



PHYSICIANS, SURGEONS AND DENTISTS PROFESSIONAL LIABILITY INSURANCE POLICY

eMed Defense Cyber Endorsement

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

Policy Number: PP-50004

Effective Date: 09/07/2011

Retroactive Date: 01/07/2021

This endorsement modifies insurance provided under:

eMed Defense Cyber Limit of Liability	\$25,000
eMed Defense Cyber Aggregate Limit	\$25,000
eMed Defense Cyber Sub-Limit for Fines & Penalties	\$10,000
EMed Defense Cyber Deductible	\$ 1,000
eMed Defense Cyber Retroactive Date	01/05/2021
eMed Defense Cyber Inception Date	09/07/2011
eMed Defense Cyber Expiration Date	09/07/2012
Endorsement Premium	\$250.00

NOTICE TO INSURER:

Puerto Rico Medical Defense Insurance Company
Chubb Building
#33 Resolución St.
San Juan, PR 00920

IT IS HEREBY UNDERSTOOD AND AGREED TO THAT THIS ENDORSEMENT INCLUDES ITS OWN TERMS, CONDITIONS AND COVERAGES AND DOES NOT CONSTITUTE A MODIFICATION OF THE INSURING AGREEMENT OF THE PHYSICIANS, SURGEONS AND DENTISTS PROFESSIONAL LIABILITY INSURANCE POLICY, MEANING THAT ALL ITS TERMS, CLAUSES, CONDITIONS AND COVERAGE WILL REMAIN IN EFFECT AS SET FORTH.

All provisions of the policy apply unless modified by this endorsement. With respect to the insurance afforded by this endorsement, the Limit of Liability shown in the Schedule above is not subject to or part of, and is in addition to, the Limits of Liability stated in the policy Declarations.

In consideration of the payment of the premium, and subject to the Declarations and the limitations, conditions, provisions and other terms of this endorsement, **We** and the **Insureds** agree as follows:

The following terms are added to the policy:

A. Privacy Breach Liability Coverage

We will pay for all **Loss** in excess of the Deductible set forth in the Declarations resulting from a **Claim** or **Suit** first made against you by an **Impacted Individual** during the **Endorsement Period** and first notified to **Us** by you in accordance with section **J.1.a.** of this endorsement, for an alleged **Privacy Breach**, to which this insurance applies; provided that such **Privacy Breach** first occurs on or after the **Retroactive Date**.



B. Security Breach Liability Coverage

We will pay for all **Loss** in excess of the Deductible set forth in the Declarations resulting from a **Claim** or **Suit** first made against you during the **Endorsement Period** and first notified to **Us** by you in accordance with section **J.1.a.** of this endorsement, for an alleged **Security Breach** to which this insurance applies; provided that the **Security Breach** first occurs on or after the **Retroactive Date**.

C. Breach Notice Response Services Coverage

We will provide you with **Breach Notice Response Services** in excess of the Deductible set forth in the Declarations for a **Privacy Breach** to which this insurance applies provided that: (1) the **Privacy Breach** first occurs during the **Endorsement Period**; (2) you comply with any **Breach Notice Law**; and (3) you notify **Us** in accordance with section **J.1.a.** of this endorsement.

D. Network Extortion Liability Coverage

We shall pay: (i) any **Extortion Monies** resulting from a **Credible Threat** in excess of the Deductible set forth in the Declarations exacted from you during the **Endorsement Period**, provided that you notify **Us** in accordance with section **J.1.a.** of this endorsement during the **Endorsement Period** or any optional extended reporting period; and (ii) reasonable costs and expenses associated with section **D.(i)** above.

E. Multimedia Liability Coverage

We will pay for all **Loss** in excess of the Deductible set forth in the Declarations resulting from a **Claim** or **Suit** first brought against you during the **Endorsement Period** and first notified to **Us** by you in accordance with section **J.1.a.** of this endorsement, for **Multimedia Perils** committed or alleged to have been committed on or after the applicable **Retroactive Date**.

F. Interrelated Events and Suits

Regardless of the number of **Insureds**, **Claims**, **Suits**, instances of unauthorized access to or unauthorized use of your **Computer System**, **Denial of Service Attacks**, thefts or loss of **Data** storage devices, hardware, attacks, and all **Interrelated Events** shall be considered a single **Privacy Breach** or a single **Security Breach**, such **Privacy Breach** or **Security Breach** shall be deemed to have first occurred on the date of the earliest **Privacy Breach** or **Security Breach**, and only the Limit of Liability for **Our** endorsement in effect, if any, on the date the first **Privacy Breach** or **Security Breach** occurred will apply to all **Loss** arising out of all **Interrelated Events** of one or more **Insureds**. All **Claims** or **Suits** arising out of **Interrelated Events**, shall be considered a single **Claim** or **Suit** regardless of the number of events, allegations, claimants, defendants or causes of action, and shall be deemed to be first made on the date the earliest of such **Claim** or **Suit** is first made, regardless of whether such date is before or during the **Endorsement Period**.

G. Defense of Suits

We will have the right and duty to defend the insured against any **Claim** or **Suit** seeking **Loss** to which this insurance applies even if the allegations of the **Claim** or **Suit** are groundless, false or fraudulent. However, **We** will have no duty to defend the insured against any **Claim** or **Suit** seeking amounts to which this insurance does not apply.

We may, at **Our** discretion, investigate and settle any **Claim** or **Suit** that may result. But:

1. The amounts **We** will pay under this endorsement are limited as described in Section **I.** below.
2. Our right and duty to defend end when **We** have used up the applicable Limit of Liability.
3. Once the Limit of Liability shown in the Declarations above is exhausted, **We** will have no further obligation to pay **Loss**, **Breach Notice Response Services**, **Extortion Monies**, or to undertake or continue the defense of any **Claim** or **Suit**. **We** will have the right to withdraw from the further defense of any **Claim** or **Suit** under this coverage by tendering control of the defense to you.



You will also be responsible for providing notification and **Credit Monitoring Services** to **Impacted Individuals** and may continue to utilize any vendors recommended by **Us** to provide such services.

H. Exclusions

This insurance does not apply to any **Loss, Claims or Suits; Extortion Monies**:

1. Alleging or arising out of any willful, deliberate, malicious, fraudulent, dishonest or criminal act, error or omission by an **Insured**, or any intentional or knowing violation of law, or intentional **Security Breach, Privacy Breach, or Multimedia Perils** by an **Insured**. This exclusion does not apply to **Claim Expense** incurred in defending an **Insured** against any such **Claim or Suit**, but **We** will have no obligation to pay any **Loss** for such conduct. However, if a court of competent jurisdiction or arbitrator determines that the **Insured's** conduct was willful, deliberate, malicious, fraudulent, dishonest or criminal, **We** will have the right to recover all **Claim Expense We** incurred to defend those **Insureds** found to have committed such conduct.

The **Insured** shall reimburse **Us** for all **Claim Expense** incurred defending the **Claim or Suit** and **We** shall have no further liability for **Claim Expense**. Such conduct shall not be imputed to the **Named Insured** if it occurs without the participation, knowledge, consent or acquiescence of any **Management Personnel**.

2. Made against an **Insured** alleging or arising out of any willful, deliberate, malicious, fraudulent, dishonest or criminal act, error or omission by such **Insured**, or any intentional or knowing violation of the law, or intentional **Security Breach, Privacy Breach or Multimedia Perils** by such **Insured**.
3. Brought by an entity which:
 - a. You own or partly own, operate, manage or in which you have an ownership interest in excess of 15%, or in which you are an officer or director, except this provision will not apply to a **Claim or Suit** that employee **Data** is the subject of a **Privacy Breach** or violation of a **Privacy Regulation**; or
 - b. Wholly or partly owns, operates, controls or manages you.
4. Alleging or arising out of any:
 - a. Physical injury, sickness, disease or death of any person, and if arising out of the foregoing, mental anguish or injury, pain and suffering, shock or emotional distress; or
 - b. Injury, impairment, destruction, corruption or distortion of any tangible property, including the loss of use of tangible property even when the tangible property has not itself been physically impaired, injured or destroyed.
5. Alleging or arising out of your insolvency, financial impairment or bankruptcy.
6. Alleging or arising out of any **Claim or Suit**, act, error, omission, circumstance, **Privacy Breach, Security Breach, Multimedia Perils, Interrelated Events** or potential **Claim or Suit** reported to a prior insurer.
7. Alleging or arising out of any act, error, omission, circumstance, vulnerability, **Privacy Breach, Security Breach, Multimedia Perils or Interrelated Events** if prior to the inception date of this endorsement, you knew, or reasonably could have foreseen, that such act, error, omission, circumstance, vulnerability, **Privacy Breach, Security Breach, Multimedia Perils or Interrelated Events** might form the basis of a **Claim or Suit** or potential **Claim or Suit**.
8. Alleging or arising out of any contractual liability or obligation, including without limitation, any liability assumed under contract, or alleging or arising out of or resulting from breach of contract or agreement, either oral or written, including without limitation, any breach of express warranty or guarantee.



9. Alleging or arising out of violation, misappropriation or infringement of any patent or trade secret.
10. Due to any actual or alleged electrical or mechanical breakdown, failure or interruption, disturbance, surge, spike, brownout or blackout; or outages to gas, water, telephone, cable satellite, telecommunications or other infrastructure comprising or supporting the **Internet** including service provided by the **Internet** service provider that hosts your website.
11. Alleging or arising out of any fire, smoke, explosion, lightning, wind, flood, surface water, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused.
12. Alleging or arising out of any existence, emission or discharge of any electromagnetic field, electromagnetic radiation or electromagnetism that actually or allegedly affects the health, safety or condition of any person or the environment, or that affects the value, marketability, condition or use of any property.
13. Alleging or arising out of any:

War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power.

14. Act of Terrorism.

We also exclude **Loss**, damage, cost or expense 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 **a.** and/or **b.** above.

15. Brought by or on behalf of the Federal Trade Commission, the Federal Communications Commission, or any other state, federal, local or foreign governmental entity, in such entity's regulatory or official capacity; provided, however, that this exclusion shall not apply to otherwise covered **Loss** under the **Privacy Breach Liability Coverage** or **Security Breach Liability Coverage** resulting from an otherwise covered **Claim** or **Suit** by the Office of Civil Rights of the U.S. Department of Health and Human Services.

16. Alleging or arising out of any of the following:

- a.** Trading losses, trading liabilities or change in value of accounts; any loss, transfer or theft of monies, securities or tangible property of others in your care, custody or control; or
- b.** The monetary value of any transactions or electronic fund transfers by you or on your behalf which is lost, diminished, or damaged during transfer from, into or between accounts.

17. Made by one **Insured** against another **Insured**. However, this exclusion does not apply to a **Claim** or **Suit** brought against you by your employee resulting from a **Privacy Breach** that is otherwise covered under Section **A. - Privacy Breach Liability Coverage** above.
18. Alleging or arising out of any wrongful employment practice, including, but not limited to harassment, hostile work environment, wrongful dismissal, discharge or termination, retaliation, wrongful disciplinary action, deprivation of career opportunity, failure to employ or promote, inadequate work place policies or procedures, or negligent evaluation of employees. However, this exclusion does not apply to any **Claim** or **Suit** resulting from a **Privacy Breach** that is otherwise covered.
19. Alleging or arising out of or any act, error or omission or breach of duty by any **Management Personnel** in the discharge of their duties if the **Claim** or **Suit** is brought by you or any of your principals, directors or officers, stockholders, members or employees in their capacity as such.

20. Alleging or arising out of the:



- a. Unauthorized collection or acquisition of **Personally Identifiable Information** by you, on your behalf, or with your consent or cooperation; or
- b. Failure to comply with a legal requirement to provide individuals with the ability to assent to or withhold assent (e.g. opt-in or opt-out) from the collection, disclosure or use of **Personally Identifiable Information**.

21. Alleging or arising out of the:

- a. Distribution of unsolicited email, direct mail or facsimiles, wiretapping, audio or video recording, or telemarketing by you or a third party on your behalf; or
- b. Violation of any federal, state or local statute, ordinance or regulation that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

22. Alleging or arising out of your activities as a trustee, partner, officer, director or employee of any employee trust, charitable organization, corporation, company or business other than the **Insured**.

23. Alleging or arising out of any false, deceptive or unfair trade practice or violation of any consumer protection laws; provided, however, that this exclusion shall not apply to an otherwise covered **Loss** under the **Privacy Breach Liability Coverage** or **Security Breach Liability Coverage** resulting from an otherwise covered **Claim** or **Suit** alleging a violation of the Health Insurance Portability and Accountability Act (HIPAA).

24. Alleging or arising out of any of the following:

- a. Any violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act or RICO), as amended, or any regulation promulgated thereunder or any similar federal law or legislation, or law or legislation of any state, province or other jurisdiction similar to the foregoing, whether such law is statutory, regulatory or common law;
- b. Any violation of any securities law, regulation or legislation, including but not limited to the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Act of 1940, any state or provincial blue sky or securities law, any other federal securities law or legislation, or any other similar law or legislation of any state, province or other jurisdiction, or any amendment to the above laws, or any violation of any order, ruling or regulation issued pursuant to the above laws;
- c. Any violation of the Fair Labor Standards Act of 1938, the National Labor Relations Act, the Worker Adjustment and Retraining Act of 1988, the Certified Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act of 1970, or any similar law or legislation of any state, province or other jurisdiction, or any amendment to the above law or legislation, or any violation of any order, ruling or regulation issued pursuant to the above laws or legislation;
- d. Any breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violation of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 as amended;
- e. Any violation of any local, state or federal laws concerning antitrust or restraint of trade, or any false, deceptive or misleading advertising, or any violation of the Sherman Antitrust Act, the Clayton Act, or the Robinson-Patman Act, as amended; or
- f. The knowing offshore movement, storage, processing or outsourcing of **Data** to a legal jurisdiction outside of the United States and its Territories by you or a third party on your behalf.

25. With respect to **Privacy Breach Liability Coverage**, **Security Breach Liability Coverage**, and **Multimedia Liability Coverage** alleging or arising out of any **Privacy Breach**, **Security Breach** or **Multimedia Perils** first occurring prior to the **Retroactive Date** of this endorsement.

26. Arising from your failure to realize or recognize income or revenue because of a **Security Breach**, **Privacy Breach** or **Multimedia Peril**.



27. Alleging or arising out any wireless access transmission (including without limitation WIFI or WIMAX) that is unencrypted or encrypted utilizing weak encryption.
28. Alleging or arising out of any use of or visit to social media, including without limitation any **Malicious Code** infection resulting from an individual's use of social media.

I. Limits of Liability

1. The Limit of Liability shown in the Declarations and the provisions below determine the most **We** will pay regardless of the number of:
 - a. **Insureds**;
 - b. **Claims or Suits** brought;
 - c. Persons or organizations making claims; or
 - d. **Privacy Breaches or Security Breaches**.
2. The Limit of Liability shown in the Declarations is the most **We** will pay for the sum of all **Loss, Breach Notice Response Services and Extortion Monies** covered by this endorsement. The Sublimit of Liability shown in the Declarations is the most **We** will pay for the sum of all **Loss** in the form of fines or penalties assessed against you by a regulatory or governmental body and covered by this endorsement.
3. The Limit of Liability applies in excess of the Deductible shown in the Declarations. The Deductible applies to payments for **Loss, Claim Expense, Breach Notice Response Services and Extortion Monies** covered by this endorsement. **We** will only be liable for **Loss, Claim Expense, Breach Notice Response Services and Extortion Monies** in excess of the Deductible. With respect to **Privacy Breach Liability Coverage, Security Breach Liability Coverage and Multimedia Liability Coverage**, the Deductible applies to each **Claim or Suit**. With respect to **Breach Notice Response Services Coverage** the Deductible applies to each **Privacy Breach**. With respect to **Cyber Terrorism**, the Deductible applies to each act of **Cyber Terrorism**. With respect to **Network Extortion Liability Coverage**, the Deductible applies to each instance **Extortion Monies** are exacted from you. **We** may pay any part or all the Deductible to settle or defend a **Claim or Suit**. You agree to promptly reimburse **Us** for any payments applicable to your Deductible.

J. Conditions

1. Duties in the event of **Privacy Breach, Security Breach, Credible Threat, Multimedia Perils, Cyber Terrorism, or Claim or Suit**
 - a. As a condition precedent to coverage in the event of **Credible Threats, Loss, Claims or Suits** and **Our** liability under the **Breach Notice Response Services Coverage** and the **Network Extortion Liability Coverage** sections of this endorsement, you must provide written notice to **Us** (using the contact information set forth in the Notice to Insurer on page 1 of this Endorsement as soon as practicable of any **Privacy Breach, Credible Threat, Security Breach, or act of Cyber Terrorism**.
 - b. As a condition precedent to coverage in the event of **Loss, Claims or Suits** and **Our** liability under the **Privacy Breach Liability Coverage, the Security Breach Liability Coverage, and the Multimedia Liability Coverage** sections of this endorsement, you must notify **Us** in writing (using the contact information set forth in the Notice to Insurer section of the Declarations) of any **Claim or Suit** against you as soon as practicable but in all events not later than: (i) the end of the **Endorsement Period** or Extended Reporting Period (if applicable); or (ii) within thirty (30) days after the end of the **Endorsement Period**, as long as such **Claim or Suit** was first made against you within the final thirty (30) days of the **Endorsement Period** and reported to **Us** no later than thirty (30) days after the date such **Claim or Suit** was first made against you.

To the extent possible, notice should include:



- (1) The circumstances surrounding the **Privacy Breach, Security Breach, Credible Threat, Multimedia Perils** or act of **Cyber Terrorism** including how, when, and where it took place;
- (2) The names and addresses of persons involved and any witnesses;
- (3) The nature of the harm resulting from the **Privacy Breach, Security Breach, Credible Threat, Multimedia Perils** or act of **Cyber Terrorism**;
- (4) The date the **Claim** or **Suit** was received (if relevant); and
- (5) An indication of the number of individuals that may be impacted, the type of information involved, and the actions taken to mitigate or contain the **Loss, Privacy Breach, Security Breach, Credible Threat, Multimedia Perils** or act of **Cyber Terrorism**.

c. You and any other involved **Insured** must:

- (1) Authorize **Us** to obtain records and other information;
- (2) Cooperate with **Us** in the investigation, settlement or defense of the **Claim, Suit, Privacy Breach, Security Breach, Credible Threat, Multimedia Perils** or act of **Cyber Terrorism**;
- (3) Assist **Us**, upon **Our** request, in the enforcement of any right against any person or organization which may be liable to an **Insured** because of **Loss** to which this insurance may also apply; and
- (4) Provide **Us** with a copy of or link to your relevant **Privacy Policy** and information security policy if applicable.

d. No **Insured** will, except at that **Insured's** own cost, voluntarily make a payment, assume any obligation, or incur any expense without **Our** consent.

e. It is a condition precedent to coverage under this endorsement that you obtain **Our** written consent before you admit liability, make any payment, assume any obligation, incur any expense, enter into any settlement, stipulate to any judgment or award, agreement or other means of disposing of any **Claim** or **Suit** or any portion of any claim.

2. The following Conditions are added:

a. Computer System Protection

(1) It is a condition, precedent to coverage under this endorsement that at all times during the **Endorsement Period** you or your independent contractor shall:

- (a) Maintain anti-virus software on any computer that is part of **Your Computer System** and update the protection at regular intervals but no less than at least once every 30 days;
- (b) Maintain firewalls on any computer that is part of **Your Computer System** and connected to the **Internet**; and
- (c) Take reasonable security precautions when processing, storing, or transmitting credit card payment **Data** or **Personally Identifiable Information**.

(2) It is a condition precedent to coverage under this endorsement arising out of any **Privacy Breach** or **Security Breach** involving a laptop computer, external hard-drive, thumb-drive, PDA, flash storage device, or storage device that such laptop computer, external hard-drive, thumb-drive, PDA, flash storage device, or **Data** storage device is subject to regular strong encryption processes and protected by reasonable access controls to prevent unauthorized access to such hardware.

b. Reimbursement

In the event of a determination that there is no coverage under this endorsement, you agree to reimburse **Us** for any and all **Loss** and **Breach Notice Response Services** that **We** paid for any **Privacy Breach, Claim** or **Suit** or portion of any **Privacy Breach, Claim** or **Suit** that was determined not to be covered.

K. Additional Services



The following **Additional Services** will reduce the available Limit of Liability and may exhaust it completely. Once the Limit of Liability shown in the Declarations is exhausted, **We** will have no further obligation to pay **Additional Services**:

1. Privacy Breach Management Services

In the event of a possible or actual **Privacy Breach** that may require you to comply with any **Breach Notice Laws**, **We** will provide you with **Privacy Breach Management Services** performed by the breach services consultants of **Our** choice. The possible or actual **Privacy Breach** must be reported to **Us** as soon as practicable after you first: (i) reasonably suspect; or (ii) actually discover, facts that reveal a potential or actual **Privacy Breach** has occurred.

Privacy Breach Management Services are available as needed for any one **Privacy Breach** for up to 12 consecutive months from the inception of the service. **Privacy Breach Management Services** are available to you regardless of whether you have actually suffered a **Privacy Breach** and whether or not an actual **Claim** or **Suit** under this endorsement results.

2. Identity Restoration Case Management Services

In the event of a **Privacy Breach** that requires you to comply with any **Breach Notice Laws**, **We** will provide **Identity Restoration** case management services performed by a **Fraud Specialist**.

Identity Restoration Case Management Services are available so long as any **Identity Fraud** related activity is first discovered by the **Impacted Individual** following a **Privacy Breach** under this endorsement.

Identity Restoration Case Management Services are available as needed for any **Identity Fraud** for up to 12 consecutive months from the inception of the service.

Identity Restoration Case Management Services are provided without regard to whether the person or persons committing the **Identity Fraud** are identified so long as the **Impacted Individual** is willing to complete a fraud victim affidavit and file a police report or incident report concerning the **Identity Fraud**.

3. Additional Services Definitions

a. **Fraud Specialist** means an expert who will assist in resolving the fraudulent use, or suspected fraudulent use, of personal information and to restore it to pre-incident status to the extent possible and feasible under the law. This assistance may include contacting credit reporting agencies, credit grantors, collection agencies and government agencies or other activities needed to restore the identity information of the **Impacted Individual**.

b. **Identity Fraud** means and includes any fraudulent activity associated with an **Account Takeover** or **Identity Theft** suffered by an **Impacted Individual**.

c. **Identity Restoration Case Management Services** means assistance to an **Impacted Individual** by a **Fraud Specialist** who will work on a one-on-one basis and provide help and guidance specific to the **Impacted Individual's** classification as an **Account Takeover** or **Identity Theft** victim.

d. **Privacy Breach Management Services** means those services provided to you including:

(1) **Proactive Breach Preparation Services** - Tools, educational material information or requests for information that can be used to instruct staff and prevent and prepare for a **Privacy Breach**.

(2) **Reactive Breach Response Services** - **We** will assist you with the handling and management of a **Privacy Breach**. Such assistance may include guidance about best practices, documentation, or the overall process of responding to the **Privacy Breach**. **We** may also assign breach services consultants to work directly with your breach management team, management or legal counsel.

(3) **Computer and Network Forensic Evaluation Consulting Services** - **We** will provide general consulting on technical aspects of the **Privacy Breach** including assistance with determining if and what type of specific computer and network forensics you should undertake. Computer and Network Forensic Evaluation



Consulting Services does not include the actual performance of digital forensic services on **Your Computer Systems** or networks and does not include suggestions or consulting regarding corrective actions to be taken by you to address inadequacies in **Your Computer System's** or network's security.

L. Definitions

1. **Account Takeover** means the takeover by a third party of one or more existing deposit accounts, credit card accounts, debit card accounts, ATM cards, or lines of credit in the name of an **Impacted Individuals**.
2. **Act of Terrorism** means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.
Act of Terrorism is not deemed to include **Cyber Terrorism**.
3. **Breach Notice Legal and Forensic Expenses** means:
 - a. Fees incurred for the services of a third-party computer forensics professional to conduct an investigation to identify whether **Data** containing **Personally Identifiable Information** was accessed by an unauthorized person as a result of a covered **Privacy Breach**; and
 - b. Attorney fees for an outside attorney to determine whether any **Breach Notice Laws** apply and the obligations of such applicable laws, and assist you to comply with such laws, including but not limited to drafting notice letters to **Impacted Individuals**.
4. **Breach Notice Law** means any governmental statute or regulation that requires an organization to provide notice to those individuals whose **Personally Identifiable Information** was, or was reasonably believed to have been, accessed by an unauthorized third party.
5. **Breach Notice Response Services** means any of the following expenses incurred by **Us**, or by you with **Our** prior written consent, with respect to **Impacted Individuals**:
 - a. **Breach Notice Legal and Forensic Expenses**;
 - b. **Notice Fulfillment Services** for **Privacy Breaches** requiring you to comply with any **Breach Notice Laws**; and
 - c. **Credit Monitoring Services** for **Privacy Breaches** requiring you to comply with any **Breach Notice Laws**.
6. **Claim** means:
 - a. Any demand for damages or compensation from you or;
 - b. Any written or verbal notice of any intention to commence any legal proceeding or arbitrations against you.
7. **Claim Expense** means only those reasonable legal fees, costs or expenses incurred by **Us** or you with **Our** prior written consent, to defend or investigate a **Claim** or **Suit**. **Claim Expense** does not include any salaries, overhead, lost productivity, or other internal costs, expenses or charges you incur; costs or expenses for mitigation of a **Privacy Breach** or **Security Breach**; the costs or expenses for or arising out of any security or privacy measures, controls, policies, procedures, assessments or audits; or the costs or expenses of any investigation of or compliance with any **Breach Notice Law**.
8. **Credible Threat** as provided by Coverage **D** means a threat to:
 - a. Release, divulge, disseminate, destroy or use **Your Digital Assets** acquired by unauthorized access or unauthorized use of **Your Computer System**;
 - b. Introduce **Malicious Code** into **Your Computer System**;
 - c. Corrupt, damage or destroy **Your Computer System**;



- d. Electronically communicate with your customers and falsely claim to be you or to be acting under your direction in order to falsely obtain personal confidential information of your customers (also known as 'pharming', 'phishing', or other types of false communications); or
- e. Restrict or hinder access to **Your Computer System**, including the threat of a criminal or malicious **Denial of Service Attack**.

- 9. **Credit Monitoring Services** means twelve (12) months of **Credit Monitoring Services** provided to each **Impacted Individual**, but only if such individual enrolls for and redeems such services. This endorsement does not cover any expenses related to or arising out of credit monitoring services where an **Impacted Individual** has not enrolled for and redeemed such services. Credit monitoring services notify an affected individual by e-mail when there is any change or suspicious activity on a credit record on file with a credit reporting agency.
- 10. **Cyber Terrorism** means an act or series of acts 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 but not limited to, the intention to influence any government and/or to put the public in fear for such purposes by using activities perpetrated electronically or otherwise that are directed toward the destruction, disruption or supervision of communication and information systems, infrastructure, computers, the **Internet**, telecommunications or electronic networks and/or its content thereof or sabotage and/or threat therefrom.
- 11. **Data** means machine-readable information, irrespective of the way it is used or rendered, including but not limited to, text, digital media or images.
- 12. **Denial of Service Attack** means an intentional and malicious attack by a third party intended by such to block or prevent access to **Your Computer System** or a third party's computer system if launched from **Your Computer System**.
- 13. **Extortion Monies** means monies payable by you, with **Our** prior written consent or paid by **Us** on your behalf, to a person(s) or entity (ies) believed to present a **Credible Threat** for the purpose of terminating such threat.
- 14. **Identity Theft** means a fraud committed or attempted by a third party using the identifying information of another person without authority and resulting in the creation of one or more new accounts, or a new identity in public records (such as a driver's license) or elsewhere.
- 15. **Impacted Individual** means an individual whose **Personally Identifiable Information** was compromised as a result of a **Privacy Breach**
- 16. **Insured** means:
 - a. You, Your, Yours
 - b. The **Named Insured** acting within the scope of duties in connection with its business;
 - c. Any subsidiary of the **Named Insured** if at the inception of, and throughout, the **Endorsement Period**, the **Named Insured** owns interests representing more than fifty percent (50%) of the voting, appointment or designation power for the selection of a majority of the Board of Directors of a corporation, the management committee members of a joint venture or partnership, or the members of the management board of a limited liability company (as applicable), and only with respect to conduct which takes place while it is a subsidiary of the **Named Insured**, that is within the scope of its duties in connection with its business, and otherwise covered by this endorsement; and
 - d. Any employee of the **Named Insured** or any entity in Part b. of this definition, but only with respect to acts within the scope of his or her employment by you.



17. **Internet** means the worldwide public network of computers which enables the transmission of electronic **Data** between different users, including private communications networks existing within a shared or public network platform.
18. **Interrelated Events** means **Claims, Suits, Privacy Breaches** or **Security Breaches** which arise out of or have as a common basis any:
- a. Related causes, circumstances, situations, events, transactions or facts;
 - b. Series of related causes, circumstances, situations, events, transactions or facts; or
 - c. Common pattern of conduct.

19. **Loss** means:

- a. Any amount which an **Insured** becomes legally obligated to pay as compensatory damages resulting from a **Claims** or **Suit** for a **Privacy Breach, Security Breach, or Multimedia Perils** (as applicable), to which this insurance applies and shall include judgments and settlements; and
- b. **Claim Expense**.

Loss shall not include:

- a. Fines and penalties, except otherwise covered fines and penalties assessed against you by a regulatory or governmental body to the extent they are insurable by law and not to exceed the Sublimit stated in Item 7a of the Declarations Page.
 - b. Taxes;
 - c. Punitive or exemplary damages or any damages that are multiples of compensatory or any other damages assessed against an **Insured**;
 - d. Equitable relief, injunctive relief, declarative relief or any other relief or recovery other than monetary amounts;
 - e. Any fine, penalty, cost, recovery amount, assessment or expense (including without limitation any VISA ADCR or Mastercard ADC assessments), arising out of or related to any **Privacy Breach** or **Security Breach** arising out of or, related to, or involving, any payment card information, including without limitation, debit, credit, gift or prepaid card information, or any primary account number, service code, expiration **Data**, magnetic stripe **Data**, CAV2/CVC2/CVV2/CID numbers, PIN/PIN Block; or
 - f. Amounts or matters which may be deemed uninsurable under the law pursuant to which the endorsement shall be construed.
20. **Malicious Code** means any virus, Trojan, worm or other similar malicious software program, code or script (including without limitation any of the foregoing that are specifically targeted or generally targeted at multiple computers or networks) intentionally designed to infect and harm a computer system, harm **Data** on a computer system, or steal **Data** from a computer system.
21. **Management Personnel** means your officers, directors, risk managers, partners, managing members of an LLC, or staff attorneys (including without limitation any CIO, CSO, CEO, COO, GC, CISO, or CFO), or any individual in a substantially similar position, or having substantially similar responsibilities, as the foregoing, irrespective of the exact title.
22. **Multimedia Perils** means the release of, or display of, any electronic media on your **Internet** site or **Print Media** for which you are solely responsible, which directly results in any of the following:
- a. Any form of defamation or other tort related to the disparagement or harm to the reputation or character of any person or organization, including libel, slander, product disparagement or trade libel, and infliction of emotional distress, mental anguish, outrage or outrageous conduct, if directly resulting from the foregoing;
 - b. Invasion, infringement or interference with an individual's right of privacy or publicity, including false light, intrusion upon seclusion, commercial misappropriation of name, person, or likeness, and public disclosure of private facts;



- c. Plagiarism or piracy;
- d. Infringement of copyright, trademark, trade name, trade dress, title, slogan, service mark or service name; or
- e. Domain name infringement or improper deep-linking or framing.

23. **Named Insured** means the Named **Insured** identified in the Declarations.
24. **Notice Fulfillment Services** means fulfillment services to provide notice to **Impacted Individuals** as required under applicable **Breach Notice Laws**, including printing services, email notice, media notice, mailing services and postage.
25. **Personally, Identifiable Information** means any of the following information in your care, custody and control, in electronic or paper form or media:
- a. A person's first and last name, or first initial and last name in combination with: social security number, passport number or any other national identification number; driver's license number or any other state identification number; medical or healthcare **Data** including protected health information; or any account number, credit or debit card number in combination with any required password or security code that would permit access to the financial account;
 - b. Non-public personal information as defined in any **Privacy Regulation**; or
 - c. An Internet Protocol (IP) address where utilizing reasonable knowledge means you can identify a specific individual with such IP address.
26. **Endorsement Period** means the period of insurance beginning on the Inception Date identified in the Declarations and ending on the earlier of the Expiration Date in the Declarations or the date the endorsement is cancelled or otherwise expires.
27. **Print Media** means newspapers, newsletters, magazines, books and literary works in any form, brochures or other types of publications, and advertising materials, including packaging, photographs and digital images.
28. **Privacy breach** means any of the following:
- a. Theft or loss of **Personally Identifiable Information** in your possession or control; or
 - b. Your negligent failure to destroy or delete personally identifiable information or allow a person to access or correct his or her personally identifiable information, in violation of your existing **Privacy Policy**.
29. **Privacy policy** means your written and publicly disclosed policies identifying your practices for the collection, use, disclosure, sharing, allowing of access to, and correction of **Personally Identifiable Information**.
30. **Privacy regulation** means any statute or regulation addressing the control, use or protection of **Personally Identifiable Information**.
31. **Programming Error** means an error which occurs during the development or encoding of a computer program, application or operating system and which would, when in operation, result in: (i) a malfunction of **Your Computer System** or processing system; (ii) interruption of operations; or (iii) an incorrect result.
32. **Retroactive date** means the retroactive date identified in the Declarations of this endorsement.
33. **Security Breach** means:
- a. The inability and failure of your existing technical or physical security measures of **Your Computer System** to prevent unauthorized access to or unauthorized use of **Your Computer System** or a **Denial of Service Attack**;



- b. Physical theft or loss of a **Data** storage device that results in unauthorized access to **Personally Identifiable Information**, including a laptop computer; or
- c. Transmission of **Malicious Code** from **Your Computer System** to a third party's computer system.

34. **Suit** means a civil proceeding in which damages because of: (i) a **Privacy Breach** (for **Privacy Breach Liability Coverage**); (ii) a **Security Breach** (for **Security Breach Liability Coverage**); or (iii) **Multimedia Perils**, to which this insurance applies are alleged; provided that **Suit** shall not mean any action by any state, federal, local or foreign governmental entity, in such entity's regulatory or official capacity, except for the Office of Civil Rights of the U.S. Department of Health and Human Services.

35. **We, Us or Our** means the insurer identified in the Declarations.

36. **Your Computer System** means any computer hardware, software or firmware, laptop computer, external hard-drive, thumb-drive, non-phone PDAs or flash storage device and components thereof including **Data** stored thereon, that is:

- a. Leased or owned, and which is under your direct operational control; or
- b. Under the direct operational control of an independent contractor that provides services on your behalf to your clients or customers; provided that such independent contractor has agreed pursuant to a written contract with you to fully indemnify you for any claims, loss and costs arising out of any unauthorized access or use of such computer hardware, software or firmware, components and **Data**.

Provided, however, **Your Computer System** does not mean or include any phone devices (including without limitation any smart phone) or any device or equipment leased to you or leased or sold by you.

37. **Your Digital Assets** means digitally stored content, or an online account owned by you. Digital assets do not include computer hardware.

M. Changes

The terms of this Endorsement shall not be waived or changed except by endorsement duly executed by an authorized representative of the Company, issued to form a part of this Endorsement, and agreed upon by the **Named Insured**. If changes apply upon renewal these must have been agreed with the **Named Insured** at least 30 days in advanced to the expiration date and written consent given by the **Named Insured**.

N. Cancellation

- a. This endorsement may be cancelled by you by surrender thereof to **Us** or by giving a written notice to **Us** through your broker stating when thereafter the cancellation shall be effective. **We** may cancel this endorsement by giving to you or via the broker a written notice stating when not less than 60 days thereafter such cancellation shall be effective. However, if **We** cancel this endorsement because you have failed to pay a premium when due, this endorsement may be cancelled by **Us** by giving a written notice of cancellation to you at the address in the **Named Insured** Address section of the Declarations, stating when not less than 10 days thereafter such cancellation shall be effective.
- b. If the **Named Insured** cancels, earned premiums shall be computed in accordance with the customary short rate procedure. If **We** cancel this policy, earned premium shall be computed pro rata.
- c. Non – Renewal: **Our** offer of renewal terms, conditions, limits of liability and/or premiums different from those of the expiring endorsement shall not constitute a refusal to renew. If the **Named Insured** exercises its right to purchase an **Optional Extended Reporting Period**, the Automatic Extended Reporting Period shall be deemed void from its inception date.

O. Extended Reporting Provisions

Solely with respect to the **Privacy Breach Liability Coverage** and **Security Breach Liability Coverage** as is provided by this endorsement, the following provisions apply:



a. Automatic Extended Reporting Period

If **We** or the **Named Insured** shall cancel or elect not to renew the coverage provided under this endorsement, you shall have the right following the effective date of such cancellation or nonrenewal to a period of sixty (60) days (herein referred to as the Automatic Extended Reporting Period) in which to give written notice to **Us** of **Claims** or **Suits** first made against you during the Automatic Extended Reporting Period for any **Privacy Breach** or **Security Breach** occurring prior to the end of the **Endorsement Period** and otherwise covered by this endorsement. The Automatic Extended Reporting Period shall not apply to **Claims** or **Suits** that are covered under any subsequent insurance you purchase or which is purchased for your benefit, or that would be covered by such subsequent insurance but for (1) the exhaustion of the amount of insurance applicable to such **Claims** or **Suits**, or (2) any applicable Deductible.

b. Optional Extended Reporting Period

If **We** or the **Named Insured** shall cancel or elect not to renew the coverage provided under this endorsement, you shall have the right to a period of up to two (2) years following the effective date of such cancellation or nonrenewal (herein referred to as the **Optional Extended Reporting Period**), upon payment of an additional premium of up to

- i. 85% of the full annual premium, for a period of one (1) year, or
- ii. 100% of the full annual premium, for a period of two (2) years,

in which to give written notice to **Us** of **Claims** or **Suits** first made against you during the Optional Extended Reporting Period for any **Privacy Breach** or **Security Breach** first occurring prior to the end of the **Endorsement Period** and otherwise covered by this endorsement.

As used herein, **Full Annual Premium** means the premium level as stated in the Declarations of this endorsement in effect immediately prior to the end of the **Endorsement Period**.

The rights contained in this clause shall terminate, however, unless the **Named Insured** of the endorsement provides written notice of such election together with the additional premium due to **Us** within thirty (30) days of the effective date of cancellation or non-renewal of the endorsement. The additional premium for the Optional Extended Reporting Period shall be fully earned at the inception of the Optional Extended Reporting Period. The Optional Extended Reporting Period is not cancelable. This clause and the rights contained herein shall not apply to any cancellation resulting from non-payment of premium.

The Limit of Liability for any applicable Extended Reporting Period shall be part of, and not in addition to, **Our** Limit of Liability set forth in the Declarations for this endorsement, and any applicable sublimit of liability.

P. Other Insurance

Refer to Other Insurance Clause as per Policy.

Q. Assignment

This endorsement may not be assigned to any party unless **We** consent in writing to the assignment.

R. Entire Agreement

By acceptance of the endorsement, you agree that this endorsement embodies all agreements between **Us** and you relating to this endorsement and the subject matter hereof, and supersedes and merges all prior or contemporaneous representations,



discussions, proposals, negotiations, conditions, communications and agreements, whether written or oral, between **Us** and you relating to this endorsement and the subject matter hereof.

S. Headings

The titles of paragraphs, section, provisions, or endorsements of or to this endorsement 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 the endorsement.

T. Violation of Economic or Trade Sanctions

This endorsement does not provide coverage to the extent that trade or economic sanctions or other similar laws or regulations prohibit the Insurer from providing insurance.