

SOCIAL NETWORKING ENDORSEMENT

Policy Number: [POLICYNBR]

In consideration of the premium paid and in reliance upon all statements made and the information contained in the Declarations and **Application**, the **Insurer** and the **Insured** agree that coverage will be provided subject to all of the terms, conditions and limitations of this Endorsement as follows:

1. The attached **Policy** is amended by adding the following coverage extensions: –
 - A. **SOCIAL NETWORKING COVERAGE EXTENSION** - The **Insurer** will pay on behalf of the **Insured**, **Loss** resulting from **Claims** first made during the **Policy Period** or Discovery Period, brought by a **Regulatory Agency**, or brought by or on behalf of a customer of the **Company**, against the **Insured** for which the **Insured** is legally obligated to pay for **Wrongful Internet/Electronic Banking Acts** in connection with **Social Networking** activities.
 - B. **COSTS OF CORRECTION COVERAGE EXTENSION** - The **Insurer** will indemnify the **Company** for **Regulatory Correction Expenses** incurred as a direct result of the **Company's Social Networking** activities.
2. For the purpose of the coverage afforded by this Endorsement, all of the terms and conditions set forth in the **Policy** shall apply except:
 - A. Section IV, entitled "Definitions", is further amended to delete and replace following:

Internet/Electronic Banking Services means **Banking Services** provided by the **Company** through the transmission of **Electronic Data** to or from an Internet website, the address of which is listed in Item 1(b) of the Declarations, or through a private computer network controlled by the **Company**. The **Company's** involvement in **Social Networking** shall be considered as **Internet/Electronic Banking Services**, notwithstanding that the **Company** may not have listed such involvement or activities in its **Application** for coverage, and notwithstanding that it is not listed in Item 1(b) of the Declarations.
 - B. Section IV, entitled "Definitions", is further amended to add the following:

Social Networking means any interactive internet-based venue owned by a third-party entity that allows its users to disseminate information electronically to other venue participants, and facilitates and encourages comments and dialogue.

Regulatory Agency means the Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, Office of Thrift Supervision or any other banking or insurance regulatory agency, the Securities Exchange Commission or the Federal Trade Commission.

Regulatory Correction Expenses means actual, reasonable and necessary expenses incurred by the **Company** to issue a correction, retraction or other information disseminated publicly as required by a **Regulatory Agency**. **Regulatory Correction Expenses** shall not include the cost of correction to satisfy a customer complaint, **Employee** wages, or criminal or civil fines or penalties imposed by law.
 - C. All of the Exclusions set forth in Section V, entitled "Exclusions Applicable to all Insuring Agreements" shall apply, except the following which is deleted and replaced:

Bodily/Personal Injury and Property Damage Exclusion - The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** for actual or alleged:

- 1) bodily injury, sickness, disease, or death of any person, false arrest, false imprisonment, malicious prosecution, assault, battery, damage to property (other than **Electronic Data**), or loss of consortium;
- 2) wrongful entry, eviction or trespass unless such **Claim** relates directly to access to a website of the **Company** and the website is listed in Item 1(b) of the Declarations; or
- 3) **Social Networking**.

D. Section V, "Exclusions Applicable to all Insuring Agreements", is further amended to add the following:

Transactional Electronic Commerce Exclusion - The **Insurer** shall not be liable to make payment for **Loss**, including **Defense Costs**, in connection with any **Claim** arising out of or in any way involving **Social Networking** as it relates to transactional electronic commerce.

E. Section VI, entitled "Limit of Liability, Retention and Indemnification", is further amended to add the following:

The Single Loss Limit of Liability for each **Policy Year** during the **Policy Period** for **Loss** under the Social Networking Coverage Extension is [#covlim:1790]. The Single Loss Retention applicable to this Coverage Extension is [#covret:1778].

The Single Loss Limit of Liability for **Loss** under the Cost of Corrections Coverage Extension is \$25,000. The Single Loss Retention for Costs of Corrections is \$5,000.

The Single Loss Limit of Liability for the Social Networking and Costs of Correction Coverage Extensions shall be part of, and not in addition to, the Single Loss Limit of Liability stated in Item 4 of the Declarations.

F. Section XIII, entitled General Conditions, is amended to add the following:

MONITOR SOCIAL NETWORKING ACTIVITIES – As a condition precedent to coverage under this Endorsement, the **Company** must have a policy and procedure in place that requires the regular monitoring of its **Social Networking** activities.

G. Section XIII (G) is deleted and replaced as follows:

OTHER INSURANCE OR INDEMNIFICATION - This **Policy** shall not be subject to the terms of any other insurance. All **Loss**, including **Defense Costs**, payable under this **Policy** shall be specifically excess to, and paid only after all available payments are made under:

- (1) other existing insurance including, but not limited to, any insurance under which there is a duty to defend; and
- (2) indemnification to which the **Company** or **Insured Persons** are entitled from any entity other than the **Company**.

3. The Social Networking Endorsement does not afford any coverage in connection with the Business Interruption Endorsement, the Cyber/Network Extortion Endorsement, the Liability Mitigation Expense Endorsement, the Public Relations Expense Endorsement, or any other coverage endorsement.

4. This Endorsement shall be effective as of 12:01 a.m. on [ENDORSEMENTEFFDFT].

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the **Policy** other than as above stated.