- B. If **you** have any **claim** under Insuring Module(s) 5, 6, 7, 9, 10, 11 or 12, then, **you** shall immediately forward to **us** notice through persons named in item 7 of the Declarations, as soon as practicable after **your** Chief Information Officer, Risk Manager, General Counsel, Chief Operations Officer, Chief Executive Officer or their functional equivalents within the legal entity(s) shown in item 1 of the Declarations have first become aware of such **claim**, provided that such notice is not received by **us** more than fourteen (14) days after the expiration of the **policy period**.
- C. If during the **policy period**, **your** Chief Information Officer, Risk Manager, General Counsel, Chief Operations Officer, Chief Executive Officer or their functional equivalents within the legal entity(s) shown in item 1 of the Declarations become aware of any acts, facts, or circumstances that they believe could give rise to a **claim**, they must give written notice of the following information to **us**, through persons named in item 7 of the Declarations, as soon as practicable during the **policy period**:
1. Specific details of the acts, facts, or circumstances that could reasonably be the basis for a **claim**;
 2. Possible **damages**, penalties, or other amounts potentially covered under this policy that may result or has resulted from the acts, facts or circumstances;
 3. Details regarding how **you** first became aware of the acts, facts, or circumstances; and
 4. The **computer network** security and event logs, which provide evidence of the alleged incident

Any subsequent **claim** arising out of such acts, facts, or circumstances which is the subject of the written notice will be deemed to be a **claim** at the time written notice complying with the above requirements was first given to **us**. Any **claim** arising under Insuring Module(s) 5, 10, 11 or 12 will be deemed to have been made on the date **you** first became aware of the acts, facts, or circumstances resulting in such loss.

- D. A **claim** shall be considered to be reported to **us** when notice is first given to **us** through persons or entity named in item 7 of the Declarations

XII. CALCULATION OF LOSS PROVISIONS REGARDING LOSS OF BUSINESS INCOME, INTANGIBLE ASSET AND REPUTATIONAL DAMAGE

In the event of loss occurring under Insuring Modules 5, 10, 11 and/or 12, and if **you** and **us** cannot agree on a loss amount, then an auditor and/or a loss adjuster will be appointed by mutual agreement of **us** and **you** to calculate the amount of loss. If such an agreement cannot be reached, we will appoint the auditor and/or loss adjuster subject to **your** consent, such consent not to be unreasonably withheld. **We** will pay the cost and expense related to the auditor and/or loss adjuster that exceed **your deductible** as stated in Item 4 of the Declarations. Such payment will be applied against the applicable Limit of Liability.

Requests made by **you** for indemnity by **us** shall be accompanied by a computation of the loss consistent with this section of the policy. This shall set out in detail how the loss has been calculated and what assumptions have been made. **You** shall produce any documentary evidence, including any applicable reports, books of accounts, bills, invoices, and other vouchers and copies of such which **we** may require, and **you** shall afford **us** or **our** agent every assistance in their investigations.

Any **claims** payment under this Section will, where applicable, be reduced by the extent to which **you**:

- A. Use damaged or undamaged **data**, or **intangible asset**, or
- B. Make use of available stock, merchandise or other **data** or **intangible asset**, or
- C. Use substitute facilities, equipment, or personnel.

LOSS OF BUSINESS INCOME UNDER INSURING MODULE 5 AND REPUTATIONAL DAMAGE UNDER INSURING MODULE 12

The calculation of loss regarding **loss of business income** and **reputational damage** under Insuring Module(s) 5 and 12 will be based on the loss of the net income incurred during the **restoration period** attributable to a **network event** and shall be based on an analysis of the revenues and costs generated during each month of the twelve (12) months prior to the loss occurring and will also

take into account the reasonable projection of future profitability or otherwise had no loss occurred and will include all material changes in market conditions that would affect the profits generated.

The purpose of the calculation of **loss of business income** and **reputational damage** is to put **you** in the position that **you** would have been in had no **network event** been incurred.

INTANGIBLE ASSET UNDER INSURING MODULE 10 AND 11

The calculation of loss regarding **intangible asset** under Insuring Module 10 and 11 will be based solely on loss of the net income attributable to **electronic theft, computer fraud or social engineering fraud** and shall be based on an analysis of the revenues and costs generated during each month of the twelve (12) months prior to the loss occurring and will also take into account the reasonable projection of future profitability or otherwise had no loss occurred and will include all material changes in market conditions that would affect the profits generated.

Any dispute that arises between **you** and **us** regarding the calculation of loss shall be resolved in accordance with Section XXV DISPUTE RESOLUTION.

XIII. SPECIFIED LOSS VALUATION UNDER INSURING MODULE 6

In the event of physical loss or physical damage to **covered property** under Insuring Module 6 determination of the amount of the **specified loss** will be based on the cost of repairing, replacing or reinstating the **covered property**, whichever costs the least, on the same site, or nearest available site, whichever incurs the least cost, with material of like kind and quality without deduction for depreciation and subject to the following:

- A. The repairs, replacement or reinstatement must be accomplished with due diligence and promptly.
- B. Until the repair, replacement or reinstatement has been accomplished the amount of liability under this policy in respect of **specified loss** shall be limited to the actual cash value of the loss to the **covered property** sustaining the physical loss or physical damage at the time of the loss.
- C. If replacement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance, regulation or law, any increased cost of replacement arising therefrom shall not be covered under this policy, and,
- D. Reasonable and necessary costs and expenses to clean-up or remove debris of **covered property**.

With regard to Section III. LIMIT OF LIABILITY, as part of the Limit of Liability applicable to Insuring Module 6, our liability for the replacement cost of **covered property** shall not exceed the lowest of the following amounts:

- A. The replacement cost of the **covered property** or any part thereof identical with such property and intended for the same occupancy and use, and
- B. The amount actually and necessarily expended in replacing said **covered property** or any part thereof.

XIV. CALCULATION OF LOSS PROVISIONS REGARDING LOSS OF BUSINESS INCOME UNDER INSURING MODULE 6

In the event of **loss of business income** occurring under Insuring Modules 6, and if **you** and **us** cannot agree on a loss amount, then an auditor and/or a loss adjuster will be appointed by mutual agreement of **us** and **you** to calculate the amount of loss. If such an agreement cannot be reached, we will appoint the auditor and/or loss adjuster subject to **your** consent, such consent not to be unreasonably withheld. We will pay the cost and expense related to the auditor and/or loss adjuster that exceed **your deductible** as stated in Item 4 of the Declarations. Such payment will be applied against the applicable Limit of Liability.

Requests made by **you** for indemnity by **us** shall be accompanied by a Proof of Loss consistent with Section XV. ADDITIONAL CONDITIONS PERTAINING TO INSURING MODULE 6 ONLY.

The calculation of loss regarding **loss of business income** under Insuring Module 6 shall follow the loss of business income calculation contained in **your** in force property insurance policy that is in place at the time direct physical loss or physical damage resulting from a **security event** is sustained by **you**. However: 1) the restoration period for such loss of business income shall be limited to the same restoration period applicable to **loss of business income** under Insuring Module 5, and 2) the waiting period and deductible applicable shall be the highest of i) the waiting period contained in Insuring Module 5 of this policy; or ii) the applicable waiting period and/or deductible or retention contained in **your** in force property policy in place at the time direct physical loss or physical damage resulting from a **security event** is sustained by **you**.

XV. ADDITIONAL CONDITIONS PERTAINING TO INSURING MODULE 6 ONLY

With regard to Insuring Module 6, the following conditions shall apply:

A. IN FORCE PROPERTY POLICY

You shall provide a copy of your inforce property policy, with all endorsements and attachments, immediately after providing notification pursuant to Section XI. **NOTICE OF CLAIM OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM**

B. REQUIREMENT OF COVERAGE DENIAL UNDER YOUR INFORCE PROPERTY POLICY

This policy will not be applicable unless coverage has been denied under your inforce property policy for any portion of a direct physical loss or direct physical damage because it results from a **security event**.

C. INCONSISTENCY OF TERMS AND CONDITIONS OF THIS POLICY AND YOUR INFORCE PROPERTY POLICY

In the event there is an inconsistency between the terms and conditions of this policy and the terms and conditions of your inforce property insurance policy in place at the time direct physical loss or direct physical damage is sustained by you, the terms and conditions of this policy shall apply. In no event shall the coverage provided by this policy be broader than the inforce property policy except for the exclusion for a **security event**.

D.. PROOF OF LOSS

You shall render a signed and sworn Proof of Loss within one hundred and eighty (180) days after sustaining physical loss or physical damage to **covered property** (unless such period is extended by our written agreement), stating the full particulars of the time, place and cause of loss, including as applicable a description of the **covered property** involved, as well as system logs, security logs or statements from witnesses, experts or consultants the interest of you and all others in the property, the value thereof and the amount and calculation of loss or damage thereto.

E.. INCORRECT DECLARATION PENALTY

If the values declared of the **covered property** are less than the correct values by more than 10%, then any recovery otherwise due under this policy shall be reduced in the same proportion that the values declared bear to the values that should have been declared, and any balance shall be considered co-insurance borne by you.

F.. INSPECTION AND AUDIT

We, or our representatives, shall be permitted, though not obligated, to inspect **covered property** at any time. Neither the right to make inspections nor the making of any inspections or of any report shall constitute an undertaking on your behalf or for your benefit to determine or warrant that such **covered property** is safe or appropriate for the purpose to which it is intended.

G.. SALVAGE AND RECOVERIES

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this policy shall be applied as if recovered or received prior to such settlement, and all necessary adjustments shall be made by the parties hereto.

H.. ABANDONMENT

There shall be no abandonment to us of any property.

I.. DUE DILIGENCE

You (or any agent, sub or co-contractor of yours) shall at all times and at his/her/your own expense, use due diligence and do (and concur in doing and permit to be done) all things reasonably practicable (including, but not limited to, precautions to protect or remove **covered property** and interest insured herein) to avoid or diminish any covered loss.

J.. PROTECTION MAINTENANCE

It is agreed that any protection provided by **you** for the safety of the **covered property** shall be maintained in good order throughout the currency of the policy and shall be in use at all relevant times, and that such protection shall not be withdrawn or varied to **our** detriment or the detriment of **our** interests without **our** consent.

XVI. ASSISTANCE AND COOPERATION

- A. **You** shall cooperate with **us** in all investigations. **You** shall execute all papers and render all assistance as requested by **us**. Part of this assistance may require **you** to provide copies of a third party's system security and event logs.
- B. Upon **our** request, **you** shall assist in making settlements in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to **you** with respect to which insurance is afforded under this policy; and **you** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses at **your** own cost.
- C. **You** shall not admit any liability, make any payment, assume any obligations, incur any expense, enter into any settlement, stipulate to any judgment or award, or dispose of any **claim** without **our** written consent. However, the prompt public admission of a **security event** potentially impacting non-public personally identifiable information of **employees** or third parties as required by governmental privacy legislation or credit card association operating requirements will not be considered as an admission of liability requiring **our** prior consent; however, **we** are to be informed as soon as practicable of such public admission if such public admission is a circumstance that could lead to a **claim**.
- D. **We** shall have the right to make any investigation that **we** deem necessary with respect to coverage including, but not limited to, any investigation with respect to the **application**, statements made in the **application** and any supplemental material submitted therewith. **We** shall be permitted to inspect your property, operations, or records.
- E. **You** shall submit for examination under oath by **our** representative, if requested, in connection with all matters relating to this policy.

XVII. SUBROGATION

If any payment is made under this policy and there is available to **us** any of **your** rights of recovery against any third party, then **we** shall maintain all such rights of recovery. **You** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. **You** shall do nothing to prejudice such rights. Any recoveries shall be applied first to subrogation expenses, second to **damages, claims expenses**, or any other amounts paid by **us**, and lastly to the **deductible**. Any additional amounts recovered shall be paid to **you**.

XVIII. OTHER INSURANCE

This policy shall apply in excess of any other valid and collectible insurance policy available to **you**, including any **deductible** or deductible portion thereof, unless such other insurance is written only as specific excess insurance over the Limit of Liability of this policy.

Notwithstanding the above, with respect to **specified loss** to **covered property** and **loss of business income** under Insuring Module 6, the following applies:

- A. It is understood that such coverage is provided herein conditioned on the existence of an in force property insurance policy at the time the physical loss or physical damage is sustained by **you**;
- B. This policy will not apply to any physical loss or physical damage that resulted from a **security event** that is covered by **your** in force property insurance policy;
- C. Should **your** in force property insurance policy cover that portion of a loss that does not result from the **security event** this policy will apply as primary coverage, but only for that portion of the loss that does result from the **security event**.

XIX. ENTIRE AGREEMENT

By acceptance of this policy, **you** agree that this policy embodies all agreements between **you** and **us** relating to this insurance. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or stop **us** from asserting any right under the terms of this insurance; nor shall the terms of this insurance be waived or changed, except by endorsement issued to form a part of this policy and signed by **us**.

XX. ASSIGNMENT

The interest hereunder is not assignable by **you** or **your subsidiaries**. If an insured shall die or be adjudged incompetent, such insurance shall cover **your** legal representative as **you** would be covered under this policy.

XXI. CANCELLATION BY YOU

If this policy is cancelled by **you**, thirty percent(30%) of the premium shall be deemed earned upon inception of this policy and **we** will refund the remaining unearned premium computed on a daily pro rata basis thereafter. No premium will be refunded where any **claims** or circumstances have been notified under this policy.

XXII. CANCELLATION BY US

We will only cancel this policy if **you** fail to pay the premium specified within the Declarations, or if a principal, partner, executive officer, or director intentionally makes a material misrepresentation to **us** in regard to any **claim** notified to **us** under this policy, in which case, **we** will provide a notice of cancellation in accordance with the applicable law.

XXIII. CHANGE OF CONTROL

Should there be a "change of control" to the **Named Insured** during the **policy period** all coverage under this Policy shall terminate at the date of such "change of control" unless **we** have issued an endorsement extending coverage under this Policy and **you** have agreed to pay any additional premium and agreed to any additional terms of coverage required by **us**.

A "change of control" to the **Named Insured** will be considered to be any of the following: **your** acquisition by or merger into another entity, **your** liquidation or dissolution, or the sale, or disposition of substantially all of **your** assets.

XXIV. WORDS AND TITLES OF PARAGRAPHS

The titles of paragraphs, section, provisions, or endorsements of or to this policy are intended solely for convenience and reference and are not deemed in any way to limit or expand the provisions to which they relate and are not part of this policy. Whenever the singular form of a word is used herein, the same shall include the plural when required by context.

XXV. DISPUTE RESOLUTION

- A. No action shall lie against **us** unless, as a condition precedent thereto, there shall have been full compliance with all terms of this policy, and until the amount of **your** obligation to pay shall have been finally determined either by judgment or award against **you** after actual trial or arbitration or by written agreement of **you**, the claimant, and **us**.
- B. No person or organization or any legal representative thereof who has secured such judgment, award, or written agreement shall thereafter be entitled to make a **claim** under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join **us** as a party to an action or other proceeding against **you** to determine **your** liability, nor shall **we** be implicated by **you** or **your** legal representative. Bankruptcy or insolvency of **you** or of **your** estate shall not relieve **us** of **our** obligations under this policy.
- C. Mediation. If any dispute arises between **you** and **us** involving this policy and/or a **claim** hereunder, it is hereby mutually agreed by **you** and **us** that such dispute shall be referred to a qualified mediator in a good faith effort to negotiate a resolution of the dispute, prior to the initiation of any arbitration or other proceedings. The party electing to mediate shall provide written notice to the other party setting forth its request to mediate and a brief statement regarding the issue to be mediated. The persons named in Item 8 of the Declarations are authorized and directed to accept the Notice of Mediation on behalf of **us**. The **named insured** is authorized and directed to accept the Notice of Mediation on behalf of any insured.
- D. Arbitration. As a condition precedent to any right of action hereunder, in the event that a good faith effort to mediate pursuant to Section XXV (C) above cannot resolve a dispute between **you** and **us** involving this policy or a **claim** hereunder, it is hereby mutually agreed that such dispute shall be determined by final and binding arbitration before a single arbitrator. Such arbitration cannot be commenced until thirty(30) days after the conclusion of the mediation pursuant to Section XXV (C). If the parties cannot mutually select the arbitrator, the parties will refer the selection of the arbitrator to the American Arbitration Association.

- E. Notwithstanding the above, with regard to Module 6, if there is a dispute as to the amount of **specified loss**, **you** will not be required to mediate and may elect to demand an appraisal. Once a demand is made, each party will select an appraiser who will separately arrive at the amount of **specified loss**. If there is no agreement as to the amount following such appraisals, the dispute will be submitted to an impartial appraiser, jointly selected by **you** and **us**. A decision then agreed to by two of the three appraisers will be binding upon **you** and **us**. Each party will bear their own costs for the work of the appraiser they retain, and they will equally share the costs of the third, impartial appraiser.

An appraisal shall be subject to the terms, conditions and exclusions of this policy. Any other disputes concerning issues other than valuation of a **specified loss** will be resolved in accordance with the Dispute Resolution procedure above.

XXVI. SERVICE OF SUIT CLAUSE (U.S.A.)

- A. Subject to the application of Section XXV, it is agreed that in the event of **our** failure to pay any amount claimed to be due under this policy, **we**, at **your** request, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this clause constitutes or should be understood to constitute a waiver of **our** rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or seek a transfer of a case to another court as permitted by the laws of the United States or any state in the United States. It is further agreed that service of process in such suit may be made upon **our** representative, designated in item 8 of the Declarations, and that in any suit instituted against any one of them upon this contract, **we** will abide by the final decision of such court, or of any appellate court in the event of an appeal.
- B. **Our** representative designated in item 8 of the Declarations is authorized and directed to accept service of process on **our** behalf in any such suit and/or upon **your** request to give a written undertaking to **you** that they will enter a general appearance upon **our** behalf in the event such a suit shall be instituted.
- C. Pursuant to any statute of any state, territory, or district of the United States which makes provision therefor, **we** hereby designate the Superintendent, Commissioner, or Director of Insurance or other officer specified for that purpose in the statute, or his successor in office, as the true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on **your** behalf or any beneficiary hereunder arising out of this policy, and **we** hereby designate **our** representative listed in item 8 of the Declarations as the person to whom the said officer is authorized to mail such process or a true copy thereof.

XXVII. CHOICE OF LAW

The interpretation of this policy and any disputes involving this policy shall be resolved applying the law designated in item 9 of the Declarations.

XXVIII. WARRANTY BY YOU

By acceptance of this policy, all insureds agree that the statements contained in the **application**, any application for insurance if this policy is a renewal, and any supplemental materials submitted therewith are their agreements and representations, which shall be deemed material to the risk assumed by **us**, and that this policy is issued in reliance upon the truth thereof.

The **application**, and any supplemental materials submitted to **us** are deemed incorporated into and made a part of this policy.

Certificate Number

Named Insured

State of Arkansas

Period of Insurance

From To

(both days at 12:01a m Local Standard Time at the address shown of the **Named Insured**)

Endorsement No. 1

Notice of Terrorism Insurance Coverage LMA9105 Endorsement

POLICYHOLDER DISCLOSURE

**NOTICE OF TERRORISM
INSURANCE COVERAGE**

Coverage for acts of terrorism is already included in the policy (including any quotation for insurance) to which this notice applies. You should know that, under the policy, any losses caused by certified acts of terrorism would be partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 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 insurer providing the coverage. However, your policy may contain other exclusions which might affect your coverage, such as exclusion for nuclear events. The term "act of terrorism" means any act that is 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 an air carrier or vessel 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. 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.

I ACKNOWLEDGE THAT I HAVE BEEN NOTIFIED THAT UNDER THE TERRORISM RISK INSURANCE ACT OF 2002, AS AMENDED, ANY LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM UNDER MY POLICY COVERAGE WILL BE PARTIALLY REIMBURSED BY THE UNITED STATES, SUBJECT TO A \$100 BILLION CAP THAT MAY REDUCE MY COVERAGE.

SPECIAL NOTICE

YOU HAVE THE OPTION TO DELETE THE COVERAGE PROVIDED BY THE ENDORSEMENT. IF YOU SHOULD DECLINE THIS COVERAGE, THEN PLEASE DO SO IMMEDIATELY IN WRITING TO YOUR INSURANCE AGENTS. A FURTHER ENDORSEMENT WILL BE SUPPLIED TO YOU. NO RETURN PREMIUM WILL BE DUE UNDER THIS POLICY IF YOU ELECT NOT TO PARTICIPATE.

12 January 2015

LMA9105

Form approved by Lloyd's Market Association

All other terms and conditions remain unchanged.

Dated



Certificate Number

Named Insured

State of Arkansas

Period of Insurance

From To

(both days at 12:01a.m. Local Standard Time at the address shown of the Named Insured)

Endorsement No. 4

Dependent Network Interruption and Recovery Endorsement

It is hereby understood and agreed that:

This policy is amended as follows:

1. The following additional **INSURING MODULE** is added to **I. WHAT WE COVER: INSURING MODULES:**

DEPENDENT NETWORK INTERRUPTION AND RECOVERY

We shall indemnify you for network expenditure that exceeds your deductible as stated within item 4 of the Declarations, and for loss of business income and reputational damage incurred during the restoration period after expiration of the applicable waiting period as stated within item 4 of the Declarations, resulting from a dependent network event sustained by you and notified by you to us in writing, in accordance with Section XI of this policy, during the policy period or any extended reporting period, if applicable provided that such event(s) occurred on or after the retroactive date. This Insuring Module provides no coverage for loss of business income arising from direct physical loss or direct physical damage to covered property which is only covered under Insuring Module 6 only.

2. The following is added to Item 3(A) of the Declarations

DEPENDENT NETWORK INTERRUPTION AND RECOVERY:

USD Each claim and in the aggregate

3. The following is added to Item 4 of the Declarations:

DEPENDENT NETWORK INTERRUPTION AND RECOVERY:

USD Each and every claim

4. For the purpose of the coverage provided under **DEPENDENT NETWORK INTERRUPTION AND RECOVERY** only, and subject to the Limit of Liability stated above, it is agreed that paragraph B of Section **XI. NOTICE OF CLAIM OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM** is amended to read as follows:

B. If you have any claim under Insuring Module(s) 5, 6, 7, 8, 9, 10, 11, 12 or the **DEPENDENT NETWORK INTERRUPTION AND RECOVERY** Insuring Module, then, you shall immediately forward to us notice through persons named in item 7 of the Declarations, as soon as practicable after your Chief Information Officer, Risk Manager, General Counsel, Chief Operations Officer, Chief Executive Officer or their functional equivalents within the legal entity(s) shown in item 1 of the Declarations have first become aware of such claim, provided that such notice is not received by us more than fourteen (14) days after the expiration of the policy period.

5. For the purpose of the coverage provided under **DEPENDENT NETWORK INTERRUPTION AND RECOVERY** only, and subject to the Limit of Liability stated above, it is agreed that Section **VIII. DEFINITIONS** is amended to include the following:



Dependent computer network(s) means computing resources that are delivered as a service over a network or the internet (commonly known as "cloud computing"), your outsourced data center and/or other premises where your data or computing resources are stored or managed by a third party under a written contract.

Dependent network event means loss sustained by you in connection with your dependent computer network(s) arising from

1. A security event privacy event or a breach of privacy regulations;
2. Computer virus;
3. Malicious code,
4. Accidental corruption or destruction of your data because of human error an accidental action or operational error by an employee of the dependent computer network;
5. Damage or destruction of hardware, so that your data stored is not machine readable;
6. Malfunction or failure of your dependent computer network;
7. Programming error; or
8. Natural disaster, but only in respect of your network expenditure due to corruption, destruction, or damage to your data and not in respect of any loss of business income.

6. For the purpose of the coverage provided under DEPENDENT NETWORK INTERRUPTION AND RECOVERY only, and subject to the Limit of Liability stated above, it is agreed that Section **VII. DEFINITIONS**, paragraph D, is amended to include:

7. A dependent network event

7. For the purpose of the coverage provided under DEPENDENT NETWORK INTERRUPTION AND RECOVERY only, and subject to the Limit of Liability stated above, it is agreed that Paragraphs VU, EEDD, TTRR and UUSS of Section **VII. DEFINITIONS** are amended to read as follows.

VU **Loss of business income** means the net income (net profit or loss before income taxes) that you would have earned had: 1) no network event occurred pursuant to Insuring Module 5; or had no security event occurred pursuant to Insuring Module 6; or dependent network event occurred pursuant to the DEPENDENT INTERRUPTION AND RECOVERY Insuring Module

Loss of business income does not include reputational damage, computer fraud, electronic theft, social engineering fraud or telecommunications fraud

EEDD. **Network expenditure** means costs incurred with our consent and authorized by us arising from a network event or dependent network event, which may include:

1. Your actual costs to restore, re-collect, or replace data, including expenses for materials, working time, and overhead cost allocation at the affected location(s) associated with restoring or replacing data,
2. Your reasonable and necessary costs and expenses incurred with our consent of specialists, investigators, forensic auditors, breach counsel or loss adjusters retained by you for the purpose of conducting a review or audit to substantiate that a network event is occurring or has occurred, or to



determine the scope, cause, or extent of any theft or unauthorized disclosure of information or data, including when your portable media and data storage devices are away from your premises;

3. Your reasonable and necessary costs and expenses for the use of rented, leased, or hired external equipment, services, labor, premises, or additional operating costs, including staff overtime and expenditure, provided that these costs and expenses were reasonably incurred as a result of a network event or dependent network event; or
4. Any other reasonable and necessary costs and expenses that you incur directly as a result of a network event or dependent network event

Network expenditure does not include loss of profits or loss of business income or reputational damage. Network expenditure is part of, and not in addition to, the Limit of Liability stated within item 3 of the Declarations.

TTRR **Reputational damage** means your loss of net income (net profit or loss before income taxes) due to;

1. Termination of your services contract by one of your client(s) and/or,
2. Reduction in the value of your business and brands;

Where such loss arises directly from a network event or dependent network event

UUSS. **Restoration Period** means the period of time that commences upon the date when the network event or dependent network event began and ends on the later of:

1. The date when your computer network is repaired or restored or could have been repaired or restored with reasonable speed to the same condition, functionality and level of service that existed prior to the network event or dependent network event plus no more than thirty (30) days after the restoration of your computer network; or
2. Twelve (12) months after the network event or dependent network event began.

8. For the purpose of the coverage provided under DEPENDENT NETWORK INTERRUPTION AND RECOVERY only, and subject to the Limit of Liability stated above, it is agreed that Section XII. **CALCULATION OF LOSS PROVISIONS REGARDING LOSS OF BUSINESS INCOME, INTANGIBLE ASSET AND REPUTATIONAL DAMAGE** is amended to read as follows:

XII. CALCULATION OF LOSS PROVISIONS REGARDING LOSS OF BUSINESS INCOME, INTANGIBLE ASSET AND REPUTATIONAL DAMAGE

In the event of loss occurring under Insuring Modules 5,10,11, 12 and/or the DEPENDENT NETWORK INTERRUPTION AND RECOVERY Insuring Module, and if you and us cannot agree on a loss amount, then an auditor and/or a loss adjuster will be appointed by mutual agreement of us and you to calculate the amount of loss. If such an agreement cannot be reached, we will appoint the auditor and/or loss adjuster subject to your consent, such consent not to be unreasonably withheld. We will pay the cost and expense related to the auditor and/or loss adjuster that exceed your deductible as stated in Item 4 of the Declarations. Such payment will be applied against the applicable Limit of Liability.

Requests made by you for indemnity by us shall be accompanied by a computation of the loss consistent with this section of the policy. This shall set out in detail how the loss has been calculated and what assumptions have been made. You shall produce any documentary evidence, including any applicable reports, books of accounts, bills, invoices, and other vouchers and copies of such which we may require, and you shall afford us or our agent every assistance in their investigations.



Any claims payment under this Section will, where applicable, be reduced by the extent to which you:

- A. Use damaged or undamaged data, or intangible asset, or
- B. Make use of available stock, merchandise, or other data or intangible asset, or
- C. Use substitute facilities, equipment, or personnel

LOSS OF BUSINESS INCOME UNDER INSURING MODULE 5 AND THE DEPENDENT NETWORK INTERRUPTION AND RECOVERY INSURING MODULE AND REPUTATIONAL DAMAGE UNDER INSURING MODULE 12

The calculation of loss regarding loss of business income and reputational damage under Insuring Module(s) 5, 12 and the DEPENDENT NETWORK INTERRUPTION AND RECOVERY Insuring Module will be based on the loss of the net income incurred during the restoration period attributable to a network event and shall be based on an analysis of the revenues and costs generated during each month of the twelve (12) months prior to the loss occurring and will also take into account the reasonable projection of future profitability or otherwise had no loss occurred and will include all material changes in market conditions that would affect the profits generated.

The purpose of the calculation of loss of business income and reputational damage is to put you in the position that you would have been in had no network event or dependent network event been incurred

INTANGIBLE ASSET UNDER INSURING MODULE 10 AND 11

The calculation of loss regarding intangible asset under Insuring Module 10 and 11 will be based solely on loss of the net income attributable to electronic theft, computer fraud or social engineering fraud and shall be based on an analysis of the revenues and costs generated during each month of the twelve (12) months prior to the loss occurring and will also take into account the reasonable projection of future profitability or otherwise had no loss occurred and will include all material changes in market conditions that would affect the profits generated

Any dispute that arises between you and us regarding the calculation of loss shall be resolved in accordance with Section XXII. **DISPUTE RESOLUTION.**

XII. CALCULATION OF LOSS PROVISIONS REGARDING LOSS OF BUSINESS INCOME, INTANGIBLE ASSET AND REPUTATIONAL DAMAGE

In the event of loss occurring under Insuring Modules 5, 9, 10, 11, and/or the DEPENDENT NETWORK INTERRUPTION AND RECOVERY Insuring Module, and if you and us cannot agree on a loss amount, then an auditor and/or a loss adjuster will be appointed by mutual agreement of us and you to calculate the amount of loss. If such an agreement cannot be reached, we will appoint the auditor and/or loss adjuster subject to your consent, such consent not to be unreasonably withheld. We will pay the cost and expense related to the auditor and/or loss adjuster that exceed your deductible as stated in Item 4 of the Declarations. Such payment will be applied against the applicable Limit of Liability.

Requests made by you for indemnity by us shall be accompanied by a computation of the loss consistent with this section of the policy. This shall set out in detail how the loss has been calculated and what assumptions have been made. You shall produce any documentary evidence, including any applicable reports, books of accounts, bills, invoices and other vouchers and copies of such which we may require, and you shall afford us or our agent every assistance in their investigations.

Any claims payment under this Section will, where applicable, be reduced by the extent to which you:

- A. Use damaged or undamaged data, or intangible asset, or
- B. Make use of available stock, merchandise, or other data or intangible asset, or



C Use substitute facilities, equipment, or personnel

LOSS OF BUSINESS INCOME UNDER INSURING MODULE 5 AND THE DEPENDENT NETWORK INTERRUPTION AND RECOVERY INSURING MODULE AND REPUTATIONAL DAMAGE UNDER INSURING MODULE 11

The calculation of loss regarding **loss of business income** and **reputational damage** under Insuring Module(s) 5, 11 and the **DEPENDENT NETWORK INTERRUPTION AND RECOVERY** Insuring Module will be based on the loss of the net income incurred during the **restoration period** attributable to a **network event** or **dependent network event**, and shall be based on an analysis of the revenues and costs generated during each month of the twelve (12) months prior to the loss occurring and will also take into account the reasonable projection of future profitability or otherwise had no loss occurred and will include all material changes in market conditions that would affect the profits generated.

The purpose of the calculation of **loss of business income** and **reputational damage** is to put you in the position that you would have been in had no **network event** or **dependent network event** been incurred.

INTANGIBLE ASSET UNDER INSURING MODULE 9 AND 10

The calculation of loss regarding **intangible asset** under Insuring Modules 9 and 10 will be based solely on loss of the net income attributable to **electronic theft**, **computer fraud** or **social engineering fraud** and shall be based on an analysis of the revenues and costs generated during each month of the twelve (12) months prior to the loss occurring and will also take into account the reasonable projection of future profitability or otherwise had no loss occurred and will include all material changes in market conditions that would affect the profits generated.

Any dispute that arises between you and us regarding the calculation of loss shall be resolved in accordance with Section **XXII**
DISPUTE RESOLUTION.

All other terms and conditions remain unchanged

Dated



Certificate Number

Named Insured

State of Arkansas

Period of Insurance

From To

(both days at 12.01a.m. Local Standard Time at the address shown of the **Named Insured**)

Endorsement No. 5

Bricking Endorsement

It is hereby understood and agreed that:

Definition DD **Network expenditure** of Section **VII. DEFINITIONS** is amended to read as follows:

DD. **Network Expenditure** means costs incurred with our consent and authorized by us arising from a **network event** which may include:

1. **Your actual costs to restore, re-collect, or replace data**, including expenses for materials, working time, and overhead cost allocation at the affected location(s) associated with restoring or replacing **data**;
2. **Your reasonable and necessary costs and expenses incurred with our consent of specialists, investigators, forensic auditors, breach counsel or loss adjusters retained by you** for the purpose of conducting a review or audit to substantiate that a **network event** is occurring or has occurred, or to determine the scope, cause, or extent of any theft or unauthorized disclosure of information or **data**, including when **your portable media and data storage devices** are away from **your premises**;
3. **Your reasonable and necessary costs and expenses for the use of rented, leased, or hired external equipment, services, labor, premises, or additional operating costs, including staff overtime and expenditure, provided that these costs and expenses were reasonably incurred as a result of a network event**; or
4. **Your reasonable and necessary costs to replace or repair your hardware**, provided that after reasonable efforts such **hardware** cannot be restored to the level of functionality that existed immediately prior to the **network event** and that replacing or repairing such **hardware** is more practical and cost effective than the cost to restore, re-collect or replace **your data**. However, we will only pay the cost to restore or replace **your hardware** with identical or commercially equivalent equipment which performs the same functions to that which existed immediately prior to the **network event** occurring
5. Any other reasonable and necessary costs and expenses that you incur directly as a result of a **network event**.

Network expenditure does not include loss of profits or loss of business income or reputational damage. **Network expenditure** is part of, and not in addition to, the Limit of Liability stated within item 3 of the Declarations.

It is further understood and agreed that:

Exclusion I. **Property Damage** of Section **VIII. WHAT WE DO NOT COVER: EXCLUSIONS** is amended to read as follows.

1. **Property damage**; except that this exclusion shall not apply to claims otherwise covered under Insuring Module 9 and/or 10, or otherwise covered as a result of a **network event** under Insuring Module 5.



It is agreed that Section **III. LIMIT OF LIABILITY**, is amended to include the following additional provision:

Our maximum liability for the coverage extension under this endorsement, and to the extent this is covered by this policy, per claim and in the aggregate is USD . This amount is part of and not in addition to Limit of Liability as set forth in item 3 of the Declarations.

All other terms and conditions remain unchanged.

Dated

