

## RISK E-BUSINESS CYBER LOSS & LIABILITY INSURANCE POLICY

WITH RESPECT TO INSURING AGREEMENT B. THIS POLICY PROVIDES CLAIMS MADE COVERAGE. DEFENSE EXPENSES ARE PAYABLE WITHIN, AND NOT IN ADDITION TO, THE LIMIT OF INSURANCE. PAYMENT OF DEFENSE EXPENSES UNDER THIS POLICY WILL REDUCE THE LIMIT OF INSURANCE. PLEASE READ THE ENTIRE POLICY CAREFULLY.

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

### SECTION I. INSURING AGREEMENTS

#### A. LOSS EXPENSE COVERAGE

The **Insurer** will pay on behalf of the **Insured**, all **Loss Expense** directly resulting from a **Privacy Incident**, **Network Security Incident** or **Cyber Crime Incident** first discovered by the **Insured** during the **Policy Period**.

#### B. LIABILITY EXPENSE COVERAGE

The **Insurer** will pay on behalf of the **Insured**, all **Liability Expense** for a **Claim** first made and reported to the **Insurer** during the **Policy Period** or Extended Reporting Period (if applicable) directly resulting from a **Privacy Incident**, **Network Security Incident** or **Media Incident** first discovered by the **Insured** during the **Policy Period**.

### SECTION II. SUPPLEMENTAL COVERAGE

#### A. HOTLINE HELP

The **Insurer** will pay, on behalf of the **Insured**, for **Incident Consultation** directly resulting from an actual or suspected **Privacy Incident** or **Network Security Incident** first discovered by the **Insured** during the **Policy Period**. Such **Incident Consultation** will be provided by a law firm designated by the **Insurer**, subject to a policy aggregate limit of \$10,000, which is in addition to the policy aggregate limit as indicated in Item 3(c) of the Declarations, and will not be subject to a deductible.

#### B. HARDWARE RESTORATION

The **Insurer** will reimburse the **Insured** for the reasonable and necessary costs, subject to the **Insurer's** prior consent, to replace, remediate or improve the **Insured's** computing hardware. Such costs must be incurred as a direct result of a **Network Security Incident**. Such costs are also subject to a policy aggregate limit of \$10,000, which is in addition to the policy aggregate limit as indicated in Item 3(c) of the Declarations, and will not be subject to a deductible.

#### C. C-SUITE PROTECTION

In the event a **Privacy Incident** results in identity theft of the **Named Insured's** owner, partner, principal or any of the aforementioned individuals' spouses or domestic partners, then the **Insurer** will pay for **Identity Monitoring Services**. **Identity Monitoring Services** will be provided by the **Insurer's** vendor, subject to a policy aggregate limit of \$5,000, which is in addition to the policy aggregate limit as indicated in Item 3(c) of the Declarations, and not be subject to a deductible.

### SECTION III. DEFINITIONS

**A. Application** means the application accepted for the issuance of this Policy by the **Insurer**, including any and all materials and information submitted to the **Insurer** in connection with such application.

- B. Business Impersonation** means the fraudulent communications (including but not limited to communications transmitted by website, email or phone call) from a third party designed to impersonate the **Insured Organization** or an individual **Insured**, with the goal of deceiving any individual, or any vendor or supplier of the **Insured Organization**, into sharing credentials or **Protected Information** with such third party.
- C. Business Impersonation Costs** means the costs to inform potentially impacted individuals, vendors or suppliers of a **Business Impersonation**.
- D. Business Interruption Loss** means **Income Loss** and **Extra Expense** incurred by the **Insured Organization** during the **Period of Recovery** which exceeds the **Waiting Period**, resulting from the actual and measurable interruption or suspension of the **Computer System** as a result of a **Network Security Incident**.
- E. Claim** means any: (1) written demand for money or non-monetary relief, written demand for arbitration or written request to toll or waive a statute of limitations received by the **Insured**; (2) civil proceeding in a court of law or equity, including any appeal therefrom, which is commenced by the filing of a complaint, motion for judgment or similar pleading, against the **Insured**; (3) administrative or regulatory investigation, inquiry, proceeding, prosecution or governmental actions against the **Insured** solely as respects to a **Privacy Incident**; or (4) written notice received by the **Insured** for **PCI Costs** from a third party, with whom the **Insured Organization** has entered into a **Payment Card Services Agreement**, as a result of actual or alleged non-compliance with the **PCI DSS**.
- F. Computer System** means computer hardware, software, firmware and associated input and output devices (including wireless and mobile devices), data storage devices, networking equipment and backup facilities that are leased, owned or operated by the **Insured Organization**.
- G. Contingent Business Interruption Loss** means **Income Loss** and **Extra Expense** incurred by the **Insured Organization** during the **Period of Recovery** which exceeds the **Waiting Period**, resulting from the actual and measurable interruption or suspension of a **Third Party Network** as a result of a **Network Security Incident**. **Contingent Business Interruption Loss** is subject to a policy aggregate limit as indicated in Item 3(a.1.) of the Declarations.
- H. Crisis Management** means public relations or crisis communication services for the purpose of protecting or restoring the reputation of, or mitigating financial harm to, an **Insured**.
- I. Cyber Crime Incident** means: (1) **Telecommunications Hack** or (2) **Social Engineering Attack**.
- J. Cyber Crime Loss** means: (1) charges incurred by the **Insured** from its telecommunications provider, directly resulting from a **Telecommunications Hack**; and (2) loss of funds directly resulting from a **Social Engineering Attack**. **Cyber Crime Loss** does not include any amounts reimbursed or reversed by a financial institution and is subject to a policy aggregate limit as indicated in item 3 (a.2.) of the Declarations.
- K. Data Restoration** means replacement, restoration, recreation or recovery of the **Insured's** data which are compromised as a direct result of a **Network Security Incident**. If such data is unable to be replaced, restored, recreated or recovered, then **Data Restoration** is limited to the costs to make this determination.
- L. Defense Expenses** means reasonable and necessary legal fees and legal expenses incurred in the investigation and defense of a **Claim**.
- M. Extortion Costs** means: (1) expenses to investigate the cause of an **Extortion Threat** and to discover if any **Privacy Incident** has occurred; and (2) payment amounts, including the actual costs to execute such payment amount (whether in digital currency or traditional currency) in response to an **Extortion Threat**.
- N. Extortion Threat** means a credible threat to cause a **Privacy Incident** or **Network Security Incident**.

- O. Extra Expense** means the costs incurred by the **Insured** in excess of its normal operating expenses to reduce or avoid **Income Loss**. **Extra Expense** does not include: (1) **Data Restoration**; (2) **System Restoration**; (3) the costs to replace, remediate or improve the **Computer System** other than the coverage provided in SECTION II. SUPPLEMENTAL COVERAGE B.; (4) costs to identify or remove software program errors, or to establish, implement or improve network or data security practices, policies or procedures; (5) costs or expenses that exceed the amount of **Income Loss** that is thereby reduced or avoided; and (6) consequential damages or penalties of any nature, however denominated, arising by contract.
- P. Forensics** means investigation and analysis of the **Computer System** to determine the cause and scope of a **Privacy Incident** or **Network Security Incident**. **Forensics** does not include **Incident Response**.
- Q. Identity Monitoring Services** means credit monitoring, identity monitoring or identity restoration services for a period of up to two years (or more if required by law) for individuals whose **Protected Information** was or may have been impacted as a direct result of a **Privacy Incident**.
- R. Incident Consultation** means necessary and reasonable costs charged by a law firm designated by the **Insurer** to provide immediate consultative services following the **Insured's** discovery of an actual or suspected **Privacy Incident** or **Network Security Incident**. **Incident Consultation** does not include **Incident Response**.
- S. Incident Response** means the costs and expenses charged by the law firm designated by the **Insurer** to coordinate the investigation and response efforts following **Privacy Incident** or **Network Security Incident**.
- T. Income Loss** means the **Insured Organization's** net profit before income taxes that the **Insured Organization** would have earned, or the net loss before income taxes the **Insured Organization** is unable to avoid, during the **Period of Recovery**.
- U. Insured** means the **Insured Organization** as well as any past, present or future: director, officer board member, trustee, owner, partner, principal, manager, and employee (including full time, part time, temporary, leased, seasonal and volunteer) but only for acts performed within the scope of their duties on behalf of the **Insured Organization**.
- V. Insured Organization** means **Named Insured** and any **Subsidiary**.
- W. Insurer** means the entity issuing this Policy listed on the Declarations.
- X. Interrelated Incident** means any **Privacy Incidents, Network Security Incidents, Cyber Crime Incidents** or **Media Incidents** that have as a common nexus any: (1) fact, circumstance, situation, event, transaction or cause; or (2) series of causally connected facts, circumstances, situations, events, transactions or causes.
- Y. Liability Expense** means: (1) **Defense Expenses**; (2) monetary damages the **Insured** becomes legally obligated to pay including pre-judgment interest, post judgment interests, judgments or settlements; (3) punitive, exemplary, or multiplied damages but only to the extent such damages are insurable under the applicable law most favorable to the insurability of such damages; (4) **Regulatory Costs**; and (5) **PCI Costs**. **Liability Expense** does not include: (1) **Loss Expense**; (2) taxes, the return or repayment of fees, deposits, commissions, royalties, future profits or charges for goods or services; (3) the costs incurred in the recall, re-performance or correction of services, content, goods or activities; costs to comply with injunctive or other non-monetary relief, including specific performance or any agreement to provide such relief; (4) liquidated damages pursuant to a contract, to the extent such amount exceeds the amount for which the **Insured Organization** would have been liable in the absence of such contract; or (5) matters which are uninsurable pursuant to the applicable law to which this Policy is construed.
- Z. Loss Expense** means the following necessary and reasonable costs charged by third party service providers with the **Insurer's** consent and which consent will not be unreasonably withheld: **Forensics, Notification, Identity Monitoring Services, Incident Response, Data Restoration, System Restoration, Extortion Costs, Business Impersonation Costs, and Crisis Management**. **Loss Expense** also means reimbursement of **Business Interruption Loss, Contingent Business Interruption Loss** and **Cyber Crime Loss**. **Loss Expense** does not include **Incident Consultation** or **Liability Expense**.

**AA. Media Incident** means any actual or alleged:

- (1) Defamation, slander, libel, or product disparagement alleged by a person or organization that claims to have been defamed, slandered or libeled, or by a person or organization that claims that his, her or its products have been disparaged;
- (2) Appropriation of name or likeness or publicity that places a person in a false light; or public disclosure of private facts;
- (3) Infringement of title, slogan, trademark, trade name, trade dress, service mark or service name;
- (4) Copyright infringement, plagiarism, or misappropriation of information or ideas; or
- (5) Improper deep linking or framing;

directly resulting from publication of content on the **Insured Organization's** website, in its printed material, or posted by or on behalf of the **Insured** on any social media site.

**BB. Named Insured** means the legal entity stated in Item 1 of the Declarations.

**CC. Network Security Incident** means the **Insured's** actual or alleged failure to prevent: (1) unauthorized access to or use of the **Computer System** or **Third Party Network**; (2) a denial of service attack upon or directed at the **Computer System** or **Third Party Network**; or (3) malicious code or computer virus created or transmitted by or introduced into the **Computer System** or **Third Party Network**.

**DD. Notification** means sending notice and providing call center services for individuals whose **Protected Information** was or may have been impacted as a direct result of a **Privacy Incident**.

**EE. Payment Card Services Agreement** means a written agreement between the **Insured Organization** and a financial institution, a payment card company or payment card processor which enables the **Insured Organization** to accept credit, debit, prepaid or other payment cards as payment for goods or services provided by the **Insured Organization**.

**FF. PCI Costs** means amounts the **Insured Organization** is legally obligated to pay under a **Payment Card Services Agreement** including: (1) monetary assessments; (2) fines; (3) penalties; (4) chargebacks; (5) reimbursements; (6) fraud recoveries; (7) forensic investigation; and (8) costs or expenses incurred in connection with a **PCI DSS** compliance audit. **PCI Costs** will not include any amount levied against the **Insured** for non-compliance with **PCI DSS** that continues after the **Insured** has notice of such non-compliance.

**GG. PCI DSS** means the Payment Card Industry Data Security Standards now in effect or as amended.

**HH. Privacy Incident** means any actual or alleged failure by:

- (1) the **Insured**;
- (2) a third party for whom the **Insured** is legally responsible; or
- (3) a service provider under written contract with the **Insured** to process, store or maintain **Protected Information** on behalf of the **Insured**

to prevent unauthorized access, unauthorized use, theft or misappropriation of **Protected Information**. **Privacy Incident** also means the violation of the **Insured Organization's** privacy policy unintentionally committed by the **Insured**.

- II. Period of Recovery** begins at the time of interruption or suspension of the **Computer System** and ends when the **Computer System** is restored, or in the exercise of due diligence and dispatch could have been restored, to the same functionality and level of service that existed prior to the interruption or suspension. In no event will the **Period of Recovery** exceed ninety (90) days.
- JJ. Protected Information** means: (1) any non-public personally identifiable information (including but not limited to personal health information), whether in electronic form, paper or otherwise as defined in any federal, state, local or foreign privacy protection law; and (2) any confidential or proprietary information of a third party provided to the **Insured** and protected under a previously executed confidentiality agreement for which the **Insured** is legally responsible to maintain in confidence.
- KK. Policy Period** means the period of time from the inception date of this Policy shown in the Declarations to the expiration date shown in the Declarations, or its earlier cancellation or termination date.
- LL. Regulatory Costs** means: (1) amounts paid to a consumer redress fund; (2) fines; or (3) penalties; imposed by a federal, state or foreign governmental entity in such entity's regulatory or official capacity, due to a **Privacy Incident**.
- MM. Social Engineering Attack** means the manipulation or deception, by an unauthorized third party, of a director, officer, board member, trustee, owner, partner, principal, manager, or employee of the **Insured Organization**, who is authorized to request or make payments on behalf of the **Insured Organization**. The manipulation or deception must be accomplished by the transmission of fraudulent communications by the unauthorized third party, and cause the director, officer, board member, trustee, owner, partner, principal, manager, or employee to transfer, pay or deliver the **Insured Organization's** money to an unintended third party recipient.
- NN. System Restoration** means the restoration of the **Computer System**, following a **Network Security Incident**, to the operational capacity level that existed immediately preceding such **Network Security Incident**.
- OO. Subsidiary** means any entity while the **Named Insured**: (1) owns more than 50% of such entity's outstanding voting securities, partnership or membership interests; (2) has the right to elect or appoint a majority of such entity's directors, officers, managers or trustees; or (3) has sole control over such entity's management structure pursuant to a written contract. **Subsidiary** also means any entity that is acquired by the **Insured Organization** during the **Policy Period** and whose record count or annual revenues do not exceed 15% of the **Insured Organization**.
- PP. Telecommunications Hack** means the infiltration and manipulation by a third party of the **Insured's** telephone or fax system in connection with its normal business activities
- QQ. Third Party Network** means computer hardware, software and networking equipment owned, leased or operated by an entity or individual, other than an **Insured**, and who is operating under contract with the **Insured Organization** to provide business process outsourcing services or information technology services in support of the **Insured Organization's** business operations.
- RR. Waiting Period** means the number of consecutive hours specified in Item 5. of the Declarations that immediately follows the interruption or suspension of the **Computer System** or a **Third Party Network** and will apply to each **Period of Recovery**.

#### SECTION IV. EXCLUSIONS

The **Insurer** will not make any payment for any **Loss Expense** or **Liability Expense** based upon, arising out of, directly or indirectly resulting from, or in the consequence of:

- A.** Any actual or alleged dishonest, fraudulent, criminal, or malicious, act, error or omission or willful violation of any statute or regulation by or with the knowledge of (1) the Owner, (2) President, (3) Chief Executive Officer, (4) Chief Operating Officer, (5) Chief Financial Officer, (6) Chief Information Officer, (7) Chief Technology Officer, (8) Chief Security Officer, (9) Chief Privacy Officer, (10) General Counsel, (11) Partner, (12) Director of Risk Management or any individual in a position functionally equivalent to any of the aforementioned 12 positions of the **Insured Organization**; provided,

however, that this exclusion will not apply to **Defense Expenses** until there is an admission, plea of no contest, a final non-appealable adjudication, binding arbitration or judgment in a proceeding establishing such conduct.

- B. Any actual or alleged remuneration, profit or other advantage to which the **Insured** is not legally entitled.
- C. Any actual or alleged physical injury, sickness, pain, suffering, disease or death of any person or physical damage to or destruction of any real or tangible property; however, this exclusion will not apply to coverage provided in Supplemental Coverage B., **HARDWARE RESTORATION**.
- D. Any actual or alleged loss, transfer or theft of monies, securities or the value of tangible properties; provided however, this exclusion will not apply to an otherwise covered **Cyber Crime Loss**.
- E. Any actual or alleged fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event.
- F. Any actual or alleged discharge, dispersal, release or escape of toxic chemicals, liquids or gases, waste materials, pollutants or any other contaminants.
- G. Any actual or alleged electrical or mechanical failure including utilities or telephone communications services not under the **Insured Organization's** operational control.
- H. Any actual or alleged violations of the Employee Retirement Income Security Act of 1974, the Securities Act of 1933, the Securities Exchange Act of 1934, any amendments thereto or any rules or regulations promulgated in connection therewith, or any derivative suit.
- I. Any actual or alleged infringement or violation of the following intellectual property rights: patent, trade secret, or software copyright. Nor will we make any payment for any **Liability Expense** based upon, arising out of, directly or indirectly resulting from, or in the consequence of a **Claim** alleging any **Privacy Incident, Network Security Incident** or **Media Incident** that is alleged in a **Claim** that also alleges infringement or violation of patent, trade secret or software copyright.
- J. Any actual or alleged reduction in economic or market value of any data.
- K. Any actual or alleged unsolicited communications, false advertising, deceptive trade practices, restraint of trade, unfair competition or antitrust violations. Nor will we make any payment for any **Liability Expense** based upon, arising out of, directly or indirectly resulting from, or in consequence of a **Claim** alleging any **Privacy Incident, Network Security Incident** or **Media Incident** that is alleged in a **Claim** that also alleges any actual or alleged unsolicited communications, false advertising, deceptive trade practices, restraint of trade, unfair competition or antitrust violations.
- L. Any actual or alleged employment practice violation or a **Claim** by or on behalf of any **Insured**; provided, however, that this exclusion will not apply to an otherwise covered **Claim** arising out of a **Privacy Incident**.
- M. Any: (1) **Claim, Privacy Incident, Network Security Incident, Cyber Crime Incident, Media Incident, Interrelated Incident**, fact, circumstance, transaction or event which has been the subject of any written notice given under any other policy before the inception date of this Policy; (2) prior or pending litigation, regulatory or administrative proceeding or any **Claim** of which the **Insured** had knowledge or received notice prior to the inception date of this Policy or, if this Policy is a renewal of another policy issued by the **Insurer**, the first such insurance policy issued to the **Named Insured** by the **Insurer** and continuously renewed until the inception date of this Policy; or (3) any matter that prior to the inception date of this Policy, or if this Policy is a renewal of another policy issued by the **Insurer**, the first such insurance policy issued to the **Named Insured** by the **Insurer** and continuously renewed until the inception date of this Policy, the **Insured** knew or reasonably should have known could lead to a **Claim, Loss Expense** or **Liability Expense**.

## SECTION V. GENERAL TERMS AND CONDITIONS

## A. Limit of Insurance and Deductible

The aggregate limit of insurance as indicated in Item 3(a) of the Declarations is the maximum the **Insurer** is obligated to pay for all **Loss Expense** covered by this policy. The aggregate limit of insurance as indicated in Item 3(b) of the Declarations is the maximum the **Insurer** is obligated to pay for all **Liability Expense** covered by this policy. The aggregate policy limit as indicated in Item 3(c) of the Declarations is the maximum the **Insurer** is obligated to pay under this policy for all **Loss Expense** and **Liability Expense** combined. The **Insurer's** obligation to pay any **Loss Expense** or **Liability Expense** is in excess of the applicable deductible as indicated in Item 4. Limits of insurance pursuant to SECTION II. SUPPLEMENTAL COVERAGE will be provided in addition to the aggregate policy limit.

## B. Defense and Settlement

The **Insurer** has the right and duty to defend, and the right to select counsel to defend an **Insured** against any **Claim**, even if the allegations of the **Claim** are groundless, false or fraudulent. The **Insurer's** duty to defend will cease upon of the exhaustion of the **Liability Expense** aggregate limit of liability as indicated in Item 3(b) of the Declarations. The **Insured** agrees not to make any payment, participate in any settlement, admit liability, assume obligation or incur any **Loss Expense** or **Liability Expense** without the prior written consent of the **Insurer**, which consent will not be unreasonably withheld. The **Insured** must provide the **Insurer** with full assistance and cooperation and must provide all information deemed necessary to investigate any **Privacy Incident**, **Network Security Incident** or **Media Incident**, settle any **Claim**, or pay any **Loss Expense** or **Liability Expense**.

## C. Notice

## 1. Notice to Insurer

As a condition precedent to coverage under this Policy, the **Insured** must provide written notice to the **Insurer** of any **Privacy Incident**, **Network Security Incident** or **Cyber Crime Incident** as soon as possible after the **Insured** is made aware of such **Privacy Incident**, **Network Security Incident** or **Cyber Crime Incident** but in no event more than ten (10) days after the **Privacy Incident**, **Network Security Incident** or **Cyber Crime Incident** is discovered by the **Insured**. The **Insured** will not incur any **Loss Expense** without the **Insurer's** consent.

As a condition precedent to coverage under this Policy, the **Insured** must provide written notice to the **Insurer** of any **Claim** as soon as possible after the **Insured** is made aware of such **Claim** but no later than sixty (60) days after the end of the **Policy Period** or end the Extended Reporting Period (if applicable). The **Insured** will not incur any **Liability Expense** without the **Insurer's** consent.

## 2. Notice of Circumstance

If, during the **Policy Period** or Extended Reporting Period (if applicable) any **Insured** first becomes aware of a **Privacy Incident**, **Network Security Incident** or **Media Incident** which may reasonably give rise to a future **Claim** under this Policy and gives written notice to the **Insurer** of:

- a) the nature of the **Privacy Incident**, **Network Security Incident** or **Media Incident**;
- b) the parties involved;
- c) the injury or damages that has or may result therefrom; and
- d) the circumstances by which the **Insured** first became aware thereof;

then any **Claim** arising out of an **Interrelated incident** that involves a **Privacy Incident**, **Network Security Incident** or **Media Incident** that is subsequently made against the **Insured** will be related back to and be deemed to have been made at the time any **Insured** gave such written notice of circumstances to the **Insurer**.

The **Insured** will provide written notice to the **Insurer** either to the mailing or email address set forth in Item 8. of the Declarations. Communication or assistance in connection with any **Incident Consultation** DOES NOT constitute Notice to **Insurer** or Notice of Circumstance under this Policy.

#### D. Proof of Loss

Requests for payment or reimbursement of **Loss Expense** incurred by the **Insured** will be accompanied by a proof of loss. Such proof of loss must include, in detail, how the costs were calculated, what assumptions have been made and will include any applicable reports, books of accounts, bills, invoices and other vouchers or proofs of payment made by the **Insured** in relation to such **Loss Expense**. Furthermore, the **Insured** will cooperate with, and provide any additional information reasonably requested by, the **Insurer** in its investigation of **Loss Expense**, including but not limited to the exercise of the **Insurer's** right to investigate and audit the proof of loss and inspect the records of an **Insured**.

**Business Interruption Loss** or **Contingent Business Interruption Loss** will be determined by taking full account and due consideration of an **Insured's** proof of loss in addition to business conditions affecting the **Insured Organization's** net profit, including net profit gained during the same period in the prior year, had the **Network Security Incident** not occurred. Under no circumstances will the determination include a potential increase in net profit the **Insured** may have earned as a result of an increase in the volume of the **Insured Organization's** business due to potential favorable business conditions.

We may examine any **Insured** under oath, while not in the presence of any other **Insured** and at such times as may be reasonably required, about any matter relating to this insurance or the **Claim**, including an **Insured's** books and records. In the event of an examination, an **Insured's** answers must be signed.

#### E. Extended Reporting Period

##### 1. Automatic Extended Reporting Period

If this Policy is cancelled or non-renewed for any reason other than non-payment of premium, the **Named Insured** will have an automatic Extended Reporting Period, for a period of sixty (60) days after the end of the **Policy Period**.

##### 2. Additional Extended Reporting Period

If this Policy is cancelled or non-renewed for any reason other than non-payment of premium, provided the **Insured** does not obtain replacement coverage as of the effective date of such cancellation or non-renewal, the **Named Insured** will have the right to purchase an Additional Extended Reporting Period within sixty (60) days after the end of the **Policy Period**. Such Additional Extended Reporting period will be for a period of 12 months after the end of the Automatic Extended Reporting Period and will be subject to an additional premium of 75% of the annualized premium. The Additional Extended Reporting Period is non-cancelable and the additional premium for the Additional Extended Reporting Period will be fully earned at the time of purchase.

The Extended Reporting Period does not increase or reinstate any limits of insurance and does not provide coverage for **Loss Expense** or **Liability Expense** from any **Privacy Incident**, **Network Security Incident**, **Cyber Crime Incident** or **Media Incident** which first takes place after the end of the **Policy Period**. A change in terms, conditions, exclusions or premiums of this Policy will not be considered a non-renewal for purposes of triggering the **Named Insured's** right to purchase an Additional Extended Reporting Period.

#### F. Cancellation and Non-Renewal

This Policy may be canceled by the **Named Insured** at any time by written notice to the **Insurer** requesting such cancellation and the effective date. Upon cancellation, the **Insurer** will retain the customary short-rate portion of the premium, unless otherwise provided by endorsement and as permitted by law. The Policy may be cancelled by the **Insurer** only if the **Named Insured** does not pay the premium when due. The **Insurer** will provide written notice to the **Named Insured** at the address shown in the Declarations stating when, not less than twenty (20) days thereafter, such



cancellation shall be effective. A copy of such cancellation notice by the **Insurer** will also be provided to the **Named Insured's** insurance agent or broker of record.

If the **Insurer** elects not to renew this Policy, the **Insurer** shall provide written notice thereof to the **Named Insured** at the address shown in the Declarations no less than sixty (60) days in advance of the expiration date of the **Policy Period**. A copy of such non-renewal notice by the **Insurer** shall also be provided to the **Named Insured's** insurance agent or broker of record.

#### G. Spouses, Domestic Partners, Estates and Legal Representatives

Coverage under this Policy will extend to any **Claim** resulting from any **Privacy Incident, Network Security Incident** or **Media Incident** made against the lawful spouse or domestic partner of an **Insured** as well as the estate, heir or legal representative of an **Insured** who is deceased or legally incompetent, insolvent or bankrupt; however, no coverage is provided for any act, error or omission of said spouse, domestic partner, estate, heir or legal representative. It is further understood that all terms and conditions of this Policy apply to such **Claim** made against an **Insured's** spouse, domestic partner, estate, heir or legal representative.

#### H. Application, Representations and Severability

The **Insured** represents that the particulars and statements contained in the **Application** are true, complete and accurate. The **Insured** agrees that this Policy was issued in reliance upon the truth of that representation and such particulars and statements, which are deemed to be incorporated into and constitute part of this Policy, are the basis of this Policy. In the event there is any material misrepresentation, untruth or other omission in connection with any of the statements of facts in the **Application** then this Policy will be void with respect to: (1) any **Insured** who knew of such misrepresentation, untruth or omission; and (2) the **Insured Organization** but only if the Owner, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Information Officer, Chief Technology Officer, Chief Security Officer, Chief Privacy Officer, General Counsel, Partner, Director of Risk Management, or any individual in a position functionally equivalent to any of those aforementioned positions of the **Insured Organization** knew of such misrepresentation, untruth or omission.

#### I. Subrogation

In the event of any payment under this Policy, and there is the ability to recover against any third party, it is agreed that the **Insured** tenders its rights of recovery to the **Insurer**. The **Insured** also agrees to assist the **Insurer** in exercising such rights. If prior to the **Privacy Incident, Network Incident, Cyber Crime Incident** or **Media Incident** connected with such payment, the **Insured** has agreed in writing to waive such rights of recovery against a third party, then the **Insurer** will not pursue its rights of recovery against said third party.

#### J. Other Insurance

If any **Loss Expense** covered by this Policy is also covered by any other valid and collectible policy with an applicable sublimit that is lower than the available limit under this Policy, then this Policy will apply as the primary policy.

If any **Claim** covered by this Policy is also covered by any other valid and collectible policy, then this Policy will only apply to the **Liability Expense** in excess of the amount of any deductible, retention or limit of insurance under such other policy whether such other policy is stated to be primary, contributory, excess, contingent or otherwise, unless such other policy is written specifically excess of this Policy.

#### K. Territory

The coverage provided under this Policy applies worldwide. However, coverage provided under this Policy does not apply to the extent that trade or economic sanctions or other similar laws or regulations prohibit the **Insurer** from providing coverage.

**L. Currency**

All **Loss Expense, Liability Expense**, premium, limits of liability, retention and any other amounts under this Policy are expressed and payable in the currency of the United States of America. If any settlement, judgement, **Loss Expense, Liability Expense** or any other amounts under this Policy are incurred, stated, determined or adjudicated in a currency other than United States dollars then payment shall be made in United States dollars at the rate of exchange published in the Wall Street Journal on the date the **Insurer** is obligated to pay such amount.

**M. Material Change**

If during the **Policy Period**, the **Named Insured** merges with or is acquired by another entity or a receiver, conservator, trustee, liquidator or rehabilitator is appointed to take control of, supervise, manage or liquidate the **Named Insured**, then the premium for the Policy is deemed to be fully earned and the Policy will continue in full effect until the expiration date of the Policy but only as respects a **Privacy Incident, Network Security Incident, Cyber Crime Incident** or **Media Incident** that first took place prior to the effective date of such merger, acquisition or appointment.

If during the **Policy Period**, an entity ceases to be a **Subsidiary** then coverage for such **Subsidiary** will continue in full effect until the expiration date of the Policy but only with respects to a **Privacy Incident, Network Security Incident, Cyber Crime Incident** or **Media Incident** that first took place prior to the date the entity ceased to be a **Subsidiary**.

**N. Assignment**

Assignment of interest under this Policy will not bind the **Insurer** unless its consent is endorsed hereon.

**O. Conformity to Law**

Any terms of this Policy in conflict with the terms of any applicable laws are hereby amended to conform to such laws.

**P. Legal Action Against the Insurer and Bankruptcy**

No action may be taken against the **Insurer** unless, as a condition precedent thereto, there has been full compliance with all the terms of this Policy and the amount of an **Insured's** obligation to pay has been finally determined either by judgment against an **Insured** after adjudicatory proceedings, or by written agreement of the **Named Insured**, the claimant and the **Insurer**. No legal action can be brought under this Policy against anyone other than by the **Named Insured**.

Bankruptcy or insolvency of any **Insured** or the estate of any **Insured** will not relieve the **Insurer** of its obligations under this Policy.

**Q. Representative of the Insured**

By acceptance of this Policy, the **Named Insured** will be designated to act on behalf of all **Insureds** for all purposes including the giving and receiving of all notices and correspondence, the cancellation or non-renewal of this Policy, the payment of premiums and the receipt of any return premiums that may be due under this Policy.

**R. Entire Agreement**

This Policy (including the Declarations, **Application** and any information provided therewith) and any written endorsements attached hereto constitute the entire agreement between the parties. The terms, conditions and limitations of this Policy can be waived or changed only by written endorsement.