



Lloyd's Certificate

This Insurance is effected with certain Underwriters at Lloyd's, London.

This Certificate is issued in accordance with the limited authorization granted to the Correspondent by certain Underwriters at Lloyd's, London whose syndicate numbers and the proportions underwritten by them can be ascertained from the office of said Correspondent (such Underwriters being hereinafter called "Underwriters") and in consideration of the premium specified herein, Underwriters hereby bind themselves severally and not jointly, each for his own part, and not one for another, their Executors and Administrators.

The Assured is requested to read this Certificate, and if it is not correct, return it immediately to the Correspondent for appropriate alteration.

All inquiries regarding this Certificate should be addressed to the following Correspondent:



16501 Ventura Blvd. Suite 200 Encino, CA 91436
LIC #0677191 · NASinsurance.com

CERTIFICATE PROVISIONS

- 1. Signature Required.** This certificate shall not be valid unless signed by the Correspondent on the attached Declaration Page.
- 2. Correspondent Not Insurer.** The Correspondent is not an Insurer hereunder and neither is nor shall be liable for any loss or claim whatsoever. The Insurers hereunder are those individual Underwriters at Lloyd's, London whose names can be ascertained as hereinbefore set forth.
- 3. Cancellation.** If this certificate provides for cancellation and this certificate is cancelled after the inception date earned premium must be paid for the time the insurance has been in force.
- 4. Service of Suit.** It is agreed that in the event of the failure of Underwriters to pay any amount claimed to be due hereunder, Underwriters, at the request of any person or entity insured hereunder, will submit to the jurisdiction of any court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be deemed to constitute a waiver of Underwriters' right to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court, as permitted by the laws of the United States or of any state, territory, or district in the United States. It is further agreed that service of process in such suit may be made upon the firm or person named on the attached Declaration Page and that in such suit instituted against any one of them upon this Policy, Underwriters will abide by the final decision of such court or of any appellate court in the event of an appeal.

The above-named party is authorized and directed to accept service on behalf of Underwriters in any such suit upon the request of any person or entity to enter a general appearance on behalf of Underwriters in the event such a suit shall be instituted.

Further, pursuant to the applicable statute of any state, territory or district of the United States, Underwriters shall designate the Superintendent, Commissioner or Director of Insurance or other officer specified for the purpose in the statute or any successor in office, as Underwriters' true and lawful attorney, upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of any person or entity insured hereunder or any beneficiary hereunder arising out of this Policy, and hereby designate the firm or person named on the attached Declaration Page as the party to whom such officer is authorized to mail such process.
- 5. Assignment.** This certificate shall not be assigned either in whole or in part without the written consent of the Correspondent endorsed hereon.
- 6. Attached Conditions Incorporated.** This certificate is made and accepted subject to all the provisions, conditions and warranties set forth herein, attached, or endorsed, all of which are to be considered as incorporated herein.
- 7. Complaints.** Any questions or concerns regarding services provided under this certificate should be directed to Correspondent, Attn: Compliance Department, 16501 Ventura Boulevard, Suite 200, Encino, CA 91436, (818) 382-2030, compliance@nasinsurance.com.
- 8. Short Rate Cancellation.** If the attached provisions provide for cancellation, the table below will be used to calculate the short rate proportion of the premium when applicable under the terms of cancellation.

Short Rate Cancellation Table For Term of One Year

Days Insurance in Force	Per Cent of One Year Premium	Days Insurance in Force	Per Cent of One Year Premium	Days Insurance in Force	Per Cent of One Year Premium	Days Insurance in Force	Per Cent of One Year Premium
1	5%	66 – 69	29%	154 – 156	53%	256 – 260	77%
2	6	70 – 73	30	157 – 160	54	261 – 264	78
3 – 4	7	74 – 76	31	161 – 164	55	265 – 269	79
5 – 6	8	77 – 80	32	165 – 167	56	270 – 273	(9 mos.) 80
7 – 8	9	81 – 83	33	168 – 171	57	274 – 278	81
9 – 10	10	84 – 87	34	172 – 175	58	279 – 282	82
11 – 12	11	88 – 91	(3 mos.) 35	176 – 178	59	283 – 287	83
13 – 14	12	92 – 94	36	179 – 182	(6 mos.) 60	288 – 291	84
15 – 16	13	95 – 98	37	183 – 187	61	292 – 296	85
17 – 18	14	99 – 102	38	188 – 191	62	297 – 301	86
19 – 20	15	103 – 105	39	192 – 196	63	302 – 305	(10 mos.) 87
21 – 22	16	106 – 109	40	197 – 200	64	306 – 310	88
23 – 25	17	110 – 113	41	201 – 205	65	311 – 314	89
26 – 29	18	114 – 116	42	206 – 209	66	315 – 319	90
30 – 32	(1 mo.) 19	117 – 120	43	210 – 214	(7 mos.) 67	320 – 323	91
33 – 36	20	121 – 124	(4 mos.) 44	215 – 218	68	324 – 328	92
37 – 40	21	125 – 127	45	219 – 223	69	329 – 332	93
41 – 43	22	128 – 131	46	224 – 228	70	333 – 337	(11 mos.) 94
44 – 47	23	132 – 135	47	229 – 232	71	338 – 342	95
48 – 51	24	136 – 138	48	233 – 237	72	343 – 346	96
52 – 54	25	139 – 142	49	238 – 241	73	347 – 351	97
55 – 58	26	143 – 146	50	242 – 246	(8 mos.) 74	352 – 355	98
59 – 62	(2 mos.) 27	147 – 149	51	247 – 250	75	356 – 360	99
63 – 65	28	150 – 153	(5 mos.) 52	251 – 255	76	361 – 365	(12 mos.) 100

Rules applicable to insurance with terms less than or more than one year:

- A. If insurance has been in force for one year or less, apply the short rate table for annual insurance to the full annual premium determined as for insurance written for a term of one year.
- B. If insurance has been in force for more than one year:
 1. Determine full annual premium as for insurance written for a term of one year.
 2. Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata earned premium on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the policy was originally written.
 3. Add premium produced in accordance with items (1) and (2) to obtain earned premium during full period insurance has been in force.

This Declaration Page is attached to and forms part of certificate provisions (Form SLC-3).

Previous No.	NEW	Authority Ref. No.	B6089PRW201818 B	Certificate No.	1129395
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e-MD®/MEDEFENSE® PLUS POLICY

THIS CERTIFICATE IS WRITTEN ON A CLAIMS-MADE AND REPORTED BASIS. EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS POLICY COVERS ONLY CLAIMS FIRST MADE DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD, IF APPLICABLE, AND REPORTED TO THE UNDERWRITERS NO LATER THAN SIXTY (60) DAYS AFTER THE CLAIM IS FIRST MADE. ALL CLAIMS ARE SUBJECT TO THE APPLICABLE LIMITS OF LIABILITY AND THE APPLICABLE RETENTION(S). PLEASE NOTE THAT THE LIMITS OF LIABILITY FOR NAMED COVERAGES I., II., III. AND IX. INCLUDE CLAIM EXPENSES. PLEASE REVIEW THE COVERAGE AFFORDED UNDER THIS INSURANCE POLICY CAREFULLY AND DISCUSS THE COVERAGE HEREUNDER WITH YOUR INSURANCE AGENT OR BROKER.

Item 1. **Named Insured:** Existential-Humanistic Institute, Inc.
Principal Address: 1368 Lincoln Ave. #214
San Rafael, California 94901

Item 2. **Policy Period:** February 08, 2020 to February 08, 2021
both days at 12:01 a.m. standard time at the Principal Address stated in Item 1

Item 3. **Named Coverage(s) Purchased (☒):**
You have purchased some or all of the following Named Coverages. Only those Named Coverage(s) that specify a Limit of Liability in Item 4 have been purchased. If a Named Coverage has not been purchased, that portion of this Policy does not apply.

- ☒ I. Multimedia Liability
- ☒ II. Security and Privacy Liability
- ☒ III. Privacy Regulatory Defense and Penalties
- ☒ IV. Privacy Breach Response Costs, Notification Expenses, and breach Support and Credit Monitoring Expenses
- ☒ V. BrandGuard®
- ☒ VI. Network Asset Protection
- ☒ VII. Cyber Extortion
- ☒ VIII. Cyber Terrorism
- ☐ IX. MEDEFENSE® Plus

Item 4. **Limits of Liability**

A. Limits of Liability for Named Coverage(s) Purchased:

	Each Claim	Aggregate
I. Multimedia Liability	\$1,000,000.00	\$1,000,000.00
II. Security and Privacy Liability	\$1,000,000.00	\$1,000,000.00
III. Privacy Regulatory Defense and Penalties	\$1,000,000.00	\$1,000,000.00
IV. Privacy Breach Response Costs, Notification Expenses, and Breach Support and Credit Monitoring Expenses	\$1,000,000.00	\$1,000,000.00
Proactive Privacy Breach Response Costs Sublimit	\$25,000.00	\$25,000.00
Voluntary Notification Expenses Sublimit	\$1,000,000.00	\$1,000,000.00
V. BrandGuard	\$1,000,000.00	\$1,000,000.00
VI. Network Asset Protection	\$1,000,000.00	\$1,000,000.00
VII. Cyber Extortion	\$1,000,000.00	\$1,000,000.00
VIII. Cyber Terrorism	\$1,000,000.00	\$1,000,000.00
IX. MEDEFENSE Plus	NIL	NIL

Note: The Proactive Privacy Breach Response Costs Sublimit and the Voluntary Notification Expenses Sublimit are part of, and not in addition to, the Limit of Liability for Named Coverage IV.

B. Maximum Policy Aggregate Limit of Liability: \$1,000,000.00

- Item 5. **Retention, Co-insurance, Waiting Period and Period of Indemnity:**
- | | |
|---|--------------------------------------|
| I. Multimedia Liability | None each Claim |
| II. Security and Privacy Liability | None each Claim |
| III. Privacy Regulatory Defense and Penalties | None each Claim |
| IV. Privacy Breach Response Costs, Notification Expenses, and Breach Support and Credit Monitoring Expenses | None each Claim |
| V. BrandGuard | |
| Waiting Period: | 2 week |
| Period of Indemnity: | 6 months |
| VI. Network Asset Protection | |
| A. Data Recovery | |
| Digital Assets Loss | None each Claim |
| Special Expenses | 10% co-insurance each and every loss |
| B. Non-Physical Business Interruption and Extra Expense | 8 hour waiting period |
| VII. Cyber Extortion | None each Claim |
| VIII. Cyber Terrorism | 8 hour waiting period |
| IX. MEDEFENSE Plus | Not Applicable each Claim |
- Item 6. **Retroactive Date:**
- | | |
|---|--------------------------------------|
| I. Multimedia Liability | None. Unknown prior acts are covered |
| II. Security and Privacy Liability | None. Unknown prior acts are covered |
| III. Privacy Regulatory Defense and Penalties | None. Unknown prior acts are covered |
| IV. Privacy Breach Response Costs, Notification Expenses, and Breach Support and Credit Monitoring Expenses | None. Unknown prior acts are covered |
| V. BrandGuard | None. Unknown prior acts are covered |
| VI. Network Asset Protection | None. Unknown prior acts are covered |
| VII. Cyber Extortion | None. Unknown prior acts are covered |
| VIII. Cyber Terrorism | None. Unknown prior acts are covered |
| IX. MEDEFENSE Plus | Not Applicable |
- Item 7. **Premium:** \$5,000.00
- Item 8. **Endorsements:**
1. E1818NIE-0111 Nuclear Incident Exclusion Clause
 2. E1818US-0315 U.S. Treasury Department's Office of Foreign Assets Control (OFAC) Advisory Notice to Policyholders
 3. E1818CEP-0816 PCI DSS Assessment Extension
 4. E1818CEDI-1115 Cyber Crime Coverage
 5. E1856J-1117 Policyholder Disclosure Notice of Terrorism Insurance Coverage
 6. E1818CEF-0211 Manuscript
- Item 9. **Notification under the Certificate shall be given to:**
 NAS Insurance Services, LLC
 16501 Ventura Blvd., Suite 200
 Encino, CA 91436
 (888) 627-8995
- Item 10. Policy form **P1818CE-0115** and Application form and Warranty dated February 08, 2020 are hereby attached and made a part of this Policy. **Wherever in any of the forms, clauses or conditions of this insurance the word "Policy" appears, this shall be deemed to be "Certificate".**

Insurance is effected with certain UNDERWRITERS AT LLOYD'S, LONDON (100%)

Item 11. **Service of Suit:**

FLWA Service Corp., c/o Foley & Lardner LLP, 555 California Street, Suite 1700, San Francisco, CA 94104-1520

Dated February 08, 2020

NAS INSURANCE SERVICES, LLC

By: _____



Correspondent

NOTICE:

- 1. The insurance policy that you are applying to purchase is being issued by an insurer that is not licensed by the State of California. These companies are called "nonadmitted" or "surplus line" insurers.**
- 2. The insurer is not subject to the financial solvency regulation and enforcement that apply to California licensed insurers.**
- 3. The insurer does not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.**
- 4. The insurer should be licensed either as a foreign insurer in another state in the United States or as a non-United States (alien) insurer. You should ask questions of your insurance agent, broker, or "surplus line" broker or contact the California Department of Insurance at the toll-free number 1-800-927-4357 or internet website www.insurance.ca.gov. Ask whether or not the insurer is licensed as a foreign or non-United States (alien) insurer and for additional information about the insurer. You may also visit the NAIC's internet website at www.naic.org. The NAIC-the National Association of Insurance Commissioners-is the regulatory support organization created and governed by the chief insurance regulators in the United States.**
- 5. Foreign insurers should be licensed by a state in the United States and you may contact that state's department of insurance to obtain more information about that insurer. You can find a link to each state from this NAIC internet website: https://naic.org/state_web_map.htm.**
- 6. For non-United States (alien) insurers, the insurer should be licensed by a country outside of the United States and should be on the NAIC's International Insurers Department (IID) listing of approved**

- 7. California maintains a "List of Approved Surplus Line Insurers (LASLI)." Ask your agent or broker if the insurer is on that list, or view that list at the internet website of the California Department of Insurance: www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm.**
- 8. If you, as the applicant, required that the insurance policy you have purchased be effective immediately, either because existing coverage was going to lapse within two business days or because you were required to have coverage within two business days, and you did not receive this disclosure form and a request for your signature until after coverage became effective, you have the right to cancel this policy within five days of receiving this disclosure. If you cancel coverage, the premium will be prorated and any broker's fee charged for this insurance will be returned to you.**

D-2 (Effective January 1, 2020)

e-MD®/MEDEFENSE® Plus Policy

Important Notice

This Policy contains one or more coverages. This is a **claims-made-and-reported** policy. This Policy will only cover **claims** first made during the **policy period** or any **extended reporting period**, if applicable, and reported to the Underwriters in accordance with Section 11 of this Policy. All **claims** are subject to the applicable Limits of Liability, **retention(s)**, co-insurance, **waiting period**, and **period of indemnity** set forth in Items 4 and 5 of the Declarations. Note that the Limits of Liability for Named Coverages I, II, III, and IX include **claim expenses**.

All amounts paid under this Policy, including **claim expenses**, will reduce the applicable Limits of Liability and the Maximum Policy Aggregate Limit of Liability.

Throughout this Policy, the words “we”, “us”, and “our” refer to the Underwriters providing this insurance. The words “you” and “your” refer to the **Named Insured**. The word “**Insured**” means any person or organization qualifying as such in Section 6 of this Policy (Who is Insured). Terms that appear in bold face type are defined in Section 7 of this Policy (Definitions).

Please review the coverage(s) afforded under this Policy carefully and discuss with your insurance agent or broker.

1. Named Coverages

The **Named Insured** has purchased some or all of the following Named Coverages. Named Coverages I, II, III and IX provide third-party coverage on a **claims-made-and-reported** basis. Named Coverages IV, V, VI, VII and VIII provide certain first-party coverages. Please refer to Item 3 of the Declarations which shows the Named Coverage(s) the **Named Insured** has purchased. If a Named Coverage(s) has not been purchased, that portion of this Policy will not apply.

In consideration of the payment of the premium, and in reliance upon all statements made and information furnished by you to the Underwriters, including all statements made in the **application**, its attachments and the material incorporated therein, which is deemed to be a part of this Policy, the Underwriters agree as follows:

Named Coverage I: Multimedia Liability

The Underwriters will pay on behalf of an **Insured** the sums in excess of the **retention** and within the applicable Limits of Liability that such **Insured** becomes legally obligated to pay as **damages**, including liability **assumed under contract**, and related **claim expenses** resulting from a **claim** for an actual or alleged **multimedia wrongful act**, provided that 1) the **claim** is first made against the **Insured** during the **policy period** or the **extended reporting period** (if applicable), 2) the **claim** is reported to the Underwriters in writing in accordance with Section 11 of this Policy, and 3) the entirety of the **multimedia wrongful act** takes place on or after the applicable **retroactive date**.

Named Coverage II: Security and Privacy Liability

The Underwriters will pay on behalf of an **Insured** the sums in excess of the **retention** and within the applicable Limits of Liability that such **Insured** becomes legally obligated to pay as **damages**, including liability **assumed under contract**, and related **claim expenses** resulting from a **claim** for an actual or alleged **security and privacy wrongful act**, provided that 1) the **claim** is first made against the **Insured** during the **policy period** or the **extended reporting period** (if applicable), 2) the **claim** is reported to the Underwriters in writing in accordance with Section 11 of this Policy, and 3) the entirety of the **security and privacy wrongful act** takes place on or after the applicable **retroactive date**.

Named Coverage III: Privacy Regulatory Defense and Penalties

The Underwriters will pay on behalf of an **Insured** the sums in excess of the **retention** and within the applicable Limits of Liability that such **Insured** becomes legally obligated to pay as a **regulatory compensatory award** or **regulatory fines and penalties** (to the extent insurable by law) and related **claim expenses** resulting from a **privacy regulatory proceeding** instituted against the **Insured** because of a **security breach** or **privacy breach**, provided that 1) the **privacy regulatory proceeding** is instituted against the **Insured** during the **policy period** or the **extended reporting period** (if applicable), 2) the **privacy regulatory proceeding** is reported to the Underwriters in writing in accordance with Section 11 of this Policy, and 3) the entirety of the **security breach** or **privacy breach** occurs on or after the applicable **retroactive date**.

Named Coverage IV: Privacy Breach Response Costs, Notification Expenses, and Breach Support and Credit Monitoring Expenses

The Underwriters will indemnify the **Named Insured** or a **Subsidiary** for **privacy breach response costs**, **notification expenses**, and **breach support and credit monitoring expenses** that such **Named Insured** or **Subsidiary** incurs in excess of the **retention** and within the applicable Limits of Liability because of an **adverse media report**, **security breach** or **privacy breach**, provided that 1) a **claim** is first made during the **policy period** or the **extended reporting period** (if applicable), 2) the entirety of the **adverse media report**, **security breach** or **privacy breach** occurs on or after the applicable **retroactive date**, and 3) the **adverse media report**, **security breach** or **privacy breach** is reported to the Underwriters in writing in accordance with Section 11 of this Policy .

Named Coverage V: BrandGuard®

Subject to the applicable Limits of Liability, the Underwriters will indemnify the **Named Insured** or a **Subsidiary** for provable and ascertainable **brand loss** that such **Named Insured** or **Subsidiary** sustains after the **waiting period**, but during the **period of indemnity** as a direct result of an **adverse media report** or **notification**, provided that 1) a **claim** is first made during the **policy period** or the **extended reporting period** (if applicable), 2) the **adverse media report** or **notification** occurs during the **policy period**, 3) the **adverse media report** or **notification** results from a **security breach** or **privacy breach**, 4) the entirety of the **security breach** or **privacy breach** occurs on or after the

applicable **retroactive date**, 5) the **brand loss** is reported to the Underwriters in writing during the **period of indemnity**, and 6) the **Named Insured** or **Subsidiary** provides clear evidence that the **brand loss** directly resulted from the **adverse media report** or **notification**.

Named Coverage VI: Network Asset Protection

A. Data Recovery

Subject to the applicable **retention**, co-insurance and Limits of Liability, the Underwriters will indemnify the **Named Insured** or a **Subsidiary** for **digital assets loss** and **special expenses** that such **Named Insured** or **Subsidiary** incurs because of damage, alteration, corruption, distortion, theft, misuse, or destruction of **digital assets** that is clearly and directly caused by a **covered cause of loss**, provided that 1) a **claim** is first made during the **policy period** or the **extended reporting period** (if applicable), 2) the entirety of the **covered cause of loss** occurs and is discovered by the Chief Information Officer, Chief Technology Officer, Chief Security Officer, Risk Manager, or General Counsel of the **Named Insured** or **Subsidiary** during the **policy period**, and 3) the **covered cause of loss** is reported to the Underwriters in writing in accordance with Section 11 of this Policy. **Digital assets loss** and **special expenses** will be reimbursed for a period of up to twelve (12) months following the discovery of the damage, alteration, corruption, distortion, theft, misuse, or destruction of **digital assets**, unless specified otherwise by endorsement to this Policy.

B. Non-Physical Business Interruption and Extra Expense

Subject to the applicable Limits of Liability, the Underwriters will indemnify the **Named Insured** or a **Subsidiary** for **income loss**, **interruption expenses**, and **special expenses** that such **Named Insured** or **Subsidiary** incurs after the **waiting period**, but during the **period of restoration** because of a total or partial interruption, degradation in service, or failure of the **Named Insured's computer system** that is clearly and directly caused by a **covered cause of loss**, provided that 1) a **claim** is first made during the **policy period** or the **extended reporting period** (if applicable), 2) the entirety of the **covered cause of loss** occurs and is discovered by the Chief Information Officer, Chief Technology Officer, Chief Security Officer, Risk Manager or General Counsel of the **Named Insured** or **Subsidiary** during the **policy period**, and 3) the **covered cause of loss** is reported to the Underwriters in writing in accordance with Section 11 of this Policy.

Named Coverage VII: Cyber Extortion

Subject to the applicable **retention** and Limits of Liability, the Underwriters will indemnify the **Named Insured** or a **Subsidiary** for **cyber extortion expenses** and **cyber extortion monies** that such **Named Insured** or **Subsidiary** pays as a direct result of a **cyber extortion threat**, provided that 1) a **claim** is first made during the **policy period** or the **extended reporting period** (if applicable), 2) the entirety of the **cyber extortion threat** occurs during the **policy period**, and 3) the **cyber extortion threat** is reported to the Underwriters in writing in accordance with Section 11 of this Policy. The Underwriters will not be obligated to pay **cyber extortion expenses** and **cyber extortion monies** unless the Underwriters have given prior written authorization for the payment of such **cyber extortion monies** in response to a **cyber extortion threat**. The **Insured** must make every reasonable effort to notify local law enforcement authorities and the Federal Bureau of Investigation or similar equivalent foreign agency before surrendering any **cyber extortion monies** in response to a **cyber extortion threat**.

Named Coverage VIII: Cyber Terrorism Coverage

Subject to the applicable Limits of Liability, and notwithstanding any other provision in this Policy or in any endorsement, the Underwriters will reimburse the **Named Insured** or a **Subsidiary** for **income loss**, **interruption expenses** and **special expenses** that such **Named Insured** or **Subsidiary** incurs after the **waiting period**, but during the **period of restoration** because of a total or partial interruption, degradation in service, or failure of the **Named Insured's computer system** that is clearly and directly caused by an **act of cyber terrorism**, provided that 1) a **claim** is first made during the **policy period** or the **extended reporting period** (if applicable), 2) the entirety of the **act of cyber terrorism** occurs and is discovered by the Chief Information Officer, Chief Technology Officer, Chief Security Officer, Risk Manager or General Counsel of the **Named Insured** or **Subsidiary** during the **policy period**, and 3) the **act of cyber terrorism** is reported to the Underwriters in writing in accordance with Section 11 of this Policy.

Named Coverage IX: MEDEFENSE® Plus

Subject to the applicable **retention** and Limits of Liability, the Underwriters will pay for **claim expenses** and **shadow audit expenses** as such expenses are incurred by an **Insured**, and **regulatory fines and penalties** (to the extent insurable by law) imposed against such **Insured**, because of a **claim**, including a **claim** resulting from **voluntary self-disclosure**, provided that (1) such **claim** is first made against the **Insured** during the **policy period** or any **extended**

reporting period (if applicable); (2) such **claim** is reported to the Underwriters in writing in accordance with Section 11 of this Policy; and (3) the entirety of the **wrongful acts** take place on or after the applicable **retroactive date**.

We have no duty to defend under Named Coverage IX, but only to pay for covered **claim expenses**, **shadow audit expenses**, and/or **regulatory fines and penalties** incurred by the **Insured**. The **Insured** will have complete freedom of choice with respect to the selection of the licensed attorney who provides legal services in connection with any **claim** covered under Named Coverage IX. Attorney rates will be capped at a maximum of \$300 per hour. All counsel must comply with the Underwriters' reasonable defense counsel guidelines.

2. Defense, Settlement and Investigation of Claims

- a. With respect to Named Coverages I, II, and III (if purchased), the Underwriters shall have the right and duty to defend an **Insured** against any **claim** covered under the terms of this Policy, even if any of the allegations of the **claim** are groundless, false, or fraudulent. The Underwriters have the right to appoint an attorney to defend any such **claim**.
- b. The Limits of liability available to pay **damages** will be reduced, and may be completely exhausted, by payment of **claim expenses** or any other amounts covered under this Policy. **Damages**, **claim expenses**, and any other amounts covered under this Policy will be applied against the applicable **retention** or co-insurance percentage payable by the **Insureds**.
- c. The **Insureds** shall not pay any **damages**, **claim expenses** or other amounts covered under this Policy, or settle or offer to settle any **claim**, or assume any contractual obligation, admit liability, voluntarily make any payment or confess or otherwise consent to any **damages** or judgments without the Underwriters' prior written consent, which will not be unreasonably withheld. The Underwriters will not be liable for any **damages**, **claim expenses**, settlement, judgment, assumed obligation, admitted liability, voluntary payment or confessed damages to which they have not consented.
- d. The Underwriters have the right to make any investigation they deem necessary including, without limitation, any investigation with respect to the **application**, statements made in the **application**, or coverage.
- e. With respect to Named Coverages I, II, and III (if purchased), the Underwriters will not settle any **claim** or pay any **damages**, **regulatory compensatory awards** and/or **regulatory fines and penalties**, whichever applies, without the **Insured's** consent. If an **Insured** refuses to consent to any settlement or compromise recommended by the Underwriters or their representatives that is acceptable to the claimant, and the **Insured** elects to contest the **claim** or continue any legal proceedings in connection with such **claim**, then the Underwriters' total liability for any **damages**, **claim expenses**, **regulatory compensatory awards** and/or **regulatory fines and penalties** will not exceed:
 - i. The amount for which the **claim** could have been settled, less the remaining **retention**, plus **claim expenses** incurred as of the date the **Insured** withheld consent to such settlement, plus
 - ii. Fifty percent (50%) of any **damages**, **claim expenses**, **regulatory compensatory awards** and/or **regulatory fines and penalties** incurred after the date the **Insured** withheld consent to such settlement or compromise. The remaining fifty percent (50%) of such **damages**, **claim expenses**, **regulatory compensatory awards** and/or **regulatory fines and penalties** will be borne by the **Insured** at the **Insured's** own risk and uninsured under this Policy.
- f. The Underwriters shall have no duty to pay any **damages**, **claim expenses**, or any other amounts covered under this Policy, or to undertake or continue the defense of any **claim**, after the applicable Limit of Liability and/or Maximum Policy Aggregate Limit of Liability has been exhausted. Upon payment of the applicable Limit of Liability and/or the Maximum Policy Aggregate Limit of Liability, the Underwriters shall have the right to withdraw from the further defense of a **claim** by tendering control of said defense to the **Insured**.

3. Limits of Liability

- a. The Limits of Liability set forth in Item 4A of the Declarations represent the maximum sums that the Underwriters will pay under each Named Coverage for each **claim** first made during the **policy period** and in the aggregate for all **claims** first made during the **policy period**, including **claim expenses** where applicable. Neither the inclusion of more than one **Insured** under this Policy, nor the making of **claims** by more than one person or entity will

increase the Limits of Liability for any one Named Coverage purchased.

- b. The Maximum Policy Aggregate Limit of Liability set forth in Item 4B of the Declarations represents the maximum sum that the Underwriters will pay as a result of all **claims** first made during the **policy period**, including **claim expenses** where applicable, regardless of the number of Named Coverages that apply.
- c. Notwithstanding the aggregate limit set forth under each Named Coverage in Item 4A of the Declarations, all payments made under this Policy, regardless of the number of Named Coverages that apply, will reduce the Maximum Policy Aggregate Limit of Liability set forth in Item 4B of the Declarations. In no event will the Underwriters pay more than the Maximum Policy Aggregate Limit of Liability set forth in Item 4B of the Declarations.
- d. All **claims** under one Named Coverage which arise out of the same, related, or continuing incidents, acts, facts or circumstances will be considered a single **claim**, regardless of the number of **claims** made, **Insureds** affected, or claimants involved. Only one Limit of Liability set forth in Item 4A of the Declarations will apply to such **claim**. All such **claims** which arise out of the same, related or continuing incidents, acts, facts or circumstances will be deemed to have been first made on the date the earliest of such **claims** is made.
- e. In the event a **claim** attaches to more than one Named Coverage, only one Limit of Liability set forth in Item 4A of the Declarations will apply to such **claim**. In such event, only the highest of the applicable Limits of Liability will apply. The Underwriters have the sole discretion to allocate **claims** paid, if any, against the appropriate Limit of Liability.
- f. The Limit of Liability for the **extended reporting period**, if applicable, will be part of, and not in addition to, the Limits of Liability set forth in Item 4 of the Declarations. The existence of an **extended reporting period** will not increase or reinstate such Limits of Liability.
- g. In the event any **claim** is covered, in whole or in part, under this Policy and any other policy insured by the Underwriters and issued by NAS Insurance Services, including any coverage(s) added by endorsement, then the total applicable Limit of Liability for such **claim** will not exceed the single largest Limit of Liability available for such **claim** under any such policy or endorsement. Such largest applicable Limit of Liability will apply only once to such **claim**. The deductible or retention that applies to each policy or coverage added by endorsement will be applied to the portion of such **claim** that is allocated to the respective **Insured**. In no event shall the amount paid by us under this Policy be greater than the total applicable Limit of Liability set forth in Item 4 of the Declarations.

4. Retention and Waiting Period

- a. The applicable **retention** amount for each Named Coverage, as set forth in Item 5 of the Declarations, will apply separately to each **claim**. The **retention** must be satisfied by the **Insured's** actual payment of **damages, claim expenses**, and/or any other amounts covered under this Policy. If a **claim** attaches to more than one Named Coverage, only the highest **retention** will apply.
- b. The **Insured's** payment of the applicable **retention** is a condition precedent to payment by the Underwriters of any sums covered under the Policy, and the Underwriters will only be liable for the sums in excess of such **retention**, not to exceed the total applicable Limit of Liability set forth in Item 4 of the Declarations. The **Insured** must make direct payments within the **retention** to the appropriate parties designated by the Underwriters.
- c. All **claims** under any one Named Coverage which arise out of the same, related, or continuing incidents, acts, facts, or circumstances will be considered a single **claim**, regardless of the number of **claims** made, **Insureds** affected, or claimants involved, and only one **retention** will apply to such **claim**.
- d. With respect to Named Coverages V, VI.B. and VIII, the **waiting period** listed in Item 5 of the Declarations will apply to covered amounts. The **waiting period** applies to each **period of restoration** or **period of indemnity**, whichever applies. Once the **waiting period** is met, the **Insured** will be responsible to pay any co-insurance percentage or **retention** shown in Item 5 of the Declarations as applicable to Named Coverage V, VI.B. or VIII.

5. Territorial Limits

This insurance applies to **claims** that are made, **first party insured events** that occur, and **wrongful acts** that are committed anywhere in the world, except countries where the United States of America has declared or imposed sanctions or trade embargoes.

6. Who is Insured

- a. The **Named Insured**;
- b. Any **Subsidiary** of the **Named Insured**, but only with respect to **wrongful acts** or **first party insured events** that occur while a **Subsidiary** is owned by the **Named Insured**;
- c. Any past, present, or future officer, director, trustee, physician or **employee** of the **Named Insured** or of a **Subsidiary**, but only while acting solely within the scope of their duties as such;
- d. In the event that the **Named Insured** or a **Subsidiary** is a partnership, limited liability partnership, or limited liability company, then any general or managing partner, principal, stockholder, or owner thereof, but only while acting solely within the scope of their duties as such;
- e. Any agent or independent contractor of the **Named Insured** or of a **Subsidiary**, but only while acting on behalf of, at the direction of, and under the supervision of the **Named Insured** or **Subsidiary**; and
- f. Any person or legal entity the **Named Insured** is required by written contract to provide such coverage as is afforded by this Policy, but only for the acts of a party described in paragraph a., b. or c. above, and provided that the written contract is executed prior to the date any **wrongful act** or **first party insured event** occurs.

7. Definitions

Act of cyber terrorism means the premeditated use of disruptive activities or threat thereof against computers, **computer systems**, networks and/or public **internet** by any person or group(s) of persons, whether acting alone or on behalf of, or in connection with, any organization(s) or government(s) with the intention to intimidate or cause destruction or harm and/or further social, ideological, religious, political or similar objectives. **Act of cyber terrorism** includes, but is not limited to, the use of information technology to organize and execute large-scale attacks against **computer systems**, networks and/or public **internet** resulting in disabling and/or deleting critical infrastructure, **data** or information.

Adverse media report means a report or communication of an actual or potential **security breach** or **privacy breach** which has been publicized through any media channel including, but not limited to, television, **print media**, radio or electronic networks, the **internet**, and/or electronic mail, and which threatens material damage to the **reputation** of the **Named Insured** or of a **Subsidiary**.

Application means all applications, including any attachments thereto, and all other information and materials submitted to the Underwriters or their representative(s) by, or on behalf of, the **Named Insured** in connection with the underwriting and issuance of this Policy or a policy for which this Policy is a renewal or replacement. All such applications, attachments, information, and materials are deemed attached to and incorporated into this Policy.

Assumed under contract means liability for **damages** resulting from a **multimedia wrongful act**, **security breach** or **privacy breach**, where such liability has been assumed by an **Insured** in the form of a written hold harmless or written indemnity agreement that predates the actual or alleged **multimedia wrongful act**, **security breach** or **privacy breach**.

Billing error means the actual or alleged presenting of, or causing or allowing to be presented, any erroneous billings by an **Insured** to a government health benefit payer or program or **commercial health insurance payer**, from which the **Named Insured** or a **Subsidiary** seeks and/or has received payment or reimbursement for medical services, items or products provided or prescribed by an **Insured** on behalf of the **Named Insured** or **Subsidiary**.

Billing errors proceeding means any of the following brought against an **Insured**, but only if alleging **billing errors**:

- i. a **qui tam action**, or
- ii. a written demand made against an **Insured** by or on behalf of a **government entity** or **commercial health insurance payer**.

Billing errors proceeding does not include: 1) a customary or routine audit or billing inquiry conducted by a **government entity** or **commercial health insurance payer**, including any request for documentation to support a submission for payment or reimbursement; 2) a **criminal proceeding**; or 3) a subpoena for records, testimony, or other documentation which does not allege a **billing error**.

All actions taken by a **government entity** or **commercial health insurance payer** arising out of the same or a similar **billing error** will be deemed to constitute a single **billing errors proceeding**, regardless of the number and identity of claimants, the number and identity of **Insureds** involved, or whether further action arising out of the same or a similar **billing error** is taken during the effective period of a subsequent policy issued by the Underwriters. Such **billing errors proceeding** will be deemed to have been first instituted at the earlier of the following times:

- i. When an **Insured** first receives notice of an action taken by a **government entity** or **commercial health insurance payer** because of an actual or alleged **billing error**, or
- ii. When the Underwriters first receive notice, in accordance with Section 11, paragraph d. of this Policy, of an action taken by a **government entity** or **commercial health insurance payer** because of an actual or alleged **billing error**.

Bodily injury means physical injury, sickness, disease, or death sustained by any person and, where resulting from such physical injury only, mental anguish, mental injury, shock, humiliation, or emotional distress.

BPO service provider means any independent contractor that provides business process outsourcing services for the benefit of the **Named Insured** or a **Subsidiary** under a written contract with the **Named Insured** or **Subsidiary**, including, but not limited to, call center services, fulfillment services, and logistical support.

Brand loss means the **Named Insured** or a **Subsidiary's** revenue as could have been reasonably projected immediately prior to **notification** or, in the event of an **adverse media report**, immediately prior to the publication of an **adverse media report**, but which has been lost after the **waiting period** but during the **period of indemnity**, as a direct result of such **notification** or **adverse media report**, less the variable costs (including the cost of raw materials and all other costs) that would have been incurred during the same period but were saved as a result. **Brand loss** will be determined in accordance with Section 12.a. of this Policy.

Breach support and credit monitoring expenses mean those reasonable and necessary expenses the **Named Insured** or a **Subsidiary** incurs with the Underwriters' prior written consent for the provision of support activity to affected individuals in the event of a **privacy breach**, including call centers and credit file monitoring services and/or identity theft assistance for up to a period of twelve (12) months from the date of enrollment in such credit file monitoring services and/or identity theft assistance.

Claim means:

1. With respect to Named Coverages I and II:
 - a. A written demand made against an **Insured** for **damages** or non-monetary relief;
 - b. A written request received by an **Insured** to toll or waive a statute of limitations relating to a potential **claim** against an **Insured**; or
 - c. The service of a civil lawsuit or the institution of arbitration proceedings against an **Insured** seeking **damages**, a temporary restraining order, or a preliminary or permanent injunction;
2. With respect to Named Coverage III, a **privacy regulatory proceeding**;
3. With respect to Named Coverage IV, an **Insured's** written notice to the Underwriters of an **adverse media report**, **security breach** or **privacy breach**;
4. With respect to Named Coverage V, an **Insured's** written notice to the Underwriters of an **adverse media report** or **notification** that results or may result in **brand loss**;
5. With respect to Named Coverage VI, an **Insured's** written notice to the Underwriters of a **covered cause of loss**;
6. With respect to Named Coverage VII, an **Insured's** written notice to the Underwriters of a **cyber extortion threat**;
7. With respect to Named Coverage VIII, an **Insured's** written notice to the Underwriters of an **act of cyber terrorism**;

and

8. With respect to Named Coverage IX, a **regulatory proceeding** instituted against an **Insured**.

Claim expenses mean:

1. Reasonable and necessary attorney's fees and associated legal costs and expenses incurred by an **Insured** or the Underwriters to defend a **claim**; and
2. All other reasonable and necessary fees, costs and expenses resulting from the defense and appeal of a **claim**, if incurred by the Underwriters or by an **Insured** with our prior written consent.

Claim expenses do not include any: (1) wages, salaries, fees, overhead, or other charges incurred by, or paid to, any **Insured** for any time spent in cooperating in the investigation or defense of any **claim** or potential **claim**; or (2) the costs associated with the adoption and implementation of any corporate integrity agreement, compliance program or similar provision regarding the operations of the **Named Insured** or **Subsidiary's** business.

Commercial health insurance payer means any private health insurance company, which primarily arranges for the payment or reimbursement of medical services, items or products. **Commercial health insurance payer** does not include any commercial general liability carrier, workers' compensation carrier, or automobile liability carrier.

Computer hardware means the physical components of any computer system including CPU's, memory, storage devices, storage media, and input/output devices and other peripheral devices and components, including, but not limited to, cables, connectors, fiber optics, wires, power supply units, keyboards, display monitors and audio speakers.

Computer program means an organized set of instructions that, when executed, causes a computer to behave in a predetermined manner. A **computer program** includes, but is not limited to, the communications, networking, operating systems and related processes used to create, maintain, process, retrieve, store, and/or transmit electronic **data**.

Computer system means an interconnected electronic, wireless, web, or similar systems (including all **computer hardware** and software) used to process and store **data** or information in an analogue, digital, electronic or wireless format including, but not limited to, **computer programs**, electronic **data**, operating systems, **firmware**, servers, media libraries, associated input and output devices, mobile devices, networking equipment, websites, extranets, off-line storage facilities (to the extent that they hold electronic **data**), and electronic backup equipment.

Computer virus means a program that possesses the ability to create replicas of itself (commonly known as an "auto-reproduction" program) within other programs or operating system areas, or which is capable of spreading copies of itself wholly or partly to other **computer systems**.

Covered cause of loss means and is limited to the following:

1. Accidental Damage or Destruction
 - a. Accidental physical damage or destruction of **electronic media** so that stored **digital assets** are no longer machine-readable;
 - b. Accidental damage or destruction of **computer hardware** so that stored **data** is no longer machine-readable;
 - c. Failure in power supply or under/over voltage, but only if such power supply is under the direct operational control of the **Named Insured** or a **Subsidiary**. "Direct operational control" includes back-up generators;
 - d. **Programming error** of **delivered programs**;
 - e. Electrostatic build-up and static electricity.
2. Administrative or Operational Mistakes

An accidental, unintentional, or negligent act, error or omission by an **Insured**, a **BPO service provider** or an **outsourced IT service provider** in:

 - a. The entry, or modification of the **Named Insured** or a **Subsidiary's** electronic **data**, which causes damage to such **data**; or

- b. The creation, handling, development, modification, or maintenance of **digital assets**; or
- c. On-going operation or maintenance of the **Named Insured's computer system**, excluding the design, architecture, or configuration of the **Named Insured's computer system**.

3. Computer Crime and Computer Attacks

An unintentional or negligent act, error or omission by an **Insured**, a **BPO service provider**, or an **outsourced IT service provider** in the operation of the **Named Insured's computer system** or in the handling of **digital assets**, which fails to prevent or hinder any of the following attacks on the **Named Insured's computer system**:

- a. A **denial of service attack**;
- b. **Malicious code**;
- c. **Unauthorized access**; or
- d. **Unauthorized use**.

Criminal proceeding means any governmental action, indictment, or investigation for the enforcement of criminal laws, including offenses for which conviction could result in imprisonment and/or criminal fine(s).

Cyber extortion expenses mean all reasonable and necessary costs and expenses, other than **cyber extortion monies**, that the **Named Insured** or a **Subsidiary** incurs with the Underwriters' prior written consent as a direct result of a **cyber extortion threat**.

Cyber extortion monies mean any funds or property paid by the **Named Insured** or a **Subsidiary** with the Underwriters' prior written consent to a person(s) or entity(ies) reasonably believed to be responsible for a **cyber extortion threat**, for the purpose of terminating such **cyber extortion threat**.

Cyber extortion threat means a credible threat or a series of related credible threats, including a demand for **cyber extortion monies**, which is directed at the **Named Insured** or a **Subsidiary** to:

1. Release, divulge, disseminate, destroy or use the confidential information of a third party taken from an **Insured** as a result of **unauthorized access** to, or **unauthorized use** of, the **Named Insured's computer system**;
2. Introduce **malicious code** into the **Named Insured's computer system**;
3. Corrupt, damage or destroy the **Named Insured's computer system**;
4. Restrict or hinder access to the **Named Insured's computer system**, including the threat of a **denial of service attack**; or
5. Electronically communicate with the **Named Insured** or **Subsidiary's** customers or patients and falsely claim to be the **Named Insured** or **Subsidiary**, or to be acting under the **Named Insured** or **Subsidiary's** direction, in order to falsely obtain personal and/or confidential information (also known as "pharming," "phishing," or other types of false communications).

Damages mean a monetary judgment, award, or settlement, including prejudgment and post judgment interest and punitive **damages** to the extent insurable under the law pursuant to which this Policy is construed.

Damages do not include:

1. Any **Insured's** future profits or royalties, restitution, or disgorgement of any **Insured's** profits;
2. The costs to comply with orders granting injunctive or non-monetary relief, including specific performance, or any agreement to provide such relief;
3. Loss of any **Insured's** fees or profits, the return or offset of any **Insured's** fees or charges, or any **Insured's** commissions or royalties provided or contracted to be provided;
4. Taxes, fines or penalties, or sanctions;
5. The multiple portion of any multiplied damages;

6. Liquidated damages;
7. Any amount which an **Insured** is not financially or legally obligated to pay;
8. Disgorgement of any remuneration or financial advantage to which an **Insured** was not legally entitled;
9. Settlements negotiated without the Underwriters' consent; or
10. Monetary judgments, awards, settlements or any other amounts which are uninsurable under the law pursuant to which this Policy is construed or any legal fees and costs awarded pursuant to such judgments, awards or settlements.

Data means any machine readable information, including, but not limited to, ready-for-use programs, applications, account information, customer information, health and medical information, or electronic information subject to back-up procedures, irrespective of the way it is used and rendered.

Delivered programs mean **computer programs** where the development stage has been finalized, having passed all test-runs and been proven successful in a live environment.

Denial of service attack means an event caused by unauthorized or unexpected interference or a malicious attack, which is intended by the perpetrator to overwhelm the capacity of a **computer system** by sending an excessive volume of electronic **data** to such **computer system** in order to prevent access to such **computer system**.

Digital assets mean **data** and **computer programs** that exist in the **Named Insured's computer system**. **Digital assets** do not include **computer hardware**.

Digital assets loss means reasonable and necessary expenses and costs the **Named Insured** or a **Subsidiary** incurs to replace, recreate or restore **digital assets** to the same state and with the same contents immediately before it was damaged, destroyed, altered, misused, or stolen, including expenses for materials and machine time. **Digital assets loss** also includes amounts representing **employee** work time to replace, recreate or restore **digital assets**, which will be determined on a predefined billable hours or per hour basis as based upon the **Named Insured** or **Subsidiary's** schedule of **employee** billable hours. **Digital assets loss** will be determined in accordance with Section 12.b. of this Policy.

Digital assets loss does not include:

1. The cost(s) of restoring, updating, or replacing **digital assets** to a level beyond that which existed prior to a **covered cause covered loss**;
2. Physical damage to the **computer hardware** or **data** center other than that covered under **covered cause of loss** 1.a.;
3. Contractual penalties or consequential damages;
4. Any liability to third parties for whatever reason, including legal costs and expenses of any type;
5. Fines or penalties imposed by law;
6. The economic or market value of **digital assets**;
7. Costs or expenses incurred to identify, patch, or remediate software program errors or **computer system** vulnerabilities;
8. Costs to upgrade, redesign, reconfigure, or maintain the **Named Insured's computer system** to a level of functionality beyond that which existed prior to the **covered cause of loss**;
9. Any loss paid under Named Coverage VI. B; or
10. The cost(s) of restoring, replacing or repairing **electronic media**.

Electronic media mean floppy disks, CD ROMs, hard drives, magnetic tapes, magnetic discs, or any other media on which electronic **data** is recorded or stored.

Employee means any individual whose labor or service is engaged by and directed by the **Named Insured** or a **Subsidiary**, including volunteers and part-time, seasonal, temporary or leased workers. **Employee** does not include any independent contractor or any partner or director of the **Named Insured** or a **Subsidiary**.

EMTALA Proceeding means any administrative or civil proceedings instituted against an **Insured** by a **government entity** alleging violations of the Emergency Medical Treatment and Labor Act (EMTALA).

Extended reporting period means the period of time after the end of the **policy period** for reporting **claims**, as provided in Section 10 or Section 21 of this Policy, as applicable, and specifically excludes the **policy period**.

Firmware means the fixed programs that internally control basic low-level operations in a device.

First party insured event means:

1. With respect to Named Coverage IV, an **adverse media report**, **security breach** or **privacy breach**;
2. With respect to Named Coverage V, a **security breach** or **privacy breach**;
3. With respect to Named Coverage VI, a **covered cause of loss**;
4. With respect to Named Coverage VII, a **cyber extortion threat**; and
5. With respect to Named Coverage VIII, an **act of cyber terrorism**.

First party insured event only pertains to loss sustained by the **Named Insured** or a **Subsidiary** and does not include any **claim** made by a third party.

Government entity means:

1. Any department, agency, task force or other organization created by any U.S. federal or state law, regulation, rule or executive order; or
2. Any department, agency, task force or other organization operated, funded or staffed, in whole or in part, by the U.S. federal government or any state government; or
3. With respect to **billing errors proceedings**, any organization operating as a Medicare Integrity Program Contractor.

HIPAA proceeding means any administrative or civil proceedings instituted against an **Insured** by a **government entity**, the subject matter of which is an **Insured's** actual or potential violation of the Health Insurance Portability and Accountability Act (HIPAA) privacy regulations.

Income loss means loss of revenue sustained by the **Named Insured** or a **Subsidiary**, less the variable costs (including the cost of raw materials and all other costs) that would have been incurred during the **period of restoration** but were saved as a result. **Income loss** will be determined in accordance with Section 12.c. of this Policy.

Income loss does not include:

1. Any loss arising out of a physical cause or natural peril, including, but not limited to, fire, wind, water, flood, subsidence, or earthquake, that results in physical damage to **computer hardware** and/or the **data center**;
2. Any loss or expense arising out of updating or replacing **digital assets** to a level beyond that which existed prior to the **covered cause of loss**;
3. Contractual penalties or consequential damages;
4. Any liability to third parties for whatever reason, including legal costs and expenses of any type;
5. Fines or penalties imposed by law;

6. Costs or expenses incurred to identify, patch, or remediate software program errors or **computer system** vulnerabilities;
7. Loss of goodwill and reputational harm;
8. Costs to upgrade, redesign, reconfigure, or maintain the **Named Insured's computer system** to a level of functionality beyond that which existed prior to the **covered cause of loss** or **act of cyber terrorism**; or
9. Any losses paid under Named Coverage VI. A.

Insured means any of the individuals or entities specified as such in Section 6 of this Policy.

Internet means the worldwide public network of computers which enables the transmission of electronic **data** between different users, including a private communications network existing within a shared or public network platform.

Interruption expenses mean those expenses, excluding **special expenses**, incurred by the **Named Insured** or a **Subsidiary** to avoid or minimize the suspension of business as a result of a total or partial interruption, degradation in service, or failure of the **Named Insured's computer system** that is clearly and directly caused by a **covered cause of loss** or an **act of cyber terrorism**, which the **Named Insured** or **Subsidiary** would not have incurred had no **covered cause of loss** or **act of cyber terrorism** occurred. **Interruption expenses** include, but are not limited to, the use of rented/leased external equipment, substitution of other work or production procedures, use of third party services or additional staff expenditures or labor costs. The amount of **interruption expenses** recoverable may not exceed the amount by which the covered **income loss** is reduced by such incurred expenses.

Interruption expenses do not include:

1. Any loss arising out of a physical cause or natural peril, including, but not limited to, fire, wind, water, flood, subsidence, or earthquake that results in physical damage to **computer hardware** and/or the **data** center;
2. Any loss expense arising out of updating or replacing **digital assets** to a level beyond that which existed prior to the **covered cause of loss**;
3. Contractual penalties or consequential damages;
4. Any liability to third parties for whatever reason, including legal costs and expenses of any type;
5. Fines or penalties imposed by law;
6. Costs or expenses incurred to identify, patch, or remediate software program errors or **computer system** vulnerabilities;
7. Loss of goodwill and reputational harm;
8. Costs to upgrade, redesign, reconfigure, or maintain the **Named Insured's computer system** to a level of functionality beyond that which existed prior to the **covered cause of loss** or **act of cyber terrorism**; or
9. Any losses paid under Named Coverage VI.A.

Malicious code means software intentionally designed to insert by a variety of forms into a **computer system** without the owner's informed consent, and cause damage to the **computer system**. **Malicious code** includes, but is not limited to, **computer viruses**, worms, Trojan horses, spyware, dishonest adware, and crimeware.

Media material means communicative material of any kind or nature for which the **Named Insured** or a **Subsidiary** is solely responsible, including, but not limited to, words, pictures, sounds, images, graphics, code and **data**, regardless of the method or medium of communication of such material or the purpose for which the communication is intended.

Multimedia wrongful act means any of the following, whether actual or alleged, but only if directly resulting from the dissemination of **media material** by an **Insured**:

1. 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 any of the foregoing;
2. Invasion, infringement or interference with an individual's right of privacy or publicity, including the torts of false light, intrusion upon seclusion, commercial misappropriation of name, person or likeness, and public disclosure of private facts;
3. Plagiarism, piracy or misappropriation of ideas under an implied contract;
4. Infringement of copyright, trademark, trade name, trade dress, title, slogan, service mark or service name;
5. Domain name infringement or improper deep-linking or framing;
6. Negligence in **media material**, including a **claim** alleging harm to any person or entity that acted or failed to act in reliance upon such **media material**;
7. False arrest, detention or imprisonment;
8. Trespass, wrongful entry or eviction, eavesdropping, or other invasion of the right of private occupancy; or
9. Unfair competition, but only when arising out of a peril described in 1. through 8. above.

Named Insured means the entity(ies) or individual(s) specified as such in Item 1 of the Declarations.

Named Insured's computer system means:

1. A **computer system** operated by, and either owned by, or leased to, the **Named Insured** or a **Subsidiary**;
2. With respect to Named Coverage II only, a **computer system** operated by a **BPO service provider** or an **outsourced IT service provider** which is used for the purpose of providing hosted computer application services to the **Named Insured** or a **Subsidiary**, or for processing, maintaining, hosting, or storing the **Named Insured** or a **Subsidiary's** electronic **data**, pursuant to a written contract with the **Named Insured** or **Subsidiary** for such services.

Notification means written notice to affected individuals in the event of a **security breach** or a **privacy breach**.

Notification expenses mean those reasonable and necessary legal expenses, forensic and investigation expenses, **public relations expenses**, postage expenses, and related advertising expenses the **Named Insured** or a **Subsidiary** incurs with the Underwriters' prior written consent to comply with governmental privacy legislation mandating notification to affected individuals in the event of a **security breach** or **privacy breach**. **Notification expenses** incurred as a result of **voluntary notification** are subject to the Underwriters' discretion and the **voluntary notification expenses** sublimit.

Operational programs mean programs and software which are ready for operational use, having been fully developed, tested, and accepted by the **Named Insured** or a **Subsidiary**.

Outsourced IT service provider means an independent contractor that provides information technology services for the benefit of the **Named Insured** or a **Subsidiary** under a written contract with the **Named Insured** or **Subsidiary**. **Outsourced IT service provider** services include, but are not limited to, hosting, security management, co-location, and **data** storage.

Period of indemnity means the period commencing with the earlier of the date of **notification** or the first **adverse media report**, and ending on the earlier of:

1. The date that gross revenues are restored to the level they had been prior to **notification** or the first **adverse media report**, whichever applies, or
2. The last day of the time period set forth in Item 5 of the Declarations as the **period of indemnity** applicable to Named Coverage V.

Period of restoration means the period of time commencing on the date when the interruption, degradation in service,

or failure of the **Named Insured's computer system** began and ending on the earlier of:

1. The date when the **Named Insured's computer system** is restored or could have been repaired or restored with reasonable speed to the same condition, functionality and level of service that existed prior to the **covered cause of loss** or **act of cyber terrorism**, plus no more than thirty (30) consecutive days after the restoration of the **Named Insured's computer system** to allow for restoration of the business; or
2. One hundred and twenty (120) consecutive days after the notice of **covered cause of loss** or **act of cyber terrorism**, whichever applies, is received by the Underwriters.

Policy period means the period of time from the effective date to the expiration date of this Policy, as specified in Item 2 of the Declarations, or any earlier termination or cancellation date.

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.

Privacy breach means any of the following, whether actual or alleged, but only if committed by an **Insured**, or by others acting on behalf of the **Named Insured** or a **Subsidiary**, for whom such **Named Insured** or **Subsidiary** is legally responsible, including **BPO service providers** or **outsourced IT service providers**:

1. A breach of **privacy regulations**;
2. A breach of the **Named Insured** or **Subsidiary's** privacy policy; or
3. A breach of confidentiality, or invasion, infringement, interference or violation of any rights to privacy.

Privacy breach response costs mean:

1. Those reasonable and necessary fees and expenses the **Named Insured** or a **Subsidiary** incurs, with the Underwriters' prior written consent, for the employment of a public relations consultant, if such action is reasonably necessary to avert or mitigate any material damage to the **Named Insured** or **Subsidiary's reputation** or brands, which results or reasonably could result from an **adverse media report**; and
2. **Proactive privacy breach response costs** incurred with the Underwriters' prior written consent, subject to the **proactive privacy breach response costs sublimit**.

Privacy regulations mean any of the following laws, as well as similar federal, state or local statutes and regulations as they currently exist and as amended, associated with the confidentiality, access, control, and use of personally identifiable, non-public information:

1. Health Insurance Portability and Accountability Act of 1996 (Public Law 104- 191), known as HIPAA, and related state medical privacy laws;
2. Gramm-Leach-Bliley Act of 1999 (G-L-B), also known as the Financial Services Modernization Act of 1999;
3. State and Federal statutes and regulations regarding the security and privacy of consumer information;
4. Governmental privacy protection regulations or laws associated with the control and use of personal information;
5. Privacy provisions of consumer protection laws, including the Federal Fair Credit Reporting Act (FCRA) and similar state laws;
6. Children's Online Privacy Protection Act or similar laws;
7. The EU Data Protection Act or other similar privacy laws worldwide; and
8. The Health Information Technology for Economic and Clinical Health Act (HITECH ACT), enacted under Title XIII of the American Recovery and Reinvestment Act of 2009 (ARRA) (Pub. L. 111-5).

Privacy regulatory proceeding means a formal civil administrative proceeding or regulatory action instituted against an **Insured** by a federal, state or local governmental body because of a **security breach** or **privacy breach**.

Proactive privacy breach response costs mean those reasonable and necessary **public relations expenses** that the **Named Insured** or a **Subsidiary** incurs in response to an actual or potential **security breach** or **privacy breach**, but prior to the publication of an **adverse media report**, in an effort to avert or mitigate the potential impact of an **adverse media report**. **Proactive privacy breach response costs** must be incurred with the Underwriters' prior written consent.

Proactive privacy breach response costs sublimit, if purchased, means the maximum amount that the Underwriters will pay for **proactive privacy breach response costs**. The **proactive privacy breach response costs sublimit** is included within, and will erode, the Limits of Liability for Named Coverage IV.

Programming error means an error which occurs during the development or encoding of a computer program, software, or application and which would, when in operation, result in a malfunction or incorrect operation of a **computer system**.

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

Public relations expenses mean expenses incurred by the **Named Insured** or a **Subsidiary** to re-establish its **reputation**, which was damaged as a direct result of an **adverse media report**.

Qui tam action means civil proceedings brought against an **Insured** by a **qui tam plaintiff** as a relator for a **government entity**.

Qui tam plaintiff means a private plaintiff under the U.S. False Claims Act or any equivalent state law.

Regulatory compensatory award means a sum of money which an **Insured** is legally obligated to pay as an award or fund for affected individuals, including a regulatory agency's monetary award to a third party, due to an adverse judgment or settlement arising out of a **privacy regulatory proceeding**. **Regulatory compensatory award** does not include a criminal penalty or fine issued by a regulatory agency of any kind, including federal, state, or local governmental agencies.

Regulatory fines and penalties mean those amounts specifically designated by a **government entity** as civil or administrative fines or penalties, which an **Insured** is legally obligated to pay as a result of a **privacy regulatory proceeding** or **regulatory proceeding**. **Regulatory fines and penalties** do not include: 1) any criminal fines or penalties of any nature whatsoever; 2) any fines or penalties imposed against an **Insured** for failure to comply with or follow the Payment Card Industry Data Security Standard or any payment card company rules; or 3) any interest assessed on **regulatory fines and penalties**.

Regulatory proceeding means, and is limited to, any of the following instituted against an **Insured**:

1. **Billing errors proceeding**;
2. **EMTALA proceeding**;
3. **Stark proceeding**; or
4. **HIPAA proceeding**.

A **regulatory proceeding** will be deemed to be instituted when an **Insured** receives formal written notice of any of the foregoing.

Reputation means the estimation of trust that patients, customers or clients have in doing business with a **Named Insured** or a **Subsidiary**, or in purchasing the products or services of a **Named Insured** or a **Subsidiary**.

Restitution means repayment of fees, reimbursement, profits, charges or other benefit payments:

1. Received by an **Insured** from:
 - a. A governmental health benefit payer or program, or a carrier or intermediary making payments as part of, or in connection with, any such program; or
 - b. A **commercial health insurance payer**; or
 - c. Any patient

2. To which such **Insured** was not legally entitled by reason of a **billing error**, the return of which is sought in a **billing errors proceeding**.

Restitution includes any interest accrued or assessed on fees, reimbursement, profits, charges or other benefit payments returned or to be returned.

Retention means the amount specified as such in Item 5 of the Declarations.

Retroactive date, if applicable to a Named Coverage, means the date specified as such in Item 6 of the Declarations on or after which **wrongful acts** or **first party insured events** must have taken place in order to be considered for coverage under this Policy.

Security and privacy wrongful act means any of the below, whether actual or alleged, but only if committed by an **Insured** in their capacity as such:

1. The failure to prevent or hinder a **security breach** which in turn results in:
 - a. The alteration, copying, corruption, destruction, deletion, or damage to electronic **data** stored on the **Named Insured's computer system**;
 - b. Theft, loss or unauthorized disclosure of electronic or non-electronic confidential commercial, corporate, personally identifiable, or private information that is in the care, custody or control of the **Named Insured** or a **Subsidiary**;
 - c. Theft, loss or unauthorized disclosure of electronic or non-electronic confidential commercial, corporate, personally identifiable, or private information that is in the care, custody or control of a **BPO service provider** or an **outsourced IT service provider** that is holding, processing or transferring such information on behalf of the **Named Insured** or a **Subsidiary**; provided, however, that the theft, loss or unauthorized disclosure occurs while the **Named Insured** or **Subsidiary's** written contract with such **BPO service provider** or **outsourced IT service provider** is still in effect;
 - d. **Unauthorized access** to or **unauthorized use** of a **computer system** other than the **Named Insured's computer system**.
2. The **Named Insured's** failure to timely disclose a **security breach** affecting personally identifiable, nonpublic information, or the failure to dispose of personally identifiable, nonpublic information within the required time period, in violation of **privacy regulations**;
3. The failure to prevent the transmission of **malicious code** or a **computer virus** from the **Named Insured's computer system** to the **computer system** of a third party;
4. A **privacy breach**;
5. The failure to prevent or hinder participation by the **Named Insured's computer system** in a **denial of service attack** directed against **internet** sites or the **computer system** of a third party;
6. Loss of **employee** information; or
7. Infliction of emotional distress or mental anguish, but only if directly resulting from a peril described in 1. through 6. above.

Security breach means:

1. **Unauthorized access** to, or **unauthorized use** of, the **Named Insured's computer system**, including **unauthorized access** or **unauthorized use** resulting from the theft of a password from the **Named Insured's computer system** or from an **Insured**;
2. A **denial of service attack** against the **Named Insured's computer system**; or
3. Infection of the **Named Insured's computer system** by **malicious code** or the transmission of **malicious code** from the **Named Insured's computer system**,

whether any of the foregoing is a specifically targeted attack or a generally distributed attack. A series of continuing **security breaches**, related or repeated **security breaches**, or multiple **security breaches** resulting from a continuing failure of computer security will be considered a single **security breach** and will be deemed to have occurred at the time when the first of such **security breaches** occurred.

Shadow audit means an audit performed by a qualified professional, which examines the same billing records and related documents as those subject to an ongoing **billing errors proceeding**, with the intent of providing an **Insured** with a private expert opinion. Such **shadow audits** are subject to our prior approval.

Shadow audit expenses mean the fees for the services of a qualified audit professional and associated expenses incurred by the **Named Insured** or a **Subsidiary** in the course of a **shadow audit**.

Special expenses mean reasonable and necessary costs and expenses the **Named Insured** or a **Subsidiary** incurs to:

1. Prevent, preserve, minimize, or mitigate any further damage to **digital assets**, including the reasonable and necessary fees and expenses of specialists, outside consultants or forensic experts;
2. Preserve critical evidence of any criminal or malicious wrongdoing;
3. Purchase replacement licenses for **computer programs** because the copy protection system and/or access control software was damaged or destroyed by a **covered cause of loss** or an **act of cyber terrorism**; or
4. Notify affected individuals of a total or partial interruption, degradation in service, or failure of the **Named Insured's computer system** resulting from a **covered cause of loss** or an **act of cyber terrorism**.

Special expenses do not include:

1. The cost(s) of restoring, updating, or replacing **digital assets** to a level beyond that which existed prior to the **covered cause of loss**;
2. Physical damage to the **computer hardware** or **data** center other than that covered under **covered cause of loss** 1.a.;
3. Contractual penalties or consequential damages;
4. Any liability to third parties for whatever reason, including legal costs and expenses of any type;
5. Fines or penalties imposed by law;
6. The economic or market value of **digital assets**;
7. Costs or expenses incurred to identify, patch, or remediate software program errors or **computer system** vulnerabilities;
8. Cost to upgrade, redesign, reconfigure, or maintain the **Named Insured's computer system** to a level of functionality beyond that which existed prior to the **covered cause of loss** or **act of cyber terrorism**;
9. Any loss arising out of a physical cause or natural peril, including but not limited to, fire, wind, water, flood, subsidence, or earthquake that results in physical damage to **computer hardware** and/or the **data** center; or
10. The cost(s) of restoring, replacing or repairing **electronic media**.

Stark proceeding means administrative or civil proceedings instituted against an **Insured** by a **government entity** alleging violation of any federal, state or local anti-kickback or self-referral laws by an **Insured**. **Stark proceeding** does not include: 1) a **criminal proceeding**; or 2) a subpoena for records, testimony, or other documentation which does not allege a violation of any federal, state or local anti-kickback law or self-referral laws by an **Insured**.

Subsidiary means any legal entity in which the **Named Insured** owns, directly or indirectly, more than fifty percent (50%) of the issued or outstanding voting securities, provided that such entity also:

1. was so owned prior to the effective date of this Policy and was insured under a policy issued by the Underwriters of which this Policy is a renewal;
2. was so owned on the effective date of this Policy; or
3. was created or acquired after the effective date of this Policy, subject to the limitations of Section 20.

Takeover means:

1. Any person, entity or affiliated group of persons or entities obtains more than 50% of the **Named Insured's** equity or assets; or
2. Any person, entity or affiliated group of persons or entities obtains the right to elect or appoint more than 50% of the **Named Insured's** directors, officers, trustees or member managers, as applicable; or
3. The **Named Insured** is dissolved, sold or acquired by, merged into, or consolidated with, another entity, such that the **Named Insured** is not the surviving entity; or
4. The **Named Insured** ceases to do business for any reason.

Unauthorized access means the gaining of access to a **computer system** by an unauthorized person or persons.

Unauthorized use means the use of a **computer system** by an unauthorized person or persons or an authorized person or persons in an unauthorized manner.

Voluntary notification means notification to any individual of a **privacy breach** or **security breach** where there is no specific legal requirement in the applicable jurisdiction mandating such notification.

Voluntary notification expenses sublimit, if purchased, means the maximum amount that the Underwriters will pay for **notification expenses** incurred as a result of **voluntary notification**. The **voluntary notification expenses sublimit** is included within, and will erode, the Limits of Liability for Named Coverage IV.

Voluntary self-disclosure means an **Insured** discloses information, without inquiry, to a **government entity** or **commercial health insurance payer**, which may serve as grounds for a **regulatory proceeding** against an **Insured**. The information disclosed must have become known to the **Insured** fortuitously and subsequent to the initial effective date of this insurance.

Waiting period means the amount of time, as set forth in Item 5 of the Declarations, which must elapse before any loss or expenses may be payable under Named Coverage V, VI.B., or VIII. The **waiting period** applies to each **period of restoration** or **period of indemnity**.

Wrongful act means:

1. With respect to Named Coverage I, a **multimedia wrongful act**;
2. With respect to Named Coverage II, a **security and privacy wrongful act**;
3. With respect to Named Coverage III, a **security breach** or **privacy breach**; and
4. With respect to Named Coverage IX, a) a **billing error**; or b) a wrongful act, error or omission that gives rise to an **EMTALA proceeding**, **Stark proceeding** or **HIPAA proceeding**.

8. Exclusions

The Underwriters will not be liable for any **claim**:

1. Based upon, arising from, or in any way involving an actual or alleged **wrongful act** or **first party insured event** which took place, in whole or in part, prior to the applicable **retroactive date**.
2. Based upon, arising from, or in any way involving an actual or alleged **wrongful act** or **first party insured event** of which any **Insured** had knowledge prior to the effective date of this Policy or prior to the effective date of a Policy

issued by the Underwriters of which this Policy is a renewal.

3. Based upon, arising from, or in any way involving any **wrongful act, first party insured event**, or acts, facts or circumstances reported to a previous insurer prior to the effective date of this Policy.
4. Made by or on behalf of an **Insured** against another **Insured**. This exclusion does not apply to:
 - a. An otherwise covered **claim** under Named Coverage II which is made by any past, present or future **employee** for a **security and privacy wrongful act**; or
 - b. An otherwise covered **claim** under Named Coverage I or II which is made by a person or entity qualifying as an **Insured** under paragraph f. of Section 6. **Who is Insured**; or
 - c. A **qui tam action** brought by an **Insured** as a **qui tam plaintiff**.
5. Based upon, arising from, or in any way involving a willful, intentional, deliberate, malicious, fraudulent or dishonest act or omission; any intentional violation of the law; any intentional violation of the **Named Insured** or **Subsidiary's** privacy policy; or the gaining of any profit or advantage to which an **Insured** is not legally entitled, if any of the aforementioned is committed by an **Insured**, whether acting alone or in collusion with other persons. However, this exclusion will not apply to **claim expenses** or the Underwriters' duty to defend any such **claim** until the aforementioned conduct has been established by a final adjudication in a judicial, administrative or alternative dispute proceeding, or by an **Insured's** own admission in a proceeding or otherwise. The Underwriters will have the right to recover **claim expenses** incurred in defending any such **claim** from those parties found to have committed the conduct described in this exclusion. This exclusion does not apply to any **Insured** that did not commit, participate in, or have knowledge of any act, omission or violation of law described in this exclusion. This exclusion does not bar coverage for **employee sabotage**.
6. Based upon, arising from, or in any way involving any **Insured's** activities as a trustee, partner, officer, director, or employee of any employee trust, charitable organization, corporation, company, or business other than that of the **Named Insured** or a **Subsidiary**.
7. Based upon, arising from, or in any way involving the insolvency or bankruptcy of any person or entity, or the failure, inability, or unwillingness of any person or entity to make payments, perform obligations or conduct business because of insolvency, liquidation, or bankruptcy.
8. Based upon, arising from, or in any way involving **bodily injury**.
9. Based upon, arising from, or in any way involving **property damage**.
10. Based upon, arising from, or in any way involving satellite failures; or electrical or mechanical failures and/or interruption, including electrical disturbance, spike, brownout, or blackout; or outages to gas, water, telephone, cable, telecommunications or other infrastructure, unless such infrastructure is under the direct operational control of the **Named Insured** or a **Subsidiary** and unless such **claim** forms a part of an otherwise covered **first party insured event** under Named Coverage VI or VIII.
11. Based upon, arising from, or in any way involving the wear and tear, drop in performance, progressive deterioration, or aging of electronic equipment or **computer hardware** or other property used by the **Named Insured** or a **Subsidiary**.
12. Based upon, arising from, or in any way involving the failure of overhead transmission and distribution lines.
13. Based upon, arising from, or in any way involving the gradual deterioration of subterranean insulation.
14. Based upon, arising from, or in any way involving fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, force majeure, or any other physical event, however caused. This exclusion does not apply to an otherwise covered **claim** under Named Coverage VI or VIII.
15. Based upon, arising from, or in any way involving coupons, prize discounts, prizes, awards, or any other valuable consideration given in excess of the total contracted or expected amount.
16. Based upon, arising from, or in any way involving the actual or alleged inaccurate, inadequate, or incomplete description of the price of goods, products or services.
17. Based upon, arising from, or in any way involving any cost guarantee, cost representation, contract price, or cost

estimate being exceeded.

18. Based upon, arising from, or in any way involving the violation of any economic or trade sanctions by the United States government including, but not limited to, sanctions administered and enforced by the United States Treasury Department's Office of Foreign Assets Control (OFAC).
19. Based upon, arising from, or in any way involving any breach of any express, implied, actual, or constructive contract, warranty, guarantee or promise. This exclusion does not apply to:
 - a. Any liability or obligation an **Insured** would have in the absence of such contract, warranty, guarantee or promise and which would have been insured by this Policy; or
 - b. A breach of the **Named Insured** or **Subsidiary's** privacy policy.
20. Based upon, arising from, or in any way involving any liability assumed by any **Insured** under a contract. This exclusion does not apply:
 - a. With respect to Named Coverage I or II, where such liability is **assumed under contract**; or
 - b. Where the **Insured** would have been liable in the absence of such contract or agreement, and the liability would have been insured by this Policy.
21. Based upon, arising from, or in any way involving:
 - a. Any actual, alleged or threatened presence of pollutants or contamination of any kind, including, but not limited to, asbestos, smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste (waste includes materials to be recycled, reconditioned, or reclaimed), whether or not such presence results from an **Insured's** activities or the activities of others, or such presence or contamination happened suddenly or gradually, accidentally or intentionally, or expectedly or unexpectedly; or
 - b. Any directive or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize pollutants, or in any way respond to, or assess the effects of, pollutants or contamination of any kind.
22. Based upon, arising from, or in any way involving the actual or alleged loss of value of any securities.
23. Based upon, arising from, or in any way involving **income loss** caused by, or resulting from, unauthorized trading. "Unauthorized trading" means trading which at the time of the trade is in excess of permitted financial limits or outside of permitted product lines.
24. Based upon, arising from, or in any way involving the actual or alleged purchase or sale of securities; or the offer of, or solicitation of an offer, to purchase or sell securities; or violation of any securities law including, but not limited to, the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, the Sarbanes-Oxley Act of 2002, or any regulation promulgated under the foregoing statutes, or any federal, state, local, or foreign laws similar to the foregoing statutes, including 'Blue Sky' laws, whether such law is statutory, regulatory, or common law.
25. Based upon, arising from, or in any way involving the actual or alleged 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 under the foregoing statute, or any similar federal, state, local or foreign law, whether such law is statutory, regulatory or common law.
26. Based upon, arising from, or in any way involving the actual or alleged government enforcement of any state or federal regulation including, but not limited to, regulations promulgated by the United States Federal Trade Commission, Federal Communications Commission, or the Securities and Exchange Commission. This exclusion does not apply to the extent that such **claim** is otherwise covered under Named Coverage III.
27. Based upon, arising from, or involving in any way any employer-**employee** relations, policies, practices, acts, or omissions; or any actual or alleged refusal to employ any person; or any misconduct with respect to **employees**. This exclusion does not apply to an otherwise covered **claim** under Named Coverage II, III or IV.
28. Based upon, arising from, or in any way involving any workers' compensation or similar laws such as the Federal Employers Liability Act.

29. Based upon, arising from, or in any way involving any actual or alleged harassment or discrimination of any kind including, but not limited to, age, color, race, gender, creed, national origin, marital status, sexual preferences, disability, or pregnancy.
30. Based upon, arising from, or in any way involving the violation of any pension, healthcare, welfare, profit sharing, mutual, or investment plans, funds, or trusts, or any violation of any provision of the Employee Retirement Income Security Act of 1974 and its amendments and/or the Pension Protection Act of 2006 and its amendments, or any regulation, ruling, or order issued pursuant thereto.
31. Based upon, arising from, or in any way involving labor strikes or similar labor actions.
32. Based upon, arising from, or in any way involving war, invasion, act of foreign enemy, hostilities or warlike operation (whether declared or not), civil war or mutiny, civil commotion assuming the proportions of, or amounting to, a riot, popular uprising, military uprising, insurrection, rebellion, revolution, or usurped power; or any action taken by a government authority to hinder, control, prevent, suppress, or defend against any of the aforementioned actions; or the confiscation, nationalization, requisition, or destruction of, or damage to, property by, or under order of, any government authority. This exclusion does not apply to an **act of cyber terrorism**, but does apply to any action taken by a government authority to prevent or respond to an **act of cyber terrorism**.
33. Based upon, arising from, or in any way involving any **Insured's** commercial decision to cease providing a particular product or service, but only if the **Insured** is contractually obligated to continue providing such products or services.
34. Based upon, arising from, or in any way involving gambling, pornography, prizes, awards or coupons; or the sale or provision of prohibited, restricted or regulated items, including, but not limited to, alcoholic beverages, tobacco or drugs.
35. Based upon, arising from, or in any way involving any agreement by an **Insured** to comply with or follow the Payment Card Industry Data Security Standard or any payment card company rules; or the implementation, maintenance, or compliance with any security measures or standards related to any payment card data including, but not limited to, any fine or penalty imposed by a payment card company on a merchant bank or payment processor that the **Named Insured** or a **Subsidiary** has paid or agreed to reimburse or indemnify. This exclusion does not apply to **regulatory fines and penalties** to the extent insurable by law and if resulting from an otherwise covered **claim** under Named Coverage III.
36. Based upon, arising from, or in any way involving any actual or alleged unfair competition, price fixing, deceptive trade practices or restraint of trade; or violation of any antitrust statute, legislation or regulation. This exclusion does not apply to allegations of unfair competition that form a part of an otherwise covered **claim** under Named Coverage I.
37. Based upon, arising from, or in any way involving any actual or alleged infringement of any patent; or the misappropriation, theft, copying, display or publication of any trade secret.
38. Based upon, arising from, or in any way involving the manufacturing, mining, use, sale, installation, removal, or distribution of, or exposure to, asbestos, materials or products containing asbestos, or asbestos fibers or dust.
39. Based upon, arising from, or in any way involving the use of programs that are not **operational programs**.
40. Based upon, arising from, or in any way involving the use of programs that are not **delivered programs**.
41. Based upon, arising from, or in any way involving any **Insured's** intentional use of illegal or unlicensed programs that are in violation of the provisions or laws referring to software protection.
42. Based upon, arising from, or in any way involving the confiscation, commandeering, requisition, destruction of, or damage to, **computer hardware** by order of a government de jure or de facto, or by any public authority for whatever reason.
43. With respect to Named Coverage V, that is based upon, arising from, or in any way involving:
 - a. Any loss, cost, liability or expense incurred by the **Named Insured** or a **Subsidiary** in an effort to re-establish the **reputation** of the **Named Insured** or **Subsidiary**, including **public relations expenses**;
 - b. Any loss, cost, liability or expense incurred in connection with any **claim** that is insured by any other insurance,

except excess insurance;

- c. Any loss, cost, liability or expense incurred in connection with an **adverse media report** that also affects or refers in similar terms to a general security issue, an industry, or specific competitors of the **Named Insured** or a **Subsidiary** without any specific allegations regarding a **security breach** or **privacy breach**;
- d. Any liability to third parties for whatever reason, including legal costs and expenses of any type;
- e. Contractual penalties or consequential damages;
- f. **Notification expenses, breach support and credit monitoring expenses** or **privacy breach response costs** paid under Named Coverage IV; or
- g. Fines or penalties imposed by law or regulation.

44. Based upon, arising from, or in any way involving:

- a. Any actual or alleged or threatened presence of mold, mildew, spores, mycotoxins, fungi, organic pathogens, or other micro-organisms of any type, nature or description;
- b. Any cost, expense, or charge to test, monitor, clean up, remediate, remove, contain, treat, detoxify, neutralize, rehabilitate, or in any way respond to, or assess, the effects of mold, mildew, spores, mycotoxins, fungi, organic pathogens, or other micro-organisms of any type, nature, or description; or
- c. Any resulting cost, expense, charge, fine or penalty incurred, sustained, or imposed by order, direction, request, or agreement of any court, governmental agency, or any civil, public, or military authority.

With respect to this exclusion, "organic pathogens" mean any organic irritant or contaminant including, but not limited to, mold, fungus, bacteria, virus, or their byproducts, such as mycotoxins, mildew, or biogenic aerosol. "Organic pathogens" include, but are not limited to, *Aspergillus*, *Penicillium*, *Stachybotrys Chartarum*, *Stachybotrys Atra*, *Trichoderma*, *Fusarium* and *Memnoniella*.

45. Based upon, arising from, or in any way involving the existence, emission, or discharge of any electromagnetic field, electromagnetic radiation, or electromagnetism, which 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.

46. Based upon, arising from, or in any way involving:

- a. Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
- b. The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

47. Based upon, arising from, or in any way involving, **billing errors** for medical services, items or products which are not provided or prescribed by an **Insured** on behalf of the **Named Insured** or a **Subsidiary**.

48. Brought by an insurance entity or organization which seeks repayment of amounts received by an **Insured** from such entity or organization under any commercial general liability, workers' compensation or automobile liability policy medical payments provision.

49. Based upon, arising from, or in any way involving a **criminal proceeding**.

50. With respect to Named Coverage IX, the Underwriters shall not be obligated to pay:

- a. Any amounts incurred in connection with a **shadow audit** not previously approved by the Underwriters;
- b. Any amounts intended to serve as **restitution**;
- c. Any amounts incurred by a consulting professional whose services were not previously approved by the Underwriters.

9. Innocent Insured Provision

- a. Whenever coverage under this insurance would be excluded, suspended or lost because of non-compliance with

Section 11, relating to the giving of notice of a **claim** to the Underwriters, with respect to which any other **Insured** becomes in default solely because of the failure to give such notice or concealment of such failure by one or more **Insured** responsible for the loss or damage otherwise insured hereunder, then such insurance as would otherwise be afforded under this Policy will apply to any **Insured** who did not personally commit, personally participate in committing, or personally acquiesce to such failure to give notice, provided that the **Insured** entitled to the benefit of this provision complies with Section 11 promptly after obtaining knowledge of the failure of any other **Insured** to comply therewith.

- b. Any insurance as afforded by this provision will not apply to a **claim**, if a current executive officer or director of the **Named Insured** or of a **Subsidiary** failed to give notice, as required by Section 11, of a **claim** or a circumstance that could reasonably be the basis of a **claim**, which was known to such current executive officer or director.
- c. Whenever coverage under this insurance would be excluded, suspended, or lost because of Exclusion 5, relating to a willful, deliberate, malicious, fraudulent, or dishonest act or omission by an **Insured**, then such insurance as would otherwise be afforded under this Policy will apply to those **Insureds** who did not personally commit, personally participate in committing, personally acquiesce, or remain passive after having personal knowledge of such willful, deliberate, malicious, fraudulent or dishonest act or omission.

10. Extended Reporting Provisions

- a. Extended Reporting Period Endorsement: In the event of cancellation or non-renewal of this Policy, the **Named Insured** will have the right, upon payment of additional premium, to have issued an endorsement providing a 12-month **extended reporting period** effective from the date of cancellation, or in the event of non-renewal, effective from the expiration date of this Policy. The additional premium for the **extended reporting period** will be 100% of the full annual policy premium, as measured by the level of premium in effect immediately prior to the end of the **policy period**, including any additional premium for endorsements. If purchased, the **extended reporting period** will extend coverage granted by this Policy with respect to any **claim** first made during the **extended reporting period**, but only if:
 - i. With respect to Named Coverages I, II, III, IV, V, and IX, the entirety of the actual or alleged **wrongful act(s)** or **first party insured event(s)** giving rise to such **claim** occurs on or after the applicable **retroactive date** and prior to the end of the **policy period**; and
 - ii. With respect to Named Coverages VI, VII and VIII, the entirety of the **first party insured event(s)** giving rise to such **claim** occurs during the **policy period**.

As a further condition precedent to coverage, the **claim** must be reported to the Underwriters in accordance with Section 11 of this Policy and will be subject to all other Policy terms, conditions and exclusions. In order for the **Named Insured** to purchase the **extended reporting period** endorsement, a written request for the **extended reporting period**, together with full payment of the additional premium for the **extended reporting period**, must be received by the Underwriters within thirty (30) days of the effective date of non-renewal or cancellation of this Policy.

- b. The **extended reporting period** applies only to those Named Coverage(s) purchased, as shown in the Declarations.
- c. The Limits of Liability for the **extended reporting period** are part of, and not in addition to, the Limits of Liability set forth in Item 4 of the Declarations.
- d. The quotation by the Underwriters of a different premium, **retention** or liability limit, or changes in policy language for the purpose of renewal, will not constitute a refusal to renew by the Underwriters.
- e. The right to an **extended reporting period** will not be available to the **Named Insured** where cancellation or non-renewal by the Underwriters is because of non-payment of premium or the **Insured's** failure to pay amounts within the applicable **retention** or co-insurance percentage.
- f. All notices and premium payments with respect to the **extended reporting period** will be directed to the Underwriters through the entity named in Item 9 of the Declarations.
- g. At the commencement of an **extended reporting period**, the entire premium will be deemed fully earned, and in the event the **Named Insured** terminates an **extended reporting period** for any reason prior to its natural

expiration, the Underwriters will not be liable to return any premium paid for the **extended reporting period**.

11. Notice Provisions

- a. If any **claim** under Named Coverage I, II, III or IX is made against any **Insured**, the risk manager, General Counsel, or a senior officer or director of the **Named Insured** or a **Subsidiary** must provide written notice to the Underwriters of such **claim** no later than sixty (60) days after the **claim** is first made. A **claim** under Named Coverage I, II, III or IX will be deemed to be first made when it is received by an **Insured**.
- b. If the **Named Insured** or a **Subsidiary** has any **claim** under Named Coverage V, the risk manager, General Counsel, or a senior officer or director of the **Named Insured** or **Subsidiary** must provide written notice to the Underwriters of such **claim** during the **period of indemnity**. A **claim** under Named Coverage V will be deemed to be first made when such written report is received by the Underwriters.
- c. If the **Named Insured** or a **Subsidiary** has any **claim** under Named Coverage IV, VI, VII or VIII, the risk manager, General Counsel, or a senior officer or director of the **Named Insured** or **Subsidiary** must provide written notice to the Underwriters of such **claim** no later than sixty (60) days after the **first party insured event** giving rise to such **claim** is discovered by an **Insured**. A **claim** under Named Coverage IV, VI, VII, or VIII will be deemed to be first made when such written report is received by the Underwriters.
- d. If, during the **policy period**, any **Insured** becomes aware of any incidents, acts, facts, or circumstances that could reasonably be a basis for a **claim**, the risk manager, General Counsel, or a senior officer or director of the **Named Insured** or a **Subsidiary** must give written notice of the following information to the Underwriters during the **policy period**:
 - i. Specific details of the incidents, acts, facts or circumstances that could reasonably be the basis for a **claim**;
 - ii. Possible **damages**, penalties, or other amounts potentially covered under this Policy that may result or has resulted from the facts or circumstances;
 - iii. Details regarding how the **Insured** first became aware of the incidents, acts, facts, or circumstances; and
 - iv. The **computer system** security and event logs, if applicable.

Any **claim** arising out of such reported incidents, acts, facts or circumstances will be deemed to be a **claim** first made on the date that the Underwriters first receive written notice complying with the above requirements.

- e. A **claim** will be deemed reported to the Underwriters when notice is first given to the Underwriters through persons named in Item 9 of the Declarations.

12. Loss Determination

- a. **Brand Loss.** The revenue projection required to calculate **brand loss** under Named Coverage V will take into account the prior experience of the **Named Insured** or **Subsidiary's** business preceding the date of the **adverse media report** or **notification**, whichever applies, and the probable experience had no **adverse media report** been published or **notification** occurred. Revenue includes the amount of money paid or payable to the **Named Insured** or **Subsidiary** for goods, products, or services sold, delivered, or rendered in the normal course of the **Named Insured** or **Subsidiary's** business. Revenue projection will be reduced by the extent to which the **Named Insured** or **Subsidiary** uses substitute methods, facilities, or personnel to maintain its revenue stream. The Underwriters will take into consideration the **Named Insured** or **Subsidiary's** documentation of the trends in the business and variations in, or other circumstances affecting, the business before or after the **adverse media report** or **notification**, which would have affected the **Named Insured** or **Subsidiary's** business had no **adverse media report** been published or **notification** occurred. Any fixed operating expenses (including ordinary payroll) incurred will be considered in calculating **brand loss**, but only to the extent that such operating expenses must continue during the **period of indemnity**.
- b. **Digital Assets Loss.** **Digital assets loss** under Named Coverage VI. A. will be determined as follows:
 - i. If the impacted **digital asset** was purchased from a third party, the Underwriters will pay only the lesser of the original purchase price of the **digital asset** or the reasonable and necessary **digital assets loss**.
 - ii. If it is determined that the **digital assets** cannot be replaced, restored or recreated, then the Underwriters will only reimburse the actual and necessary **digital assets loss** incurred up to such determination.

- c. **Income Loss.** Under Named Coverages VI.B. and VIII., **income loss** will be determined as: 1) the **Named Insured** or **Subsidiary's** revenue, as could have been reasonably projected, but which has been lost directly as a result of a total or partial interruption, degradation in service, or failure of the **Named Insured's computer system** due to a **covered cause of loss** or an **act of cyber terrorism**. The revenue projection will take into account the prior experience of the **Named Insured** or **Subsidiary's** business before the date of the **covered cause of loss** or **act of cyber terrorism** and the probable experience had no **covered cause of loss** or **act of cyber terrorism** occurred. Revenues include the amount of money paid or payable to the **Named Insured** or the **Subsidiary** for goods, products, or services sold, delivered, or rendered in the normal course of the **Named Insured** or **Subsidiary's** business. Revenue projection will be reduced by the extent to which the **Named Insured** or **Subsidiary** uses substitute methods, facilities, or personnel to maintain its revenue stream. The Underwriters will take into consideration the **Named Insured** or **Subsidiary's** documentation of the trends in the business and variations in, or other circumstances affecting, the business before or after the **covered cause of loss** or **act of cyber terrorism**, which would have affected the **Named Insured** or **Subsidiary's** business had no **covered cause of loss** or **act of cyber terrorism** occurred; and 2) any fixed operating expenses (including ordinary payroll) incurred, but only to the extent that such operating expenses must continue during the **period of restoration**.

13. Assistance and Cooperation

- a. The **Insureds** must cooperate with the Underwriters in all investigations. The **Insureds** must execute or cause to be executed all papers and render all assistance as reasonably requested by the Underwriters. Part of this assistance may require the **Insureds** to provide copies of a third party's system security and event logs.
- b. At the Underwriters' request, the **Insureds** must assist in making settlements, in the conduct of lawsuits, and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Insured** with respect to which insurance is afforded under this Policy. The **Insureds** must attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses at the **Insureds'** own cost.
- c. No **Insured** will admit liability, make any payment, assume any obligation, incur any expense, enter into any settlement, stipulate to any judgment or award, or dispose of any **claim** without the Underwriters' written consent, unless otherwise provided under any Named Coverage. However, the prompt public admission of a **privacy breach** or **security breach** potentially impacting non-public personally identifiable information of **employees** or third parties, as required by governmental privacy legislation or credit card association operating requirements, will not be considered as an admission of liability requiring the Underwriters' prior consent; however, the Underwriters must be provided notice, in accordance with Section 11 of this Policy, of such public admission, if such public admission is a circumstance that could lead to a **claim**.
- d. The Underwriters have the right to investigate coverage as deemed necessary, including, but not limited to, any investigation with respect to the **application**, statements made in the **application** and any supplemental material submitted therewith.
- e. The **Insureds** must submit to examination under oath by our representatives, if requested, in connection with all matters relating to this Policy.

14. Subrogation

If any payment is made under this Policy and there is available to the Underwriters any of the **Insureds'** rights of recovery against any third party, then the Underwriters will maintain all such rights of recovery. The **Insureds** will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insureds** will do nothing to prejudice such rights. Any recoveries will be applied first to subrogation expenses, second to **damages, claim expenses**, or any other sums paid by the Underwriters, and lastly to the **retention**. Any additional amounts recovered will be paid to the **Insured**.

15. Other Insurance

This insurance applies in excess of any other valid and collectible insurance available to the **Insureds**, including any **retention** or deductible portion thereof, unless such other insurance is written specifically to be excess insurance over the Limits of Liability of this Policy.

16. Entire Agreement

By acceptance of this Policy, the **Named Insured** agrees that this Policy embodies all agreements between the **Named Insured** and the Underwriters relating to this insurance. Notice to any agent, or knowledge possessed by any agent, or by any other person, will not affect a waiver or a change in any part of this Policy or estop the Underwriters from asserting any right under the terms of this insurance; nor will the terms of this insurance be waived or changed, except by endorsement issued to form a part of this Policy and signed by the Underwriters.

17. Assignment

The interest hereunder is not assignable by the **Named Insured** or any **Subsidiary**. If an **Insured** dies or is adjudged incompetent, this insurance will apply to such **Insured's** legal representative to the same extent it would have applied to the **Insured**.

18. Cancellation by the Named Insured

The **Named Insured** may cancel this Policy by surrender thereof to the Underwriters, and by mailing or delivering to the Underwriters advance, written notice stating when thereafter cancellation will be effective. The mailing of such notice will be sufficient notice and the effective date of cancellation will become the end of the **policy period**. Delivery of such written notice will be equivalent to mailing. If this Policy is canceled by the **Named Insured**, the earned premium will be computed on a short rate basis, subject to a minimum earned of twenty-five percent (25%) of the total annual premium. Notwithstanding the foregoing, in the event that a **claim** or potential **claim** is reported under this Policy, no return premium will be provided. Payment or tender of any unearned premium by the Underwriters will not be a condition precedent to the effectiveness of cancellation.

19. Cancellation by Underwriters

- a. The Underwriters may cancel this Policy for non-payment of premium by mailing to the **Named Insured** written notice stating when, not less than ten (10) days thereafter, and such cancellation will be irrevocable. If payment is not received within the ten (10) day period, then this Policy will be cancelled ab initio, meaning coverage is null and void as of the effective date of this Policy. The mailing of such notice will be sufficient notice. Delivery of such written notice by the Underwriters by facsimile, email or private courier will be equivalent to mailing. If the foregoing notice period is in conflict with any governing law or regulation, then such period will be amended to afford the minimum notice period permitted thereunder.
- b. If the Underwriters cancel this Policy other than as set forth in paragraph a. of this section, the Underwriters will give the **Named Insured** thirty (30) days' written notice prior to cancellation. The cancellation notice will state the effective date of the cancellation, and this Policy will terminate on that date. If the foregoing notice period is in conflict with any governing law or regulation, then such period shall be amended to afford the minimum notice period permitted thereunder. If the Underwriters cancel this Policy under this paragraph b., the earned premium will be computed pro-rata.

20. Coverage For Created, Acquired or Sold Entities

- a. If, after the inception of the **policy period**, the **Named Insured** acquires or creates a **Subsidiary**, then for a period of sixty (60) days after the effective date of the transaction, the **Subsidiary** will be included within the definition of **Insured**, but only with respect to any **claim** for actual or alleged **wrongful acts** or **first party insured events** that take place or first commence after the creation or acquisition of such **Subsidiary**. The **Named Insured** must give the Underwriters written notice of the newly acquired or created **Subsidiary** within sixty (60) days of the effective date of the acquisition or creation thereof, together with such information as we may require. In the event that the revenues of the new **Subsidiary** exceed ten percent (10%) of the annual revenues of the **Named Insured** prior to the creation or acquisition, as reflected in the most recent **application** for this insurance, there may be an additional premium charged which must be paid in order for coverage for the new **Subsidiary** to continue beyond the initial sixty (60) day period.
- b. If, after the inception of the **policy period**, the **Named Insured** sells a **Subsidiary**, that **Subsidiary** will be an

Insured, but only with respect to any **claim** for:

- i. With respect to Named Coverages I, II, III, IV, V and IX, actual or alleged **wrongful act(s)** or **first party insured event(s)** that occur on or after the applicable **retroactive date** and prior to the effective date of the sale; and
- ii. With respect to Named Coverages VI, VII and VIII, **first party insured event(s)** that occur during the **policy period**, but prior to the effective date of the sale.

The **Named Insured** must give written notice of the sale to us within sixty (60) days of the effective date of the sale. There will be no return premium.

21. Coverage In the Event of Takeover

- a. In the event of a **takeover** during the **policy period**, coverage under this Policy will continue until its natural expiration date for any **claim** made during the **policy period**, but only if:
 - i. With respect to Named Coverages I, II, III, IV, V and IX, the entirety of the actual or alleged **wrongful act(s)** or the **first party insured event(s)** giving rise to such **claim** occurs on or after the applicable **retroactive date** and prior to the effective date of the **takeover**; and
 - ii. With respect to Named Coverages VI, VII and VIII, the entirety of the **first party insured event(s)** giving rise to such **claim** occurs during the **policy period**, but prior to the effective date of the **takeover**.

The **Named Insured** must give the Underwriters written notice of the **takeover** as soon as practicable, but in no event later than thirty (30) days from the effective date of the **takeover**. The Policy cannot be cancelled after the effective date of the **takeover**, and the premium will be deemed fully earned on such date. The Policy cannot be renewed upon its natural expiration date.

- b. In the event of a **takeover**, the purchase of an **extended reporting period** pursuant to Section 10 of this Policy is not available.
- c. In the event of a **takeover**, the **Named Insured** will have the right and option to purchase an **extended reporting period**, provided that the **Named Insured** has otherwise complied with the terms and conditions of this Policy. The additional premium for the **extended reporting period** will be 100% of the full annual policy premium, as measured by the level of premium in effect immediately prior to the end of the **policy period**, including any additional premium for endorsements. In order to purchase the **extended reporting period**, written notice of the request to purchase an **extended reporting period**, together with full payment of the premium for the **extended reporting period**, must be received by the Underwriters within thirty (30) days of the Policy expiration date.
- d. If purchased, the **extended reporting period** will be effective for twelve (12) months from the expiration date of this Policy and will extend the coverage granted by this Policy with respect to any **claim** first made during the **extended reporting period**, but only if:
 - i. With respect to named Coverages I, II, III, IV, V and IX, the entirety of the actual or alleged **wrongful act(s)** or **first party insured event(s)** giving rise to such **claim** occurs on or after the applicable **retroactive date** and prior to the effective date of the **takeover**; and
 - ii. With respect to Named Coverages VI, VII and VIII, the entirety of the **first party insured event(s)** giving rise to such **claim** occurs during the **policy period**, but prior to the effective date of the **takeover**.

As a further condition precedent to coverage, the **claim** must be reported to the Underwriters in accordance with Section 11 of this Policy and will be subject to all other Policy terms, conditions and exclusions.

- e. The **extended reporting period** applies only to those Named Coverage(s) purchased, as shown in the Declarations.
- f. The Limits of Liability for the **extended reporting period** are part of, and not in addition to, the Limits of Liability set forth in Item 4 of the Declarations.
- g. All notices and premium payments with respect to the **extended reporting period** will be directed to the

Underwriters through the entity named in Item 9 of the Declarations.

- h. At the commencement of the **extended reporting period**, the entire premium for the **extended reporting period** will be deemed fully earned, and in the event the **Named Insured** terminates an **extended reporting period** for any reason prior to its natural expiration, the Underwriters will not be liable to return any premium paid for the **extended reporting period**.

22. Words and Titles of Paragraphs

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

23. Dispute Resolution

- a. No action will lie against the Underwriters unless, as a condition precedent thereto, there has been full compliance with all of the terms of this insurance, nor until the amount of an **Insured's** obligation to pay has been finally determined either by judgment or award against the **Insured** after actual trial or arbitration, or by written agreement of the **Insured**, the claimant, and the Underwriters.
- b. Any person or organization, or the legal representative thereof, who has secured such judgment, award, or written agreement will thereafter be entitled to make a **claim** under this Policy to the extent of the insurance afforded by this Policy. No person or organization has any right under this Policy to join the Underwriters as a party to an action or other proceeding against any **Insured** to determine the **Insured's** liability, nor may the Underwriters be impleaded by the **Insured** or the **Insured's** legal representative. Bankruptcy or insolvency of the **Named Insured** or of the **Named Insured's** estate will not relieve the Underwriters of their obligations hereunder.
- c. Mediation. If any dispute arises between any **Insured** and the Underwriters involving this Policy and/or a **claim** hereunder, the **Named Insured** and the Underwriters agree that such dispute will be referred to a qualified mediator in a good faith effort to negotiate a resolution of the dispute prior to the initiation of any arbitration or other proceedings. The party invoking the agreement to mediate will provide written notice to the other party setting forth its request to mediate and a brief statement regarding the issue to be mediated. The persons named in Item 11 of the Declarations are authorized and directed to accept the Notice of Mediation on behalf of the Underwriters. The **Named Insured** is authorized and directed to accept the Notice of Mediation on behalf of any **Insured**.
- d. Arbitration. As a condition precedent to any right of action hereunder, in the event that a good faith effort to mediate pursuant to paragraph c. above does not resolve a dispute between any **Insured** and the Underwriters involving this Policy or a **claim** or circumstance hereunder, the **Named Insured** and the Underwriters agree that such dispute will be determined by final and binding arbitration before a single arbitrator. If the parties cannot mutually select the arbitrator, the parties will refer the selection of the arbitrator to the American Arbitration Association.

24. Service of Suit Clause (U.S.A.)

- a. Subject to the application of Section 23, it is agreed that in the event of the Underwriters failure to pay any amount claimed to be due under this Policy, the Underwriters herein, at the **Named Insured's** request, will submit to the jurisdiction of any court of competent jurisdiction within the United States. Nothing in this section constitutes, or should be understood to constitute, a waiver of the Underwriters' rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or any state in the United States. It is further agreed that service of process in such lawsuit may be made upon the Underwriters' representative designated in Item 11 of the Declarations, and that in any suit instituted against any one of them upon this Policy, the Underwriters will abide by the final decision of such court or of any appellate court in the event of an appeal.
- b. The Underwriters' representative designated in Item 11 of the Declarations is authorized and directed to accept service of process on the Underwriters' behalf in any such lawsuit and/or upon the **Named Insured's** request to give a written undertaking to the **Named Insured** that they will enter a general appearance the Underwriters' behalf in the event such a lawsuit is instituted.

- c. Pursuant to any statute of any state, territory, or district of the United States which makes provision therefor, the Underwriters hereby designate the Superintendent, Commissioner, or Director of Insurance or other officer specified for that purpose in the statute, or his or her successor in office, as their true and lawful attorney upon whom may be served any lawful process in any action, lawsuit, or proceeding instituted by or on behalf of **Named Insured**, or any beneficiary hereunder arising out of this Policy, and the Underwriters hereby designate the representative listed in Item 11 of the Declarations as the person to whom the officer is authorized to mail such process or a true copy thereof.

25. Warranty by the Named Insured

- a. By acceptance of this Policy, the **Named Insured** agrees that the statements contained in the **application**, any application for insurance if this Policy is a renewal, and any supplemental materials submitted therewith are the **Named Insured's** agreements and representations, which are deemed material to the risk assumed by the Underwriters, and that this Policy is issued in reliance upon the truth thereof.
- b. The misrepresentation or non-disclosure of any matter by the **Named Insured**, or the **Named Insured's** agent in the **application**, any application for insurance if this Policy is a renewal, or any supplemental materials submitted to the Underwriters will render the Policy null and void and relieve the Underwriters from all liability under this Policy.
- c. The **application**, any application for insurance if this Policy is a renewal, and any supplemental materials submitted to the Underwriters are deemed incorporated into and made a part of this Policy.

26. Forfeiture

Any action or failure to act by the **Named Insured** with the intent to defraud the Underwriters; or the material misrepresentation or non-disclosure of any material fact or **claims** by the **Named Insured** in the **application** or in any supplemental materials submitted to the Underwriters, will render this Policy null and void, and all coverage hereunder shall be forfeited.

NAS INSURANCE SERVICES, LLC

By 
On behalf of the Underwriters
providing this insurance.

P1818CE-0115
© 2015 NAS Insurance Services, LLC

This Endorsement changes the Policy. Please read it carefully.

U.S.A.

NUCLEAR INCIDENT EXCLUSION CLAUSE-LIABILITY-DIRECT – E1818NIE-0111

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

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

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

This policy* does not apply:

- I. Under any Liability Coverage, to injury, sickness, disease, death or destruction
 - (a) with respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (b) resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- II. Under any Medical Payments Coverage, or under any Supplementary Payments Provision relating to immediate medical or surgical relief, to expenses incurred with respect to bodily injury, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
- III. Under any Liability Coverage, to injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if
 - (a) the nuclear material (1) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (2) has been discharged or dispersed therefrom;
 - (b) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

All other terms and conditions of the Policy remain unchanged

- (c) the injury, sickness, disease, death or destruction arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (c) applies only to injury to or destruction of property at such nuclear facility.

IV. As used in this Endorsement:

"hazardous properties" include radioactive, toxic or explosive properties; **"nuclear material"** means source material, special nuclear material or byproduct material; **"source material"**, **"special nuclear material"**, and **"byproduct material"** have the meanings given them in the Atomic Energy Act 1954 or in any law amendatory thereof; **"spent fuel"** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor; **"waste"** means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof;

"nuclear facility" means

- (a) any nuclear reactor,
- (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, 2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,
- (c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

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

With respect to injury to or destruction of property, the word **"injury"** or **"destruction"** includes all forms of radioactive contamination of property.

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

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

17/3/60

N.M.A. 1256

This endorsement is to take effect on February 8, 2020.

Policy No.: 1129395

Name: Existential-Humanistic Institute, Inc.

Policy Effective Date: February 8, 2020 Expiration: February 8, 2021

Endorsement No.: 1

All other terms and conditions of the Policy remain unchanged

**U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL
(OFAC) ADVISORY NOTICE TO POLICYHOLDERS – E1818US-0315**

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your Policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by the Office of Foreign Assets Control ("OFAC"). **Please read this Notice carefully.**

OFAC administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

1. Foreign agents;
2. Front organizations;
3. Terrorists;
4. Terrorist organizations; and
5. Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's website -- <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it determined that you or any other insured, or any person or entity claiming the benefits of this insurance, has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments or premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

This endorsement is to take effect on February 8, 2020.

Policy No.: 1129395

Name: Existential-Humanistic Institute, Inc.

Policy Effective Date: February 8, 2020 Expiration: February 8, 2021

Endorsement No.: 2

All other terms and conditions of the Policy remain unchanged

This Endorsement changes the Policy. Please read it carefully.

e-MD®/MEDEFENSE® PLUS ENDORSEMENT

PCI DSS ASSESSMENT EXTENSION – E1818CEP-0816

In consideration of the premium charged, it is hereby understood and agreed that the Policy is amended to include PCI DSS Assessment coverage on a Claims-Made and Reported Basis. The following terms, conditions, Limits of Liability and Retentions set forth below apply to PCI DSS Assessment coverage only. All other terms and conditions of the Policy remain unchanged and apply in full force and effect unless this Endorsement states otherwise.

It is further understood and agreed that Exclusion No. 35 of the Policy to which this Endorsement attaches does not apply in any way to limit the coverage, Limits of Liability, terms, conditions, and other provisions of this Endorsement.

A. PCI DSS ASSESSMENT DECLARATIONS

- | | |
|--------------------------------|---|
| 1. Limits of Liability: | \$555,555.55 Each Claim
\$0.55 Aggregate |
| 2. Retention: | \$55.55 Each Claim |
| 3. Retroactive Date: | 555 |

B. PCI DSS ASSESSMENT INSURING AGREEMENT

Subject to the limits of liability and retention set forth in the PCI DSS Assessment Declarations, the Underwriters will pay on behalf of an **Insured** any **PCI DSS assessment** and related **claim expenses** incurred by such **Insured** because of a **PCI DSS assessment claim** resulting from a **security breach** or **privacy breach**.

This coverage only applies if:

1. The **PCI DSS assessment claim** is first made against the **Insured** during the **policy period** or the **extended reporting period** (if applicable);
2. The **PCI DSS assessment claim** is reported to the Underwriters in writing by the risk manager, General Counsel, or a senior officer or director of the **Named Insured** or a **Subsidiary** no later than sixty (60) days after the **PCI DSS assessment claim** is first made; and
3. The entirety of the **security breach** or **privacy breach** occurs on or after the applicable **retroactive date**.

All other terms and conditions of the Policy remain unchanged

We have the right and duty to defend an **Insured** against any **PCI DSS assessment claim**, even if the allegations are groundless, false, or fraudulent. The Underwriters have the right to appoint an attorney to defend any **PCI DSS assessment claim**.

C. **PCI DSS ASSESSMENT LIMITS OF LIABILITY**

The Limits of Liability set forth in the PCI DSS Assessment Declarations shall be our total Limit of Liability for each **PCI DSS assessment claim** and in the aggregate for all **PCI DSS assessment claims** made during the **policy period**. Such Limits of Liability include **claim expenses**. Neither the inclusion of more than one **Insured** under this Policy, nor the making of **claims** by more than one person or entity, shall increase the Limits of Liability applicable to the PCI DSS Assessment insuring agreement. All payments made under the PCI DSS Assessment insuring agreement will be included within, and will reduce, the Maximum Policy Aggregate Limit of Liability set forth in Item 4(B) of the Policy Declarations.

D. **PCI DSS ASSESSMENT DEFINITIONS**

With respect to the coverage provided by this Endorsement, certain words are shown in bold face print and are defined as follows. Refer to Section 7. Definitions of the Policy for terms that are shown in bold in this Endorsement but are not defined below. If a term is defined below and in the Policy, the definition below applies to the coverage provided by this Endorsement. All other terms in this Endorsement will be interpreted according to their generally accepted meaning or common customary usage.

Acquiring bank means a bank or financial institution that accepts credit and/or debit card payments (including credit cards, debits cards, stored value cards and pre-paid cards) for products or services on behalf of a merchant, including processing and crediting those payments to a merchant's account.

Card association means Visa International, Mastercard, Discover, JCB American Express and any similar credit or debit card association that is a participating organization of the Payment Card Industry Security Standards Council.

PCI DSS assessment means a monetary fine or penalty assessed against an **Insured** by an **acquiring bank** or **card association** as a result of a **security breach** or **privacy breach**.

PCI DSS assessment claim means a written demand made against an **Insured** by an **acquiring bank** or **card association** for a **PCI DSS assessment** due to the **Insured's** non-compliance with **PCI Data Security Standards**. A **PCI DSS**

assessment claim shall be deemed to be first made when it is received by an **Insured**.

PCI Data Security Standards (known as "PCI DSS") means the published data security standards in effect now or as hereafter amended, which all merchants and processors must follow when storing, processing and transmitting cardholder data.

E. PCI DSS ASSESSMENT NOTICE PROVISIONS

If any **PCI DSS assessment claim** is made against an **Insured**, the risk manager, General Counsel, or a senior officer or director of the **Named Insured** or a **Subsidiary** must provide written notice to us, through persons named in Item 9 of the Declarations, of such **PCI DSS assessment claim** no later than sixty (60) days after the **PCI DSS assessment claim** is first made.

F. PCI DSS ASSESSMENT CONSENT TO SETTLE PROVISIONS

We will not settle any **PCI DSS assessment claim** or pay any **PCI DSS assessment** without the **Insured's** consent. If an **Insured** refuses to consent to any settlement or compromise recommended by us or our representatives that is acceptable to the claimant, and the **Insured** elects to contest the **PCI DSS assessment claim** or continue any legal proceedings in connection with such **PCI DSS assessment claim**, then our total liability for any **claim expenses** and/or **PCI DSS assessment** will not exceed the following, subject to the limits of liability set forth in the PCI DSS Assessment Declarations:

1. The amount for which the **PCI DSS assessment claim** could have been settled, plus **claim expenses** incurred as of the date the **Insured** withheld consent to such settlement, plus
2. Fifty percent (50%) of any **PCI DSS assessment** incurred after the date the **Insured** withheld consent to such settlement or compromise, and fifty percent (50%) of **claim expenses** incurred after the date the **Insured** withheld consent to such settlement or compromise. The remaining fifty percent (50%) of such **claim expenses** and/or **PCI DSS assessment** will be borne by the **Insured** at the **Insured's** own risk and uninsured under this Endorsement.

G. ADDITIONAL POLICY AMENDMENTS SPECIFIC TO PCI DSS ASSESSMENT CLAIMS

1. Solely with respect to the coverage provided by this endorsement, the definition of **claim** in Section 7. Definitions of the Policy is amended to include a **PCI DSS Assessment Claim**.

2. With respect to the coverage provided by this endorsement, the definition of **wrongful act** in Section 7. Definitions of the Policy means a **security breach** or **privacy breach**.

3. **Section 10. Extended Reporting Provisions**, paragraph a, is amended to include the following:

If purchased, the **extended reporting period** will extend coverage granted under the PCI DSS Assessment insuring agreement with respect to any **PCI DSS assessment claim** first made during the **extended reporting period**, but only if the entirety of the actual or alleged **wrongful act(s)** giving rise to such **PCI DSS assessment claim** occurs on or after the applicable **retroactive date** and prior to the end of the **policy period**, provided that such **PCI DSS assessment claim** is otherwise covered by this Policy. As a further condition of coverage, the **PCI DSS assessment claim** must be reported to the Underwriters in accordance with the PCI DSS Assessment insuring agreement notice provisions.

4. **Section 20. Coverage For Created, Acquired or Sold Entities** is amended to include the following provisions:

If, after the inception of the **policy period**, the **Named Insured** acquires or creates a **Subsidiary**, then for a period of sixty (60) days after the effective date of the transaction, the **Subsidiary** will be included within the definition of **Insured**, but only with respect to any **PCI DSS assessment claim** resulting from actual or alleged **wrongful acts** that take place or first commence after the creation or acquisition of such **Subsidiary**.

If, after the inception of the **policy period**, the **Named Insured** sells a **Subsidiary**, that **Subsidiary** will be an **Insured**, but only with respect to any **PCI DSS assessment claim** which is based upon or directly results from a **wrongful act** that occurs on or after the applicable **retroactive date**, but prior to the effective date of the sale.

5. **Section 21. Coverage In the Event of a Takeover** is amended to include the following provisions:

In the event of a **takeover** during the **policy period**, coverage under the PCI DSS Assessment insuring agreement will continue for any **PCI DSS assessment claim** made during the **policy period**, but only if the entirety of the **wrongful act** giving rise to such **PCI DSS assessment claim** occurs on or after the applicable **retroactive date** and prior to the effective date of the **takeover**.

In the event of a **takeover** during the **policy period**, the **extended reporting period**, if purchased, will be effective for twelve (12) months

All other terms and conditions of the Policy remain unchanged

from the expiration date of this Policy with respect to a **PCI DSS assessment claim** first made during the **extended reporting period**, but only if the entirety of the **wrongful act** giving rise to such **PCI DSS assessment claim** occurs on or after the applicable **retroactive date** and prior to the effective date of the **takeover**.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY SHALL REMAIN UNCHANGED.

This endorsement is to take effect on February 8, 2020.

Policy No.: 1129395

Name: Existential-Humanistic Institute, Inc.

Policy Effective Date: February 8, 2020 Expiration: February 8, 2021

Endorsement No.: 3

All other terms and conditions of the Policy remain unchanged

This Endorsement changes the Policy. Please read it carefully.

e-MD®/MEDEFENSE® PLUS ENDORSEMENT

CYBER CRIME COVERAGE – E1818CEDI-1115

In consideration of the premium charged, it is understood and agreed that Cyber Crime coverage is added to the Policy by this Endorsement. The Cyber Crime Coverage is provided on an Event Discovered and Reported basis. The terms, conditions, exclusions, Limits of Liability, and **retentions** set forth below apply to Cyber Crime Coverage only. All other terms, conditions and exclusions of the Policy remain unchanged and apply in full force and effect unless this Endorsement states otherwise.

CYBER CRIME COVERAGE DECLARATIONS

Item 1. Limits of Liability per Named Coverage:

- | | | |
|------|------------------------------------|--|
| I. | Financial Fraud Coverage: | \$0.55 per claim and in the aggregate |
| II. | Telecommunications Fraud Coverage: | \$0.55 per claim and in the aggregate |
| III. | Phishing Attack Coverage: | \$0.55 per claim and in the aggregate |

Item 2. Maximum Aggregate Limit of Liability: \$0.55

NOTE - the limits shown in Items 1 and 2 above shall be part of, and will reduce, the Maximum Policy Aggregate Limit of Liability set forth in Item 4(B) of the Policy Declarations Page.

Item 3. **Retentions:**

- | | | |
|------|------------------------------------|-------------------------|
| I. | Financial Fraud Coverage | \$0.55 per claim |
| II. | Telecommunications Fraud Coverage: | \$0.55 per claim |
| III. | Phishing Attack Coverage: | \$0.55 per claim |

Item 4. **Retroactive Date:**

- | | | |
|------|------------------------------------|-----|
| I. | Financial Fraud Coverage | 555 |
| II. | Telecommunications Fraud Coverage: | 555 |
| III. | Phishing Attack Coverage: | 555 |

Item 5. **Endorsement Period:** February 8, 2020 to February 8, 2021

All other terms and conditions of the Policy remain unchanged

CYBER CRIME COVERAGE TERMS AND CONDITIONS

Various terms and conditions in this Endorsement restrict coverage. Read the entire Endorsement carefully to determine the **Insured's** rights and duties, and what is and is not covered.

I. Cyber Crime Named Coverages

The coverage that is provided by this Endorsement shall be subject to the following Insuring Agreements:

Cyber Crime Named Coverage I: Financial Fraud Coverage

Subject to the applicable Limits of Liability, the Underwriters will indemnify **you** for the **financial fraud loss** that **you** incur because of **financial fraud**, provided that:

1. The **financial fraud** occurs on or after the **retroactive date**;
2. The **financial fraud** is reported to the Underwriters in writing during the **endorsement period**, or during the **extended reporting period** (if any), and no later than sixty (60) days after the **financial fraud** is discovered by an **Insured**; and
3. **Your** bank or credit card company has refused to reverse or prevent a payment transaction, or to indemnify or reimburse **you** for the **financial fraud loss**, and **you** provide written confirmation to the Underwriters of such refusal.

Cyber Crime Named Coverage II: Telecommunications Fraud Coverage

Subject to the applicable Limits of Liability, the Underwriters will indemnify **you** for **telecommunications fraud loss** that **you** incur because of **telecommunications fraud**, provided that:

1. The **telecommunications fraud** occurs on or after the **retroactive date**; and
2. The **telecommunications fraud** is reported to the Underwriters in writing during the **endorsement period**, or during the **extended reporting period** (if any), and no later than sixty (60) days after the **telecommunications fraud** is discovered by an **Insured**.

Cyber Crime Named Coverage III: Phishing Attack Coverage

Subject to the applicable Limits of Liability, the Underwriters will indemnify **you** for **phishing attack loss** that **you** incur because of a **phishing attack**, provided that:

1. The **phishing attack** occurs on or after the **retroactive date**; and

2. The **phishing attack** is reported to the Underwriters in writing during the **endorsement period**, or during the **extended reporting period** (if any), and no later than sixty (60) days after the **phishing attack** is discovered by an **Insured**.

II. Cyber Crime Coverage Limits of Liability

1. The Limits of Liability set forth in Item 1 of the Cyber Crime Coverage Declarations represent the maximum sums that the Underwriters will pay under each Insuring Agreement for each **cyber crime claim** reported during the **endorsement period** and in the aggregate for all **cyber crime claims** reported during the **endorsement period**. Neither the inclusion of more than one **Insured** under this Endorsement, nor the making of **cyber crime claims** by more than one **Insured** will increase the Limits of Liability for any one Insuring Agreement.
2. The Maximum Aggregate Limit of Liability set forth in Item 2 of the Cyber Crime Coverage Declarations represents the maximum sum that the Underwriters will pay as a result of all **cyber crime claims** reported during the **endorsement period** and **extended reporting period** (if any), regardless of the number of Insuring Agreements that apply.
3. The Limits of Liability set forth in Item 1 and Item 2 of the Cyber Crime Coverage Declarations are both included within, and will reduce, the Maximum Policy Aggregate Limit of Liability set forth in Item 4(B) of the Policy Declarations Page. The existence of an **extended reporting period** will not increase or reinstate the Limits of Liability provided under this Endorsement.
4. Underwriters will have no obligation to pay, or to continue to pay, any **cyber crime claim** after exhaustion of the Limits of Liability set forth in this Endorsement or the Maximum Policy Aggregate Limit of Liability set forth in Item 4(B) of the Policy Declarations Page, whichever occurs first.
5. All **cyber crime claims** which arise out of the same, related, or continuing events, incidents, acts, facts or circumstances will be considered a single **cyber crime claim**, regardless of the number of **cyber crime claims** made or **Insureds** involved or affected. Only one Limit of Liability set forth in Item 1 of the Cyber Crime Coverage Declarations will apply to such **cyber crime claim**. All **cyber crime claims** which arise out of the same, related, or continuing events, incidents, acts, facts or circumstances will be deemed to have been first reported on the date the earlier of such **cyber crime claims** is reported to the Underwriters in writing.
6. In the event a **cyber crime claim** attaches to more than one Insuring Agreement, only one Limit of Liability set forth in Item 1 of the Cyber Crime Coverage Declarations will apply to such **cyber crime claim**. In such event, only the highest of the applicable Limits of Liability will apply. The Underwriters have the

sole discretion to allocate **cyber crime claims** paid, if any, against the appropriate Limit of Liability.

III. Cyber Crime Coverage Retention

1. The applicable **retention** amount for each Insuring Agreement, as set forth in Item 3 of the Cyber Crime Coverage Declarations, will apply separately to each **cyber crime claim**. The **retention** must be satisfied by **your** actual payment of any amounts covered under this Endorsement. If a **cyber crime claim** attaches to more than one Insuring Agreement, only the highest **retention** will apply.
2. **Your** payment of the applicable **retention** is a condition precedent to payment by the Underwriters of any sums covered under this Endorsement, and the Underwriters will only be liable for sums in excess of such **retention**, subject to the Limits of Liability set forth in Items 1 and 2 of the Cyber Crime Coverage Declarations. **You** must make direct payments within the **retention** to the appropriate parties designated by the Underwriters.
3. All **cyber crime claims** under any one Insuring Agreement which arise out of the same, related, or continuing events, incidents, acts, facts or circumstances will be considered a single **cyber crime claim**, regardless of the number of **cyber crime claims** made or **Insureds** involved or affected, and only one **retention** will apply to such **cyber crime claim**.

IV. Cyber Crime Coverage Definitions

With respect to the coverage provided by this Endorsement, certain words are shown in bold and are defined as follows. Refer to the Definitions section of the Policy for terms that are shown in bold in this Endorsement, but are not defined below. If a term is defined below and in the Policy, the definition below applies only to the coverage provided by this Endorsement.

Cyber crime claim means:

1. With respect to Cyber Crime Named Coverage I, written notice to the Underwriters of **financial fraud**; and
2. With respect to Cyber Crime Named Coverage II, written notice to the Underwriters of **telecommunications fraud**; and
3. With respect to Cyber Crime Named Coverage III, written notice to the Underwriters of a **phishing attack**.

Cyber crime event means:

1. With respect to Cyber Crime Named Coverage I, **financial fraud**;

All other terms and conditions of the Policy remain unchanged

2. With respect to Cyber Crime Named Coverage II, **telecommunications fraud**; and
3. With respect to Cyber Crime Named Coverage III, a **phishing attack**.

Endorsement period means the period of time specified in Item 5 of the Cyber Crime Coverage Declarations. Coverage may be canceled or otherwise terminated before the **endorsement period** expiration date.

Financial fraud means any of the following:

1. An intentional, unauthorized and fraudulent written, electronic or telephonic instruction transmitted to a financial institution, directing such institution to debit **your** account and to transfer, pay or deliver **money** or **securities** from **your** account, which instruction purports to have been transmitted by **you** or **your employee**, but was in fact fraudulently transmitted by a **third party** without **your** knowledge or consent; or
2. An intentional, unauthorized and fraudulent written, electronic or telephonic instruction transmitted to a financial institution by **your employee** as the result of that **employee** receiving intentional, misleading or deceptive telephonic or electronic communications from a **third party** falsely purporting to be **you** or **your** client, vendor, or **employee**, and which directs the financial institution to debit **your** account and to transfer, pay or deliver **money** or **securities** from **your** account; or
3. The theft of **money** or **securities** from **your** bank account or corporate credit cards by electronic means.

Financial fraud loss means **your** loss of **money** or **securities** which is directly caused by **financial fraud**. **Financial fraud loss** does not include any amounts reimbursed to **you** by any financial institution.

Insured telecommunications system means any telephone or fax network or system that **you** own, rent, lease, license, or borrow.

Money means a medium of exchange in current use and authorized or adopted by a domestic or foreign government, including, but not limited to, currency, coins, bank notes, bullion, travelers' checks, registered checks and money orders held for sale to the public.

Other property means any tangible property, other than **money** or **securities**, which has intrinsic value.

Personally identifiable information means information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual.

Phishing attack means the use of fraudulent electronic communications or malicious websites to impersonate **you** or any of **your** products or services, in order to solicit personal or confidential information.

Phishing attack loss means:

1. Expenses incurred by **you**, with the Underwriters' prior written consent, to create and issue a specific press release or to establish a specific website to advise customers and prospective customers of a **phishing attack**; and
2. The cost of reimbursing **your** existing customers for their financial losses arising directly from a **phishing attack**.

Retention means the amount specified as such in Item 3 of the Cyber Crime Coverage Declarations.

Retroactive date means the date specified as such in Item 4 of the Cyber Crime Coverage Declarations, on or after which a **cyber crime event** must have taken place in order to be considered for coverage under this Endorsement.

Security or **Securities** means negotiable or non-negotiable instruments or contracts representing **money** or **other property**, but does not include **money**.

Telecommunications fraud means the intentional, unauthorized and fraudulent gaining of access to outgoing telephone service through infiltration and manipulation of an **insured telecommunications system**.

Telecommunications fraud loss means the charges incurred by **you** for unauthorized calls directly resulting from **telecommunications fraud**.

Third party means:

1. Any person who does not qualify as an **Insured** under Section 6. Who is Insured of the Policy; or
1. Any entity, company or organization that does not qualify as an **Insured** under Section 6. Who is Insured of the Policy.

You and **your** mean the **Named Insured** or any **Subsidiary**.

V. Cyber Crime Exclusions

In addition to the exclusions contained in the Policy, the Underwriters will not be liable for any **cyber crime claim**:

1. Based upon, arising out of, or in any way involving any actual or alleged unauthorized acquisition, access, use or disclosure of **personally identifiable information** or confidential corporate information that is held or transmitted in any form. However, this exclusion will not apply to **financial fraud** directly resulting from the use of such **personally identifiable information** or confidential corporate information.
2. Based upon, arising out of, or in any way involving any seizure, confiscation, nationalization or destruction of an **insured telecommunications system** by order of any governmental or public authority.
3. Based upon, arising out of, or in any way involving any **cyber crime events** which took place, in whole or in part, prior to the **retroactive date**.
4. For amounts that have been wholly or partially reversed by a credit card company or financial institution.
5. With respect to Cyber Crime Named Coverage I only:
 - a. Based upon, arising out of, or in any way involving any fraudulent instruction if the sender, or any person or organization acting in collusion with the sender, ever had authorized access to **your** password, PIN or other security code. This exclusion will not apply to a fraudulent instruction transmitted by **your employee**, but only if the fraudulent instruction was transmitted as a result of that **employee** receiving intentional, misleading or deceptive telephonic or electronic communications from a **third party** falsely purporting to be **you** or **your** client, vendor, or **employee**.
 - b. Based upon, arising out of, or in any way involving the giving or surrendering of **money, securities** or **other property** in any exchange for, or purchase of:
 - i. Goods, products, or services not yet delivered, whether or not fraudulent; or
 - ii. Goods, products or services that fail to conform to advertised quality or performance, or quality or performance expected from the standpoint of the **Insured**.
 - c. Based upon, arising out of, or in any way involving potential income, including interest and dividends, not realized by an **Insured** or **your** customers.

VI. Cyber Crime Coverage Notice Provisions

All other terms and conditions of the Policy remain unchanged

If **you** have any **cyber crime claim(s)** under this Endorsement, **your** risk manager, General Counsel or senior officer or director must provide written notice to the Underwriters of such **cyber crime claim** during the **endorsement period**, or during the **extended reporting period** (if any), and no later than sixty (60) days after the **cyber crime event** giving rise to such **cyber crime claim** is discovered by an **Insured**. A **cyber crime claim** under this Endorsement will be deemed to be first reported when such written report is received by the Underwriters. Written notice may be given to Underwriters at the address in Item 9 of the Policy Declarations Page or via e-mail at claims@nasinsurance.com.

VII. Additional Policy Amendments Specific to this Endorsement

1. It is agreed that the definition of **claim** in Section **7. Definitions** of the Policy is amended to include a **cyber crime claim**.
2. It is agreed that the definition of **first party insured event** in Section **7. Definitions** of the Policy is amended to include a **cyber crime event**.
3. Section **10. Extended Reporting Provisions**, paragraph a, is amended to include the following:

If purchased, the **extended reporting period** will extend coverage with respect to any **cyber crime claim** reported during the **extended reporting period**, but only if the **cyber crime event** giving rise to such **cyber crime claim** occurs on or after the **retroactive date** and prior to the end of the **endorsement period**, provided that such **cyber crime claim** is otherwise covered by this Policy. As a further condition of coverage, the **cyber crime claim** must be reported to the Underwriters in writing no later than sixty (60) days after the **cyber crime event** giving rise to such **cyber crime claim** is discovered by an **Insured**.

4. Section **20. Coverage For Created, Acquired or Sold Entities** is amended to include the following provisions:

If, after the inception of the **endorsement period**, the **Named Insured** acquires or creates a **Subsidiary**, then for a period of sixty (60) days after the effective date of the transaction, the **Subsidiary** will be included within the definition of **Insured**, but only with respect to a **cyber crime claim** which directly results from a **cyber crime event** that occurs after the effective date of the creation or acquisition of such **Subsidiary**.

If, after the inception of the **endorsement period**, the **Named Insured** sells a **Subsidiary**, that **Subsidiary** shall be an **Insured**, but only with respect to a **cyber crime claim** which directly results from a **cyber crime event** that occurs on or after the **retroactive date** and before the effective date of the sale

5. Section **21. Coverage In the Event of a Takeover** is amended to include the following provisions:

In the event of a **takeover** during the **policy period**, coverage under the Cyber Crime Coverage Endorsement will continue until its natural expiration date for any **cyber crime claim** reported during the **endorsement period**, but only if the **cyber crime event(s)** giving rise to such **cyber crime claim** occurs on or after the **retroactive date** and prior to the effective date of the **takeover**.

If an **extended reporting period** is purchased in accordance with paragraph d of Section 21, such **extended reporting period** will apply to any **cyber crime claim** reported during the **extended reporting period**, but only if the **cyber crime event** giving rise to such **cyber crime claim** occurs on or after the **retroactive date** and prior to the **takeover**, provided that such **cyber crime claim** is otherwise covered by this Policy. As a further condition of coverage, the **cyber crime claim** must be reported to the Underwriters in writing no later than sixty (60) days after the **cyber crime event** giving rise to such **cyber crime claim** is discovered by an **Insured**.

This endorsement is to take effect on February 8, 2020.

Policy No.: 1129395

Name: Existential-Humanistic Institute, Inc.

Policy Effective Date: February 8, 2020 Expiration: February 8, 2021

Endorsement No.: 4

POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE – E1856J-1117

COVERAGE FOR ACTS OF TERRORISM IS ALREADY INCLUDED IN THE POLICY (INCLUDING ANY QUOTATION FOR INSURANCE) TO WHICH THIS NOTICE APPLIES. YOU SHOULD KNOW THAT, UNDER THE POLICY, ANY LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM WOULD BE PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. UNDER THIS FORMULA, THE UNITED STATES PAYS 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020; OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER PROVIDING THE COVERAGE. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS EXCLUSION FOR NUCLEAR EVENTS. THE TERM "ACT OF TERRORISM" MEANS ANY ACT THAT IS CERTIFIED BY THE SECRETARY OF THE TREASURY, IN CONSULTATION WITH THE SECRETARY OF HOMELAND SECURITY AND THE ATTORNEY GENERAL OF THE UNITED STATES, TO BE AN ACT OF TERRORISM; TO BE A VIOLENT ACT OR AN ACT THAT IS DANGEROUS TO HUMAN LIFE, PROPERTY, OR INFRASTRUCTURE; TO HAVE RESULTED IN DAMAGE WITHIN THE UNITED STATES, OR OUTSIDE THE UNITED STATES IN THE CASE OF AN AIR CARRIER OR VESSEL OR THE PREMISES OF A UNITED STATES MISSION; AND TO HAVE BEEN COMMITTED BY AN INDIVIDUAL OR INDIVIDUALS, AS PART OF AN EFFORT TO COERCE THE CIVILIAN POPULATION OF THE UNITED STATES OR TO INFLUENCE THE POLICY OR AFFECT THE CONDUCT OF THE UNITED STATES GOVERNMENT BY COERCION. THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES EXCEEDS \$100 BILLION IN ANY ONE CALENDAR YEAR. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

THE PORTION OF YOUR ANNUAL PREMIUM THAT IS ATTRIBUTABLE TO COVERAGE FOR CERTIFIED ACTS OF TERRORISM AS DEFINED IN THE TERRORISM RISK INSURANCE ACT OF 2002, AS AMENDED, IS 1%.



On behalf of certain underwriters at Lloyd's

12 January 2015
LMA9105 (amended)

This endorsement is to take effect on February 8, 2020.

Policy No.: 1129395

Name: Existential-Humanistic Institute, Inc.

Policy Effective Date: February 8, 2020 Expiration: February 8, 2021

Endorsement No.: 5

All other terms and conditions of the Policy remain unchanged



Lloyd's Certificate

This Insurance is effected with certain Underwriters at Lloyd's, London.

This Certificate is issued in accordance with the limited authorization granted to the Correspondent by certain Underwriters at Lloyd's, London whose syndicate numbers and the proportions underwritten by them can be ascertained from the office of said Correspondent (such Underwriters being hereinafter called "Underwriters") and in consideration of the premium specified herein, Underwriters hereby bind themselves severally and not jointly, each for his own part, and not one for another, their Executors and Administrators.

The Assured is requested to read this Certificate, and if it is not correct, return it immediately to the Correspondent for appropriate alteration.

All inquiries regarding this Certificate should be addressed to the following Correspondent:



16501 Ventura Blvd. Suite 200 Encino, CA 91436
LIC #0677191 · NASinsurance.com

CERTIFICATE PROVISIONS


- 1. Signature Required.** This certificate shall not be valid unless signed by the Correspondent on the attached Declaration Page.
- 2. Correspondent Not Insurer.** The Correspondent is not an Insurer hereunder and neither is nor shall be liable for any loss or claim whatsoever. The Insurers hereunder are those individual Underwriters at Lloyd's, London whose names can be ascertained as hereinbefore set forth.
- 3. Cancellation.** If this certificate provides for cancellation and this certificate is cancelled after the inception date earned premium must be paid for the time the insurance has been in force.
- 4. Service of Suit.** It is agreed that in the event of the failure of Underwriters to pay any amount claimed to be due hereunder, Underwriters, at the request of any person or entity insured hereunder, will submit to the jurisdiction of any court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be deemed to constitute a waiver of Underwriters' right to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court, as permitted by the laws of the United States or of any state, territory, or district in the United States. It is further agreed that service of process in such suit may be made upon the firm or person named on the attached Declaration Page and that in such suit instituted against any one of them upon this Policy, Underwriters will abide by the final decision of such court or of any appellate court in the event of an appeal.
The above-named party is authorized and directed to accept service on behalf of Underwriters in any such suit upon the request of any person or entity to enter a general appearance on behalf of Underwriters in the event such a suit shall be instituted.
Further, pursuant to the applicable statute of any state, territory or district of the United States, Underwriters shall designate the Superintendent, Commissioner or Director of Insurance or other officer specified for the purpose in the statute or any successor in office, as Underwriters' true and lawful attorney, upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of any person or entity insured hereunder or any beneficiary hereunder arising out of this Policy, and hereby designate the firm or person named on the attached Declaration Page as the party to whom such officer is authorized to mail such process.
- 5. Assignment.** This certificate shall not be assigned either in whole or in part without the written consent of the Correspondent endorsed hereon.
- 6. Attached Conditions Incorporated.** This certificate is made and accepted subject to all the provisions, conditions and warranties set forth herein, attached, or endorsed, all of which are to be considered as incorporated herein.
- 7. Complaints.** Any questions or concerns regarding services provided under this certificate should be directed to Correspondent, Attn: Compliance Department, 16501 Ventura Boulevard, Suite 200, Encino, CA 91436, (818) 382-2030, compliance@nasinsurance.com.
- 8. Short Rate Cancellation.** If the attached provisions provide for cancellation, the table below will be used to calculate the short rate proportion of the premium when applicable under the terms of cancellation.

Short Rate Cancellation Table For Term of One Year

Days Insurance in Force	Per Cent of One Year Premium	Days Insurance in Force	Per Cent of One Year Premium	Days Insurance in Force	Per Cent of One Year Premium	Days Insurance in Force	Per Cent of One Year Premium
1	5%	66 – 69	29%	154 – 156	53%	256 – 260	77%
2	6	70 – 73	30	157 – 160	54	261 – 264	78
3 – 4	7	74 – 76	31	161 – 164	55	265 – 269	79
5 – 6	8	77 – 80	32	165 – 167	56	270 – 273	(9 mos.) 80
7 – 8	9	81 – 83	33	168 – 171	57	274 – 278	81
9 – 10	10	84 – 87	34	172 – 175	58	279 – 282	82
11 – 12	11	88 – 91	(3 mos.) 35	176 – 178	59	283 – 287	83
13 – 14	12	92 – 94	36	179 – 182	(6 mos.) 60	288 – 291	84
15 – 16	13	95 – 98	37	183 – 187	61	292 – 296	85
17 – 18	14	99 – 102	38	188 – 191	62	297 – 301	86
19 – 20	15	103 – 105	39	192 – 196	63	302 – 305	(10 mos.) 87
21 – 22	16	106 – 109	40	197 – 200	64	306 – 310	88
23 – 25	17	110 – 113	41	201 – 205	65	311 – 314	89
26 – 29	18	114 – 116	42	206 – 209	66	315 – 319	90
30 – 32	(1 mo.) 19	117 – 120	43	210 – 214	(7 mos.) 67	320 – 323	91
33 – 36	20	121 – 124	(4 mos.) 44	215 – 218	68	324 – 328	92
37 – 40	21	125 – 127	45	219 – 223	69	329 – 332	93
41 – 43	22	128 – 131	46	224 – 228	70	333 – 337	(11 mos.) 94
44 – 47	23	132 – 135	47	229 – 232	71	338 – 342	95
48 – 51	24	136 – 138	48	233 – 237	72	343 – 346	96
52 – 54	25	139 – 142	49	238 – 241	73	347 – 351	97
55 – 58	26	143 – 146	50	242 – 246	(8 mos.) 74	352 – 355	98
59 – 62	(2 mos.) 27	147 – 149	51	247 – 250	75	356 – 360	99
63 – 65	28	150 – 153	(5 mos.) 52	251 – 255	76	361 – 365	(12 mos.) 100

Rules applicable to insurance with terms less than or more than one year:

- A. If insurance has been in force for one year or less, apply the short rate table for annual insurance to the full annual premium determined as for insurance written for a term of one year.
- B. If insurance has been in force for more than one year:
 1. Determine full annual premium as for insurance written for a term of one year.
 2. Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata earned premium on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the policy was originally written.
 3. Add premium produced in accordance with items (1) and (2) to obtain earned premium during full period insurance has been in force.



Welcome to your NAS cyber liability insurance policy

For over 40 years, NAS Insurance has been providing innovative specialty insurance services and we look forward to providing support for you and your company. Should you need to report a cyber incident, please call our claims department at 818.382.2030.

Expert Claims Handling and Support

Our NAS Claims team handles hundreds of cyber claims each year. Working in close collaboration with nationally recognized legal advisors and an expert panel of service providers, we are at your side every step of the way. Our claims team will coordinate your cyber incident response team, including:

- Expert breach coach and legal counsel
- IT Security and Forensics
- Public Relations
- Customer Notification and Call Center Services
- Credit Monitoring and Identity Restoration

In the event of a cyber incident, please call our claims department at 818.382.2030.



NAS CyberNET: Support and Risk Management

As an NAS cyber liability insurance policyholder, your policy includes NAS CyberNET®, giving you access to expert cyber risk advisors when you need them, plus 24/7 online training courses, sample policies, vendor agreement templates and more.

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NETGUARD® PLUS POLICY

THE THIRD PARTY LIABILITY INSURING AGREEMENTS ARE WRITTEN ON A CLAIMS-MADE-AND-REPORTED BASIS, MEANING COVERAGE APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD (OR DURING THE EXTENDED REPORTING PERIOD, IF APPLICABLE) AND REPORTED TO THE UNDERWRITERS IN ACCORDANCE WITH THE NOTICE PROVISIONS. THE FIRST PARTY INSURING AGREEMENTS PROVIDE CERTAIN FIRST PARTY COVERAGES ON AN EVENT DISCOVERED AND REPORTED BASIS, UNLESS STATED OTHERWISE IN THIS POLICY. ALL CLAIMS ARE SUBJECT TO THE APPLICABLE LIMITS OF LIABILITY AND THE APPLICABLE RETENTION(S). PLEASE NOTE THAT THE LIMITS OF LIABILITY FOR THE THIRD PARTY LIABILITY INSURING AGREEMENTS INCLUDE DEFENSE COSTS.

Item 1. **Named Insured:** 29 Prime, Inc.
Principal Address: 26054 Acero
Mission Viejo, California 92691

Item 2. **Policy Period:** January 27, 2020 to January 27, 2021
both days at 12:01 a.m. standard time at the Principal Address stated in Item 1.

Item 3. **Limits of Liability:**
"Nil" or "N/A" indicates that the coverage was not purchased and that portion of this Policy does not apply.

A. Limits Per Insuring Agreement:

Third Party Liability Insuring Agreements

	Each Claim	Aggregate
I. Multimedia Liability	\$1,000,000.00	\$1,000,000.00
II. Security and Privacy Liability	\$1,000,000.00	\$1,000,000.00
III. Privacy Regulatory Defense and Penalties	\$1,000,000.00	\$1,000,000.00
IV. PCI DSS Liability	\$1,000,000.00	\$1,000,000.00
V. TCPA Defense	\$50,000.00	\$50,000.00

First Party Insuring Agreements

	Each Claim	Aggregate
VI. Breach Event Costs	\$1,000,000.00	\$1,000,000.00
VII. Post Breach Remediation Costs	\$25,000.00	\$25,000.00
VIII. BrandGuard®	\$1,000,000.00	\$1,000,000.00
IX. System Failure	\$1,000,000.00	\$1,000,000.00
X. Dependent System Failure	\$1,000,000.00	\$1,000,000.00
XI. Cyber Extortion	\$1,000,000.00	\$1,000,000.00
XII. Cyber Crime	\$500,000.00	\$500,000.00
XIII. Reward Expenses	\$50,000.00	\$50,000.00
XIV. Court Attendance Costs	\$25,000.00	\$25,000.00

B. Maximum Policy Aggregate Limit: \$1,000,000.00

C. Additional Defense Costs Limit: \$1,000,000.00
(Combined aggregate limit for all **claims** under Insuring Agreements I through IV only)

D. Breach Event Costs Outside the Limit INCLUDED

Item 4. **Retention, Waiting Period, Period of Indemnity and Period of Restoration:**

A. Retention Per Insuring Agreement:

I.	Multimedia Liability	\$10,000.00 each Claim
II.	Security and Privacy Liability	\$10,000.00 each Claim
III.	Privacy Regulatory Defense and Penalties	\$10,000.00 each Claim
IV.	PCI DSS Liability	\$10,000.00 each Claim
V.	TCPA Defense	\$10,000.00 each Claim
VI.	Breach Event Costs	\$10,000.00 each Claim
VII.	Post Breach Remediation Costs	\$10,000.00 each Claim
VIII.	BrandGuard®	2 week waiting period
	Period of Indemnity:	6 Months
IX.	System Failure	
	A. Data Recovery	\$10,000.00 each Claim
	B. Non-Physical Business Interruption	8 hour waiting period
	Period of Restoration:	6 months
X.	Dependent System Failure	
	A. Data Recovery	\$10,000.00 each Claim
	B. Non-Physical Business Interruption	12 hour waiting period
	Period of Indemnity:	4 months
XI.	Cyber Extortion	\$10,000.00 each Claim
XII.	Cyber Crime	\$10,000.00 each Claim
XIII.	Reward Expenses	\$10,000.00 each Claim
XIV.	Court Attendance Costs	None

B. Aggregate Retention \$30,000.00

Item 5. **Retroactive Date:** None. Unknown prior acts are covered

Item 6. **Premium:** \$2,000.00

Policy Issuance Fee: \$175.00
CA State Tax (3%): \$65.25
CA Stamping Fee (0.25%): \$5.44

Item 7. **Endorsements:**

1. E1856A-0710 Nuclear Incident Exclusion Clause
2. E1856NKP-0519 War and Civil War Exclusion
3. E1856J-1117 Policyholder Disclosure Notice of Terrorism Insurance Coverage
4. E1856US-0315 U.S. Treasury Department's Office of Foreign Assets Control (OFAC) Advisory Notice to Policyholders
5. E1856NGO-0118A Bodily Injury Liability Sublimit
6. E1856NGO-0118 Bodily Injury Liability Sublimit
7. E1856NIO-0718 Bricking Loss Sublimit with Betterment Coverage
8. E1856NHI-0419 Cyber Crime Sublimits
9. E1856NKW-0719 Privacy Regulations Amendatory: California Consumer Privacy Act
10. E1856NKS-0819 Security and Privacy Wrongful Act Amendatory
11. E1856NR-0713 Manuscript

Item 8. **All claim or loss notices must be directed to the following:**

NAS Insurance Services, LLC
16501 Ventura Blvd., Suite 200
Encino, CA 91436
(888) 627-8995
claims@nasinsurance.com

Item 9. Policy form **P1856NGP-0118** and Application form and Warranty Statement dated January 27, 2020 are hereby attached and made a part of this Policy. **Wherever in any of the forms, clauses or conditions of this insurance the word "Policy" appears, this will be considered to be "Certificate".**

Insurance is effected with certain UNDERWRITERS AT LLOYD'S, LONDON (100%)

Item 10. **Service of Suit:**

FLWA Service Corp., c/o Foley & Lardner LLP, 555 California Street, Suite 1700, San Francisco, CA 94104-1520

Dated January 27, 2020

NAS INSURANCE SERVICES, LLC

By: _____



Correspondent

NOTICE:

- 1. The insurance policy that you are applying to purchase is being issued by an insurer that is not licensed by the State of California. These companies are called "nonadmitted" or "surplus line" insurers.**
- 2. The insurer is not subject to the financial solvency regulation and enforcement that apply to California licensed insurers.**
- 3. The insurer does not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.**
- 4. The insurer should be licensed either as a foreign insurer in another state in the United States or as a non-United States (alien) insurer. You should ask questions of your insurance agent, broker, or "surplus line" broker or contact the California Department of Insurance at the toll-free number 1-800-927-4357 or internet website www.insurance.ca.gov. Ask whether or not the insurer is licensed as a foreign or non-United States (alien) insurer and for additional information about the insurer. You may also visit the NAIC's internet website at www.naic.org. The NAIC-the National Association of Insurance Commissioners-is the regulatory support organization created and governed by the chief insurance regulators in the United States.**
- 5. Foreign insurers should be licensed by a state in the United States and you may contact that state's department of insurance to obtain more information about that insurer. You can find a link to each state from this NAIC internet website: https://naic.org/state_web_map.htm.**
- 6. For non-United States (alien) insurers, the insurer should be licensed by a country outside of the United States and should be on the NAIC's International Insurers Department (IID) listing of approved**

- 7. California maintains a "List of Approved Surplus Line Insurers (LASLI)." Ask your agent or broker if the insurer is on that list, or view that list at the internet website of the California Department of Insurance: www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm.**
- 8. If you, as the applicant, required that the insurance policy you have purchased be effective immediately, either because existing coverage was going to lapse within two business days or because you were required to have coverage within two business days, and you did not receive this disclosure form and a request for your signature until after coverage became effective, you have the right to cancel this policy within five days of receiving this disclosure. If you cancel coverage, the premium will be prorated and any broker's fee charged for this insurance will be returned to you.**

D-2 (Effective January 1, 2020)

Important Notice

The Third Party Liability Insuring Agreements (Insuring Agreements I through V) of this Policy provide coverage on a **claims-made-and-reported** basis, meaning coverage applies only to **claims** first made during the **policy period** (or during the **extended reporting period**, if applicable) and reported to the Underwriters in accordance with Section 11 of this Policy. Insuring Agreements I, II, III, and IV provide liability coverage on a **claims-made-and-reported** basis. Insuring Agreement V provides defense-only coverage on a **claims-made-and-reported** basis. The First Party Insuring Agreements (Insuring Agreements VI through XIV) provide certain first-party coverages on an event discovered and reported basis, unless stated otherwise in this Policy.

Please refer to Item 3 of the Declarations for the Insuring Agreements and Limits of Liability purchased by the **Named Insured**. If an Insuring Agreement has not been purchased, that portion of this Policy does not apply. The Limits of Liability for Insuring Agreements I through V include **defense costs**.

All **claims** are subject to the applicable **retention(s)**, **waiting period**, **period of indemnity**, **period of restoration**, and **retroactive date(s)**, all as set forth in Items 4 and 5 of the Declarations, respectively.

Throughout this Policy, the words “we”, “us”, and “our” refer to the Underwriters providing this insurance. The word **Insured** means any person or organization qualifying as such under Section 6 (Who is Insured) of this Policy. Words or terms that appear in bold face type, other than titles or headings, are defined in Section 7 (Definitions) of this Policy.

This Policy, including the Declarations Page and any Endorsements, contains all details of the coverage afforded by the Underwriters. Please review this Policy carefully and discuss it with your insurance agent or broker.

1. Insuring Agreements

In consideration of the payment of the premium charged, and in reliance upon all statements made and information furnished by the **Named Insured** to the Underwriters, including all statements made in the **application** and the material incorporated therein, which is considered to be a part of this Policy, the Underwriters agree as follows:

1.1 Third Party Liability Insuring Agreements

1.1.1. **Insuring Agreement I: Multimedia Liability**

The Underwriters will pay on behalf of an **Insured** the sums in excess of the **retention** and within the applicable Limits of Liability that such **Insured** becomes legally obligated to pay as **damages**, including liability **assumed under contract**, and related **defense costs** resulting from a **claim** for an actual or alleged **multimedia wrongful act**, but only if: 1) the **claim** is first made against the **Insured** during the **policy period** (or during the **extended reporting period**, if applicable), 2) the **claim** is reported to the Underwriters in writing in accordance with Section 11 of this Policy, and 3) the **multimedia wrongful act** takes place on or after the **retroactive date**.

1.1.2. **Insuring Agreement II: Security and Privacy Liability**

The Underwriters will pay on behalf of an **Insured** the sums in excess of the **retention** and within the applicable Limits of Liability that such **Insured** becomes legally obligated to pay as **damages**, including liability **assumed under contract**, and related **defense costs** resulting from a **claim** for an actual or alleged **security and privacy wrongful act**, but only if: 1) the **claim** is first made against the **Insured** during the **policy period** (or during the **extended reporting period**, if applicable), 2) the **claim** is reported to the Underwriters in writing in accordance with Section 11 of this Policy, and 3) the **security and privacy wrongful act** takes place on or after the **retroactive date**.

1.1.3. **Insuring Agreement III: Privacy Regulatory Defense and Penalties**

The Underwriters will pay on behalf of an **Insured** the sums in excess of the **retention** and within the applicable Limits of Liability that such **Insured** becomes legally obligated to pay as a **regulatory compensatory award** or **regulatory fines and penalties** (to the extent insurable by law) and related **defense costs** resulting from a **privacy regulatory proceeding** instituted against the **Insured** because of a **security breach** or **privacy breach**, but only if: 1) the **privacy regulatory proceeding** is instituted against the **Insured** during the **policy period** (or during the **extended reporting period**, if applicable), 2) the **privacy regulatory proceeding** is reported to the Underwriters in writing in accordance with Section 11 of this Policy, and 3) the **security breach** or **privacy breach** occurs on or after the **retroactive date**.

1.1.4. Insuring Agreement IV: PCI DSS Liability

The Underwriters will pay on behalf of an **Insured** the sums in excess of the **retention** and within the applicable Limits of Liability that such **Insured** becomes legally obligated to pay as **PCI DSS fines and assessments**, and related **defense costs**, because of a **claim** resulting from a **security breach** or **privacy breach**, but only if: 1) the **claim** is first made against the **Insured** during the **policy period** (or during the **extended reporting period**, if applicable), 2) the **claim** is reported to the Underwriters in writing in accordance with Section 11 of this Policy, and 3) the **security breach** or **privacy breach** occurs on or after the **retroactive date**.

1.1.5. Insuring Agreement V: TCPA Defense

Subject to the applicable **retention** and Limits of Liability, the Underwriters will pay on behalf of an **Insured** the **defense costs** incurred to defend against a **TCPA claim** made against the **Insured** for an actual or alleged **TCPA violation**, but only if: 1) the **TCPA claim** is first made against the **Insured** during the **policy period** (or during the **extended reporting period**, if applicable), 2) the **claim** is reported to the Underwriters in writing in accordance with Section 11 of this Policy, and 3) the **TCPA violation** occurs on or after the **retroactive date**. The Underwriters will have no obligation to pay **damages** or any amounts, other than **defense costs**, under this Insuring Agreement.

1.2. First Party Insuring Agreements

1.2.1. Insuring Agreement VI: Breach Event Costs

Subject to the applicable **retention** and Limits of Liability, the Underwriters will pay on **your** behalf the **privacy breach response costs**, **notification expenses**, and **breach support and credit monitoring expenses** that **you** incur because of an **adverse media report**, **security breach** or **privacy breach**, but only if: 1) the **adverse media report**, **security breach** or **privacy breach** occurs on or after the **retroactive date**, 2) the **adverse media report**, **security breach** or **privacy breach** is first discovered by an **executive** during the **policy period** (or during the **extended reporting period**, if applicable), and 3) the **adverse media report**, **security breach** or **privacy breach** is reported to the Underwriters in writing in accordance with Section 11 of this Policy.

1.2.2. Insuring Agreement VII: Post Breach Remediation Costs

Subject to the applicable **retention** and Limits of Liability, the Underwriters will pay on **your** behalf the **post breach remediation costs** that **you** incur, with **approval**, after a **security breach** or **privacy breach**, but only if: 1) such **security breach** or **privacy breach** is covered under Insuring Agreement VI of this Policy, and 2) a written request for indemnification under this Insuring Agreement is made by an **executive** to the Underwriters in accordance with Section 11 of this Policy.

1.2.3. Insuring Agreement VIII: BrandGuard®

Subject to the applicable **waiting period** and Limits of Liability, the Underwriters will pay for provable and ascertainable **brand loss** that **you** sustain during the **period of indemnity** as a direct result of an **adverse media report** or **notification**, but only if: 1) the **adverse media report** is first discovered by an **executive**, or the **notification** first occurs, during the **policy period** (or during the **extended reporting period**, if applicable), 2) the **adverse media report** or **notification** results from a **security breach** or **privacy breach** that occurs on or after the **retroactive date**, 3) the **brand loss** is reported to the Underwriters in writing during the **period of indemnity**, and 4) **you** provide clear evidence that the **brand loss** is directly attributable to the **adverse media report** or **notification**.

1.2.4. Insuring Agreement IX: System Failure

A. Data Recovery

Subject to the applicable **retention** and Limits of Liability, the Underwriters will pay for **digital assets loss** and **special expenses** that **you** incur because of damage, alteration, corruption, distortion, theft, misuse, or destruction of **digital assets** resulting from **system failure**, but only if: 1) the **system failure** is first discovered by an **executive** during the **policy period** (or during the **extended reporting period**, if applicable), 2) the **system failure** is reported to the Underwriters in writing in accordance with Section 11 of this Policy, and 3) **you** provide clear evidence that the **digital assets loss** directly results from a **system failure**. The Underwriters will pay **digital assets loss** and **special expenses** for up to twelve (12) months following an **executive's** discovery of the **system failure**, unless specified otherwise by endorsement to this Policy.

B. Non-Physical Business Interruption

Subject to the applicable **waiting period** and Limits of Liability, the Underwriters will pay for **income loss, interruption expenses, and special expenses** that **you** incur during the **period of restoration** because of a **system failure**, but only if: 1) the **system failure** is first discovered by an **executive** during the **policy period** (or during the **extended reporting period**, if applicable), 2) the **system failure** is reported to the Underwriters in writing in accordance with Section 11 of this Policy; and 3) **you** provide clear evidence that the **income loss, interruption expenses, and special expenses** directly result from a **system failure**.

1.2.5. Insuring Agreement X: Dependent System Failure

A. Data Recovery

Subject to the applicable **retention** and Limits of Liability, the Underwriters will pay for **digital assets loss** that **you** incur because of damage, alteration, corruption, distortion, theft, misuse, or destruction of **digital assets** resulting from a **dependent system failure**, but only if: 1) the **dependent system failure** is first discovered by an **executive** during the **policy period** (or during the **extended reporting period**, if applicable), 2) the **dependent system failure** is reported to the Underwriters in writing in accordance with Section 11 of this Policy, and 3) **you** provide clear evidence that the **digital assets loss** directly results from a **dependent system failure**. The Underwriters will pay **digital assets loss** for up to twelve (12) months following an **executive's** discovery of the **dependent system failure**, unless specified otherwise by endorsement to this Policy.

B. Non-Physical Business Interruption

Subject to the applicable **waiting period** and Limits of Liability, the Underwriters will pay for **dependent business interruption loss** that **you** incur during the **period of indemnity** because of an actual interruption or suspension of **your** business directly caused by a **dependent system failure**, but only if: 1) the **dependent system failure** is first discovered by an **executive** during the **policy period** (or during the **extended reporting period**, if applicable), 2) the **dependent system failure** is reported to the Underwriters in writing in accordance with Section 11 of this Policy, and 3) **you** provide clear evidence that the **dependent business interruption loss** directly results from a **dependent system failure**.

1.2.6. Insuring Agreement XI: Cyber Extortion

Subject to the applicable **retention** and Limits of Liability, the Underwriters will pay for **cyber extortion expenses** and **cyber extortion monies** that **you** pay as a direct result of a **cyber extortion threat**, but only if: 1) the **cyber extortion threat** is first made against **you** during the **policy period** and 2) the **cyber extortion threat** is reported to the Underwriters in writing in accordance with Section 11 of this Policy.

The Underwriters will not be obligated to pay **cyber extortion expenses** or **cyber extortion monies** unless the Underwriters have given **approval** for the payment of **cyber extortion monies** in response to a **cyber extortion threat**. The **Insured** must make every reasonable effort to notify local law enforcement authorities and the Federal Bureau of Investigation or equivalent foreign agency before surrendering any **cyber extortion monies** in response to a **cyber extortion threat**.

1.2.7. Insuring Agreement XII: Cyber Crime

A. Financial Fraud

Subject to the applicable **retention** and Limits of Liability, the Underwriters will pay for **financial fraud loss** **you** sustain because of **financial fraud**, but only if: 1) the **financial fraud** occurs on or after the **retroactive date**, 2) the **financial fraud** is first discovered by an **executive** during the **policy period** (or during the **extended reporting period**, if applicable), 3) the **financial fraud** is reported to the Underwriters in writing in accordance with Section 11 of this Policy, and 4) **your** bank or credit card company has refused to reverse or prevent a payment transaction or to indemnify or reimburse **you** for the **financial fraud loss**, and **you** provide written confirmation to the Underwriters of such refusal.

B. Telecommunications Fraud

Subject to the applicable **retention** and Limits of Liability, the Underwriters will pay for **telecommunications fraud loss** **you** sustain because of **telecommunications fraud**, but only if: 1) the **telecommunications fraud** occurs on or after the **retroactive date**, 2) the **telecommunications fraud** is first discovered by an **executive** during the **policy period** (or during the **extended reporting period**, if applicable), and 3) the **telecommunications fraud** is reported to the Underwriters in writing in accordance with Section 11 of this Policy.

C. Phishing Attack

Subject to the applicable **retention** and Limits of Liability, the Underwriters will pay for **phishing attack loss you** sustain because of a **phishing attack**, but only if: 1) the **phishing attack** occurs on or after the **retroactive date**, 2) the **phishing attack** is first discovered by an **executive** during the **policy period** (or during the **extended reporting period**, if applicable), and 3) the **phishing attack** is reported to the Underwriters in writing in accordance with Section 11 of this Policy.

1.2.8. **Insuring Agreement XIII: Reward Expenses**

Subject to the applicable **retention** and Limits of Liability, the Underwriters will pay for the **reward expenses** that **you** incur with **approval**, but only if a written request for indemnification under this Insuring Agreement is made by an **executive** to the Underwriters in accordance with Section 11 of this Policy.

1.2.9. **Insuring Agreement XIV: Court Attendance Costs**

Subject to the applicable Limits of Liability, the Underwriters will reimburse an **Insured** for **court attendance costs** incurred by the **Insured** to attend mediation sessions, arbitration proceedings, hearings, depositions, and trials, but only if: 1) the **Insured's** attendance at such mediation sessions, arbitration proceedings, hearings, depositions, and trials is requested by the Underwriters; 2) such attendance relates to the **defense** of a **claim** that is covered under Insuring Agreement I, II, III, IV, or V of this Policy; and 3) a written request for indemnification under this Insuring Agreement is made by or on behalf the **Insured** in accordance with Section 11 of this Policy. The Underwriters' daily maximum Limit of Liability for **court attendance costs** is \$500.00, regardless of the number of **claims**, **Insureds**, or proceedings attended by an **Insured**, subject to the overall aggregate Limit of Liability for this Insuring Agreement, as set forth in Item 3.A. of the Declarations.

2. Defense, Settlement and Investigation of Claims

2.1. Defense Provisions (Applicable to all Third Party Liability Insuring Agreements)

- 2.1.1. The Underwriters have the right and duty to defend an **Insured** against any **claim** covered under Insuring Agreement I, II, III, IV or V of this Policy, even if the allegations of the **claim** are groundless, false, or fraudulent. The Underwriters have the right to appoint an attorney to defend any such **claim**.
- 2.1.2. The Limits of Liability available to pay **damages** (where applicable) will be reduced, and may be completely exhausted, by the Underwriters' payment of **defense costs** or any other amounts covered under this Policy.
- 2.1.3. The Underwriters will have no duty to pay any **damages**, **defense costs**, or other amounts covered under this Policy, or to undertake or continue the defense of any **claim**, after exhaustion of the applicable Limit of Liability or the Maximum Policy Aggregate Limit, whichever occurs first. Upon exhaustion of such Limit of Liability, the Underwriters will have the right to withdraw from the further defense of a **claim** by tendering control of said defense to the **Insured**.

2.2. Consent to Settlement Provisions (Applicable to Insuring Agreements I-IV)

- 2.2.1. The **Insureds** shall not pay any **damages** or **defense costs**, or settle or offer to settle any **claim**, assume any contractual obligation, admit liability, voluntarily make any payment, or confess or otherwise consent to any **damages** or judgments without **approval**. The Underwriters will not be liable for any **damages**, **defense costs**, settlement, judgment, assumed obligation, admitted liability, voluntary payment, or confessed **damages** to which the Underwriters have not given **approval**.
- 2.2.2. With respect to Insuring Agreements I, II, III and IV only, the Underwriters will not settle any **claim** or pay any **damages**, **regulatory compensatory award**, **regulatory fines and penalties**, or **PCI DSS fines and assessments** (whichever applies) without the **Insured's** consent. If an **Insured** refuses to consent to any settlement or compromise recommended by the Underwriters or their representatives that is acceptable to the claimant, and the **Insured** elects to contest the **claim** or continue any legal proceedings in connection with such **claim**, then Underwriters' total liability for any **defense costs** and **damages**, **regulatory compensatory award**, **regulatory fines and penalties**, or **PCI DSS fines and assessments** (whichever applies) will not exceed the following, subject to the Limits of Liability:
 - a. The amount for which the **claim** could have been settled, less the remaining **retention**, plus **defense costs** incurred up to the date the **Insured** withheld consent to such settlement, plus
 - b. Seventy percent (70%) of any **defense costs** and **damages**, **regulatory compensatory award**, **regulatory fines and penalties**, or **PCI DSS fines and assessments** (whichever applies) incurred after the date the **Insured** withheld consent to such settlement or compromise. The remaining thirty percent (30%) of such

defense costs and **damages, regulatory compensatory award, regulatory fines and penalties, or PCI DSS fines and assessments** (whichever applies) will be borne by the **Insured** at the **Insured's** own risk and will be uninsured under this Policy.

This clause will not apply to any settlement where the total incurred **defense costs** and **damages, regulatory compensatory award, regulatory fines and penalties, or PCI DSS fines and assessments** (whichever applies) do not exceed the applicable **retention**.

2.3. Choice of Counsel (Applicable to All Insuring Agreements)

- 2.3.1. The Underwriters will consider the **Insured's** preference for the appointment of counsel to defend any **claim** under Insuring Agreement I, II, III, IV or V, or for the appointment of counsel to advise and consult on the appropriate response and course of action with respect to any **claim** under any other Insuring Agreement of this Policy, but the final decision on selection of counsel rests with the Underwriters. The **Insured** shall not formally appoint counsel without **approval**.
- 2.3.2. The Underwriters will have no obligation to pay **defense costs, initial breach consultation costs**, or any other legal expenses incurred by an **Insured** without **approval** or incurred before the notice of **claim** is received by the Underwriters.

2.4 Investigation (Applicable to All Insuring Agreements)

The Underwriters have the right to make any investigation they deem necessary including, without limitation, any investigation with respect to the **application**, statements made in the **application**, or coverage.

3. Limits of Liability

3.1. Limits Per Insuring Agreement

The Limits Per Insuring Agreement set forth in Item 3.A. of the Declarations represent the most the Underwriters will pay under each Insuring Agreement of this Policy for each **claim** and in the aggregate for all **claims** first made during the **policy period**, including **defense costs** where applicable, regardless of the number of **claims**, claimants or **Insureds**. If any Limit Per Insuring Agreement is exhausted, all of Underwriters' obligations under that Insuring Agreement will be completely fulfilled and extinguished.

3.2. Maximum Policy Aggregate

- 3.2.1. The Maximum Policy Aggregate Limit set forth in Item 3.B. of the Declarations is the most the Underwriters will pay under this Policy for all **claims** first made during the **policy period**, including **defense costs**, regardless of the number of Insuring Agreements that apply, unless the Policy provides for an Additional **Defense Costs** Limit and/or Breach Event Costs Outside the Limit enhancement, as indicated on the Declarations, in which case the most the Underwriters will pay under this Policy is the sum of the Maximum Policy Aggregate Limit, plus the Additional **Defense Costs** Limit (if purchased), plus the Limit of Liability for Insuring Agreement VI (if the Breach Event Costs Outside the Limit enhancement is purchased).
- 3.2.2. The Limit of Liability for the **extended reporting period**, if applicable, will be part of, and not in addition to, the Limits of Liability set forth in Item 3 of the Declarations. The existence of an **extended reporting period** will not increase or reinstate such Limits of Liability.

3.3. Additional Defense Costs Limit

- 3.3.1. If this Policy provides an Additional **Defense Costs** Limit, as indicated in Item 3.C. of the Declarations, then such Limit will be the first Limit of Liability for **defense costs**. The Additional **Defense Costs** Limit will not reduce the Maximum Policy Aggregate Limit.
- 3.3.2. The Additional **Defense Costs** Limit will apply on an aggregate basis for all Third Party Liability Insuring Agreements combined, except Insuring Agreement V (TCPA Defense). The Limit of Liability indicated in Item 3.A. of the Declarations for Insuring Agreement V will be the exclusive Limit of Liability for **defense costs** payable under Insuring Agreement V (TCPA Defense).
- 3.3.3. If the Additional **Defense Costs** Limit is exhausted, we will continue to defend any **claim(s)** under Insuring Agreement I, II, III, or IV (whichever applies), but **defense costs** that exceed such Additional **Defense Costs** Limit will be paid as part of, and may completely exhaust, the Limit of Liability for Insuring Agreement I, II, III, or IV (whichever applies) and the Maximum Policy Aggregate Limit. Notwithstanding the foregoing, if the Maximum Policy Aggregate Limit is exhausted by payment of **damages** or any other amounts covered under this Policy, the

Additional **Defense Costs** limit will also be considered exhausted, no further **defense costs** will be paid, and the Underwriters' duty to defend any **claim(s)** under this Policy will end.

- 3.3.4. Only **defense costs** will be applied to the Additional **Defense Costs** Limit. **Damages** and any other amounts covered under this Policy, other than **defense costs**, will be paid as part of, and will reduce, the applicable Limit Per Insuring Agreement indicated in Item 3.A. of the Declarations.

3.4. Breach Event Costs Outside the Limit Enhancement

- 3.4.1. If it is indicated in Item 3.D of the Declarations that the Limit of Liability for Insuring Agreement VI (Breach Event Costs), as shown in Item 3.A. of the Declarations, will be paid by the Underwriters as separate from and in addition to the Maximum Policy Aggregate Limit, then any payments made under Insuring Agreement VI (Breach Event Costs) will not reduce or erode the Maximum Policy Aggregate Limit.
- 3.4.2. The Limit of Liability for Insuring Agreement VI (Breach Event Costs) will be the exclusive limit for **privacy breach response costs, notification expenses, and breach support and credit monitoring expenses** payable under this Policy, and the Underwriters will have no further obligation to pay **privacy breach response costs, notification expenses, and breach support and credit monitoring expenses** after such Limit of Liability is exhausted.

3.5. Related Claims

- 3.5.1. All **claims** which arise out of the same, related, or continuing **wrongful acts, first party insured events**, facts or circumstances will be treated as follows:
- a. All such **claims** will be considered to be a single **claim**, regardless of the number of claimants or **Insureds**;
 - b. All such **claims** will be considered to have been first made on the date the earliest of all such **claims** is first made and will be considered to be first reported to the Underwriters on the date the earliest of all such **claims** is reported to the Underwriters; and
 - c. All such **claims** will be subject to the Limits of Liability of the Policy in effect when the earliest of all such **claims** is first made.
- 3.5.2. If coverage for any **claim** exists under multiple Insuring Agreements of this Policy, the Underwriters' total maximum Limit of Liability under this Policy for such **claim** will be the Maximum Policy Aggregate Limit, plus the Additional **Defense Costs** Limit (if such Limit is purchased and applies to the **claim**), plus the Limit of Liability for Insuring Agreement VI (if the Breach Events Costs Outside the Limit enhancement is purchased, and such limit applies to the **claim**). The Underwriters will allocate payments under this Policy to that portion of the **claim** covered under each applicable Insuring Agreement; however, the Underwriters will never pay more under any one applicable Insuring Agreement than the amount set forth in Item 3 of the Declarations as the Limit of Liability for that Insuring Agreement. The Underwriters have the sole discretion to allocate amounts paid, if any, against the appropriate Limit of Liability.

4. Retention and Waiting Period

4.1. Retention Per Insuring Agreement

- 4.1.1. The **retention** amount for each Insuring Agreement, as set forth in Item 4.A. of the Declarations, will apply separately to each **claim**. The **retention** must be satisfied by the **Insured's** actual payment of **damages, defense costs**, or any other amounts covered under this Policy.
- 4.1.2. If a **claim** attaches to more than one Insuring Agreement, only the highest **retention** will apply.
- 4.1.3. The **Insured's** payment of the applicable **retention** is a condition precedent to payment by the Underwriters of any amounts covered under this Policy, and the Underwriters will only be liable for the amount that exceeds the **retention**, up to the applicable Limit of Liability set forth in Item 3. of the Declarations.
- 4.1.4. The **Insured** must make direct payments within the **retention** to the appropriate parties designated by the Underwriters.

4.2. Aggregate Retention

If an aggregate **retention** is set forth in Item 4.B. of the Declarations, the amount shown is most the **Insureds** will be obligated to pay during the **policy period** (and the **extended reporting period**, if applicable) for **defense costs, damages**, and any other amounts covered under this Policy, regardless of the number of **claims** reported under this Policy or the number of claimants, **Insureds**, or Insuring Agreements that apply.

4.3. Related Claims

All **claims** which arise out of the same, related, or continuing **wrongful acts**, **first party insured events**, facts or circumstances will be considered a single **claim**, regardless of the number of **claims**, claimants, **Insureds**, or Insuring Agreements that apply. Only one **retention** will apply to such **claim**.

4.4. Waiting Period

The **waiting period** for Insuring Agreement VIII, Insuring Agreement IX.B., and Insuring Agreement X.B., as set forth in Item 4.A. of the Declarations, will apply to covered amounts. The **waiting period** applies to each **period of restoration** or **period of indemnity**, whichever applies.

5. Territorial Limits

This insurance applies to **claims** that are made, **first party insured events** that occur, and **wrongful acts** that are committed anywhere in the world.

6. Who is Insured

- 6.1. The **Named Insured**;
- 6.2. Any **Subsidiary** of the **Named Insured**, but only with respect to **wrongful acts** or **first party insured events** that occur while a **Subsidiary** is under the **Named Insured's managerial control**;
- 6.3. Any past, present, or future **executive**, trustee, court-appointed receiver, or **employee** of the **Named Insured** or **Subsidiary**, but only while acting solely within the scope of his or her duties as such;
- 6.4. If the **Named Insured** or **Subsidiary** is a partnership, limited liability partnership, or limited liability company, then any general or managing partner, principal, stockholder, or owner thereof, but only while acting solely within the scope of his or her duties as such;
- 6.5. Any agent or independent contractor of the **Named Insured** or **Subsidiary**, but only while acting on behalf of, at the direction of, and under the supervision of the **Named Insured** or **Subsidiary**; and
- 6.6. Any person or legal entity the **Named Insured** is required by written contract to provide such coverage as is afforded by this Policy, but only for the acts of a party described in 6.1. through 6.5. above, and only if the written contract is executed prior to the date any **wrongful act** or **first party insured event** occurs.

7. Definitions

As used in this Policy:

Acquiring bank means a bank or financial institution that accepts credit or debit card payments (including stored value cards and pre-paid cards) for products or services on behalf of a merchant, including processing and crediting those payments to a merchant's account.

Act of cyber terrorism means the premeditated use of information technology to organize and execute attacks, or the threat thereof, against computers, **computer systems**, networks or the internet by any person or group, whether acting alone or on behalf of, or in connection with, any organization or government, which is committed for political, religious, or ideological purposes, with the intention to influence any government, put the public in fear, or cause destruction or harm to critical infrastructure or **data**.

Act of terrorism means the use of force or violence, or the threat thereof, by any person or group, whether acting alone, or on behalf of or with, any organization or government, for political, religious, ideological or similar objectives, including the intention of influencing any government, or putting the public, or any section of the public, in fear. **Act of terrorism** does not include an **act of cyber terrorism**.

Adverse media report means a report or communication of an actual or potential **security breach** or **privacy breach** which has been publicized through any media channel, including, but not limited to, television, **print media**, radio or electronic networks, the internet, or electronic mail, and threatens material damage to **your reputation** or **your brand**.

Application means all applications and supplemental applications, including any attachments thereto, and all other information and materials submitted to the Underwriters or their representative(s) by, or on behalf of, the **Named Insured**

relating to the underwriting and issuance of this Policy or a policy for which this Policy is a direct renewal or replacement. All such applications, attachments, information, and materials are considered attached to and incorporated into this Policy.

Approval means advance written agreement or consent given by the Underwriters, which will not be unreasonably withheld.

Assumed under contract means liability for **damages** resulting from a **multimedia wrongful act, security breach, or privacy breach**, where such liability has been assumed by an **Insured** in the form of a written hold harmless or indemnity agreement, but only if such agreement was executed before the **multimedia wrongful act, security breach or privacy breach** occurred.

Bodily injury means physical injury, sickness, disease, or death sustained by any person and, where resulting from such physical injury only, mental anguish, mental injury, shock, humiliation, or emotional distress.

BPO service provider means any **third party** that provides business process outsourcing services for **your** benefit under a written contract with **you**, including, but not limited to, call center services, fulfillment services, and logistical support.

Brand loss means **your** net profit, as could have reasonably been projected immediately prior to **notification**, or in the event of an **adverse media report**, immediately prior to the publication of an **adverse media report**, but which has been lost during the **period of indemnity** as a direct result of such **adverse media report** or **notification**. **Brand loss** will be determined in accordance with the provisions of Section 12.1. of this Policy.

Breach support and credit monitoring expenses means reasonable and necessary expenses **you** incur on **your** own behalf, or on behalf of a party for whom **you** are **vicariously liable**, to provide support activity to parties affected by a **privacy breach**. **Breach support and credit monitoring expenses** includes the cost to set up a call center and to provide a maximum of twenty-four (24) months of credit monitoring services, identity theft assistance services, or credit or identity repair and restoration services. **Breach support and credit monitoring expenses** must be incurred with **approval**.

Card association means Visa International, MasterCard, Discover, JCB, American Express, and any similar credit or debit card association that is a participating organization of the Payment Card Industry Security Standards Council.

Claim means:

1. With respect to Insuring Agreement I and II only:
 - a. A written demand made against an **Insured** for **damages** or non-monetary relief;
 - b. A written request received by an **Insured** to toll or waive a statute of limitations relating to a potential **claim** against an **Insured**; or
 - c. The service of a civil lawsuit or the institution of arbitration or other alternative dispute resolution proceedings against an **Insured** seeking **damages**, a temporary restraining order, or a preliminary or permanent injunction.A **claim** under Insuring Agreement I or Insuring Agreement II does not include a **privacy regulatory proceeding, PCI DSS demand or TCPA claim**.
2. With respect to Insuring Agreement III only, a **privacy regulatory proceeding**. A **claim** under Insuring Agreement III does not include a **PCI DSS demand or TCPA claim**.
3. With respect to Insuring Agreement IV only, a **PCI DSS demand**.
4. With respect to Insuring Agreement V only, a **TCPA claim**.
5. With respect to Insuring Agreement VI only, written notice from an **executive** to the Underwriters of an **adverse media report, security breach or privacy breach**.
6. With respect to Insuring Agreement VII only, written request by an **executive** to the Underwriters for indemnification of **post breach remediation costs**.
7. With respect to Insuring Agreement VIII only, written notice from an **executive** to the Underwriters of an **adverse media report or notification** that has resulted or may result in **brand loss**.
8. With respect to Insuring Agreement IX only, written notice from an **executive** to the Underwriters of a **system failure**.
9. With respect to Insuring Agreement X only, written notice from an **executive** to the Underwriters of a **dependent system failure**.
10. With respect to Insuring Agreement XI only, written notice from an **executive** to the Underwriters of a **cyber extortion threat**.
11. With respect to Insuring Agreement XII only, written notice from an **executive** to the Underwriters of **financial fraud, telecommunications fraud or a phishing attack**.
12. With respect to Insuring Agreement XIII only, written request by an **executive** to the Underwriters for indemnification of **reward expenses**.
13. With respect to Insuring Agreement XIV only, written request by an **executive** to the Underwriters for indemnification of **court attendance costs** incurred by an **Insured** in a **claim** covered under Insuring Agreement I, II, III, IV, or V of this Policy.

Computer system means an interconnected electronic, wireless, web, or similar system (including all computer hardware and software) used to process and store **data** or information in an analogue, digital, electronic or wireless format, including, but not limited to, computer programs, **data**, operating systems, firmware, servers, media libraries, associated input and output devices, mobile devices, devices that are connected and controlled by the internet (also known as "smart devices"),

networking equipment, websites, extranets, off-line storage facilities (to the extent they hold **data**), and electronic backup equipment.

Court attendance costs means the actual loss of earnings and reasonable costs and expenses incurred by an **Insured** after a total of three (3) days of required attendance at mediation sessions, arbitration proceedings, hearings, depositions, and trials relating to the defense of a **claim** that is covered under Insuring Agreement I, II, III, IV, or V of this Policy.

Cyber extortion expenses means reasonable and necessary costs and expenses, other than **cyber extortion monies**, that **you** incur with **approval** as a direct result of a **cyber extortion threat**, including the cost to retain or hire a **third party** specializing in IT security to determine the validity and severity of a **cyber extortion threat**.

Cyber extortion monies means **money**, bitcoin or digital currency of any kind, or **other property** that **you** pay with **approval** to any person(s) or entity(ies) reasonably believed to be responsible for a **cyber extortion threat**, in order to prevent or terminate such **cyber extortion threat**.

Cyber extortion threat means a credible threat or series of related credible threats, including a demand for **cyber extortion monies**, which is directed at **you** to 1) steal, alter, release, reveal, divulge, disseminate, destroy, publicly disclose, or misuse **private information** taken from an **Insured** through unauthorized access to, or unauthorized use of, an **insured computer system**; 2) infect an **insured computer system** with malicious code or ransomware; 3) corrupt, damage or destroy an **insured computer system**; 4) restrict or hinder access to an **insured computer system**, including the threat of a **denial of service attack**; 5) perpetrate or carry out a **phishing attack**; 6) steal, alter, release, reveal, divulge, disseminate, destroy, publicly disclose, or misuse **your** confidential or proprietary information, or the **personally identifiable information** of an **insured**; 7) or damage **your reputation** or **your** brand by posting false or misleading comments about **you** or **your** organization on social media websites or platforms. A series of continuing **cyber extortion threats**, related or repeated **cyber extortion threats**, or multiple **cyber extortion threats** resulting from the same attack, event or incident will be considered a single **cyber extortion threat** and will be considered to have occurred at the time the first of such **cyber extortion threats** occurred.

Damages means a monetary judgment, award, or settlement; awarded attorneys' fees and costs; prejudgment and post-judgment interest awarded against an **Insured** on that part of any judgment paid or to be paid by the Underwriters; and liquidated, punitive, exemplary or multiplied **damages** to the extent insurable under the law pursuant to which this Policy is construed. **Damages** does not include: 1) any **Insured's** future profits or royalties, restitution, or disgorgement of any **Insured's** profits; 2) the costs to comply with orders granting injunctive or non-monetary relief, including specific performance, or any agreement to provide such relief; 3) loss of any **Insured's** fees or profits, the return or offset of any **Insured's** fees or charges, or any **Insured's** commissions or royalties provided or contracted to be provided; 4) taxes, fines, penalties, or sanctions; 5) contractual liquidated **damages** that exceed the amount for which the **Insured** would have been liable in the absence of the liquidated **damages** agreement; 6) any amount which an **Insured** is not financially or legally obligated to pay; 7) disgorgement of any remuneration or financial advantage to which an **Insured** was not legally entitled; 8) settlements negotiated without **approval**; 9) monetary judgments, awards, settlements or any other amounts which are uninsurable under the law pursuant to which this Policy is construed or any legal fees and costs awarded pursuant to such judgments, awards or settlements; or 10) **PCI DSS fines and assessments**.

Data means any machine-readable information, including, but not limited to, ready-for-use programs, applications, account information, customer information, health and medical information, or other electronic information that is subject to back-up procedures, irrespective of the way it is used and rendered.

Defense costs means reasonable and necessary fees incurred with **approval** and charged by an attorney(s) designated by the Underwriters to defend against a **claim**; and all other reasonable and necessary fees, costs, and expenses resulting from the defense and appeal of a **claim**, if incurred by the Underwriters or by an **Insured** with **approval**. **Defense costs** does not include any wages or salaries of an **Insured**, or fees, overhead or other charges incurred by, or paid to, any **Insured** for any time spent in cooperating in the investigation or defense of a **claim** or a potential **claim**.

Denial of service attack means an event caused by unauthorized or unexpected interference or a malicious attack, which is intended by the perpetrator to overwhelm the capacity of a **computer system** by sending an excessive volume of **data** to such **computer system** to prevent access to such **computer system**.

Dependent business interruption loss means **income loss** and **extra expenses** that **you** incur during the **period of indemnity** as a direct result of a **dependent system failure**.

Dependent system failure means an unplanned outage, interruption, failure, suspension, or degradation of service of a **service provider computer system** caused directly by: 1) unauthorized access to, or unauthorized use of, a **service provider computer system**, including any such unauthorized access or unauthorized use resulting from the theft of a password; 2) a **denial of service attack** against a **service provider computer system**; 3) infection of a **service provider computer system** by malicious code; 4) an **act of cyber terrorism**; 5) accidental damage to, or destruction of, electronic media or computer hardware; or 6) administrative or operational mistakes by an **outsourced IT service provider** in the ongoing operation or maintenance of its **service provider computer system**.

Digital assets means:

1. With respect to Insuring Agreement IX.A. only, **data** and computer programs that exist in an **insured computer system**;
2. With respect to Insuring Agreement X.A. only, **data** owned by or entrusted to **you** that is being held, stored, maintained, transferred or processed by an **outsourced IT service provider** on **your** behalf.

Digital assets does not include computer hardware.

Digital assets loss means reasonable and necessary expenses and costs **you** incur to replace, recreate or restore **digital assets** to the same state and with the same contents immediately before the **digital assets** were damaged, destroyed, altered, misused, or stolen, including expenses for materials and machine time. **Digital assets loss** also includes amounts representing **employee** work time to replace, recreate or restore **digital assets**, which will be determined on a predefined billable hour or per-hour basis as based upon **your** schedule of **employee** billable hours. **Digital assets loss** will be determined in accordance with Section 12.2 of this Policy.

Employee means any individual whose labor or service is engaged by and directed by **you**, including volunteers, interns, and part-time, seasonal, temporary or leased workers. **Employee** does not include any **executive** or independent contractor.

Executive means any director or officer of the **Named Insured** or **Subsidiary**, including any chief executive officer, chief financial officer, chief operations officer, chief technology officer, chief information officer, chief privacy officer, general counsel or other in-house lawyer, and risk manager thereof (or any person in a functionally equivalent position as those referenced above).

Extended reporting period means the period after the end of the **policy period** for reporting **claims**, as provided in Section 10 or Section 22 of this Policy, and specifically excludes the **policy period**.

Extra expenses means reasonable and necessary expenses that **you** incur during the **period of indemnity** to minimize, reduce, or avoid the suspension of **your** business operations as a result of a **dependent system failure**, which **you** would not have incurred had no **dependent system failure** occurred. The amount of **extra expenses** recoverable will not exceed the amount by which the covered **income loss** is reduced by such incurred expenses.

Financial fraud means 1) an intentional, unauthorized and fraudulent written, electronic or telephonic instruction transmitted to a financial institution, directing such institution to debit **your account** and to debit, transfer, pay or deliver **money** or **securities** from **your account**, which instruction purports to have been transmitted by **you**, an **executive**, or an **employee**, but was in fact fraudulently transmitted by a **third party** without **your** knowledge or consent; or 2) the theft of **money** or **securities** from **your account** or **your** corporate credit cards as a result of a **hacking attack**.

Financial fraud loss means the loss of **your money** or **securities** resulting from **financial fraud**. **Financial fraud loss** does not include any amounts reimbursed to **you** by any financial institution.

First party insured event means:

1. With respect to Insuring Agreement VI and VIII, an **adverse media report**, **security breach** or **privacy breach**;
2. With respect to Insuring Agreement VII, a **security breach** or **privacy breach**;
3. With respect to Insuring Agreement IX, a **system failure**;
4. With respect to Insuring Agreement X, a **dependent system failure**;
5. With respect to Insuring Agreement XI, a **cyber extortion threat**;
6. With respect to Insuring Agreement XII, **financial fraud**, **telecommunications fraud**, or a **phishing attack**;
7. With respect to Insuring Agreement XIII, a **security breach**, **privacy breach**, **system failure**, **cyber extortion threat**, **financial fraud**, **telecommunications fraud**, or a **phishing attack**; or
8. With respect to Insuring Agreement XIV, **court attendance costs** incurred by an **Insured**.

First party insured event only pertains to loss sustained by **you** and does not include any **claim** made against an **Insured**.

Hacking attack means any of the following directed at or enacted upon an **insured computer system**: 1) unauthorized access to, or unauthorized use of, an **insured computer system**, including any such unauthorized access or unauthorized use resulting from the theft of a password from an **insured computer system** or from an **Insured**; 2) a **denial of service attack** against an **insured computer system**; 3) infection of an **insured computer system** by malicious code, or the transmission of malicious code from an **insured computer system**; or 4) an **act of cyber terrorism**.

Income loss means:

1. With respect to Insuring Agreement IX only, the net profit loss **you** sustain during the **period of restoration** as a direct result of a **system failure**.
2. With respect to Insuring Agreement X only, the net profit loss **you** sustain during the **period of indemnity** as a direct result of a **dependent system failure**.

Income loss will be determined in accordance with the provisions of Section 12.3. of this Policy.

Informant means any person who provides information regarding an illegal act committed by another person which causes a **first party insured event**, solely in return for **money** that **you** pay or promise to pay. **Informant** does not include: 1) any person who commits an illegal act which causes a **first party insured event**, whether acting alone or in collusion with others; 2) any **Insured**; 3) any **Insured's** auditors, whether internal or external; 4) any person or firm hired or retained to investigate a **first party insured event**; or 5) any person responsible for the supervision or management of a party described in 1 through 4 above.

Initial breach consultation costs means reasonable and necessary legal fees that **you** incur on **your** own behalf, or on behalf of a party for whom **you** are **vicariously liable**, to retain qualified legal counsel to provide **you** with initial advice regarding the appropriate response to an actual or suspected **privacy breach** or **security breach**. **Initial breach consultation costs** will not be subject to a **retention** if **you** retain counsel pre-approved by the Underwriters.

Insured means any of the individuals or entities specified as such in Section 6 of this Policy.

Insured computer system means a **computer system** that is owned and operated by **you**, or that is leased to **you** and operated by **you**, and any **insured telecommunications system**. With respect to Insuring Agreement II only, **insured computer system** also includes a **computer system** operated by a **BPO service provider** or an **outsourced IT service provider**, which is used to provide services to **you**, or for processing, maintaining, hosting, or storing **data** for **you**, pursuant to a written contract with **you** to provide such services. With respect to Insuring Agreements II, III, IV, VI, and XI only, **insured computer system** also includes a system operated by an organization providing computing resources to **you** that are delivered as a service over a network or the internet (commonly known as "cloud computing"), including Software as a Service, Platform as a Service and Infrastructure as a Service.

Insured telecommunications system means any telephone or fax network or system that is owned, rented, leased, licensed or borrowed by **you** and under **your** direct operational control.

Interruption expenses means reasonable and necessary expenses, excluding **special expenses**, incurred by **you** to avoid or minimize the suspension of **your** business as a result of a **system failure**, which **you** would not have incurred had no **system failure** occurred. **Interruption expenses** include, but are not limited to, the use of rented/leased external equipment, substitution of other work or production procedures, use of **third party** services, or additional staff expenditures or labor costs. The amount of **interruption expenses** recoverable will not exceed the amount by which the covered **income loss** is reduced by such incurred expenses.

Kinetic military action means war, invasion, acts of foreign enemies, hostilities or warlike operations (whether declared or not), civil war or mutiny, civil commotion assuming the proportions of, or amounting to, a riot, popular uprising, military uprising, insurrection, rebellion, revolution, or usurped power.

Managerial control means:

1. Owning interests representing more than 50% of the voting, appointment or designation power for the selection of:
 - a) a majority of the board of directors or trustees, if the entity is a corporation;
 - b) the management committee members, if the entity is a joint venture; or
 - c) the members of the management board, if the entity is a limited liability company.
2. Having the right, pursuant to a written contract, or the by-laws, charter, operating agreement or similar organizational documents, to elect, appoint or designate:
 - a) a majority of the board of directors or trustees, if the entity is a corporation;
 - b) the management committee members, if the entity is a joint venture; or
 - c) the members of the management board, if the entity is a limited liability company.
3. Possessing at least 50% ownership interest of a joint venture entity and solely controlling the management and operations of such joint venture entity, pursuant to a written joint venture agreement;
4. Being the exclusive sponsor, if the entity is a charitable trust or foundation; or
5. Being the only general partner of an entity.

Media material means communicative material of any kind or nature for which **you** are responsible, including, but not limited to, words, pictures, sounds, images, graphics, code and **data**, regardless of the method or medium of communication of such material or the purpose for which the communication is intended. **Media material** does not include any tangible

goods or products that are manufactured, produced, processed, prepared, assembled, packaged, labeled, sold, handled or distributed by **you** or by others trading under **your** name.

Merchant services agreement means an agreement between **you** and an **acquiring bank, card association, brand, network, credit or debit card processor, independent sales organization, gateway, or membership service**, which enables **you** to accept payment by credit card, debit card or prepaid card.

Money means a medium of exchange in current use and authorized or adopted by a domestic or foreign government, including, but not limited to, currency, coins, bank notes, bullion, travelers' checks, registered checks and **money** orders held for sale to the public.

Multimedia wrongful act means any of the following, whether actual or alleged, but only if directly resulting from the dissemination of **media material** by an **Insured**: 1) 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 any of the foregoing; 2) invasion, infringement or interference with an individual's right of privacy or publicity, including the torts of false light, intrusion upon seclusion, commercial misappropriation of name, person, or likeness, and public disclosure of private facts; 3) plagiarism, piracy or misappropriation of ideas under an implied contract; 4) infringement of copyright, trademark, trade name, trade dress, title, slogan, service mark or service name; 5) domain name infringement or improper deep-linking or framing; 6) negligence in **media material**, including a **claim** alleging harm to any person or entity that acted or failed to act in reliance upon such **media material**; 7) false arrest, detention or imprisonment; 8) trespass, wrongful entry or eviction, eavesdropping, or other invasion of the right of private occupancy; or 9) unfair competition, but only when arising out of a peril described in 1. through 8. above.

Named Insured means any of the individual(s) or entity(ies) specified as such in Item 1 of the Declarations.

Notification means **your** written notice to parties affected by a **security breach** or **privacy breach**, whether such written notice is made by **you** voluntarily or to comply with **privacy regulations**.

Notification expenses means reasonable and necessary expenses that **you** incur on **your** own behalf, or on behalf of a party for whom **you** are **vicariously liable**, to provide **notification** of a **security breach** or **privacy breach**, including printing costs, mailing and postage expenses, and the costs to engage a **third party** to mail **notification** letters and prepare substitute or website notices.

Other property means any tangible property, other than **money** or **securities**, which has intrinsic value.

Outsourced IT service provider means a **third party** that provides information technology services to **you**, including but not limited to, hosting, security management, co-location, and **data** storage, under a written contract with **you** to provide such services. **Outsourced IT service provider** does not include any payment processor; security software provider; internet service provider; Domain Name System (DNS) hosting service or domain name registrar; or any subcontractor or sub-consultant with whom **you** do not have a direct contract for information technology services.

PCI Data Security Standard (known as "PCI DSS") means the Payment Card Industry Security Standards Council Data Security Standard in effect now, or as hereafter amended, which all merchants and processors must follow when storing, processing and transmitting cardholder **data**.

PCI DSS demand means a written demand for **PCI DSS fines and assessments** received by an **Insured** directly or indirectly from or through an **acquiring bank, card association, or payment card processor** due to the **Insured's** non-compliance with the **PCI Data Security Standard**, or a request for information received by an **Insured** from an **acquiring bank, card association, or payment card processor** regarding a suspected **security breach** or **privacy breach**.

PCI DSS fines and assessments means monetary fines, penalties or assessments (including fraud recoveries, card reissuance costs, operational expenses, or compliance case costs) owed by an **Insured** under the terms of a **merchant services agreement**, but only where such monetary fines, penalties or assessments result from a **security breach** or **privacy breach**.

Period of indemnity means:

1. With respect to Insuring Agreement VIII, the period beginning on the earlier of the date of **notification** or the first **adverse media report**, and ending on the earlier of:
 - a. The date that gross revenues are restored to the level they had been prior to **notification** or the first **adverse media report**, whichever applies, or
 - b. The last day of the period set forth in Item 4 of the Declarations as the **period of indemnity** for Insuring Agreement VIII.

2. With respect to Insuring Agreement X, the period beginning on the date when an **executive** first discovers the **dependent system failure**, and ending on the earlier of:
 - a. The date that gross revenues are restored to the level they had been prior to the **dependent system failure**, or
 - b. The last day of the period set forth in Item 4 of the Declarations as the **period of indemnity** for Insuring Agreement X.

Period of restoration means the period beginning on the date when the **system failure** began, and ending on the earlier of: 1) the date when an **insured computer system** is restored or could have been repaired or restored with reasonable speed to the same condition, functionality and level of service that existed prior to the **system failure**, plus a maximum of thirty (30) additional consecutive days after the restoration of an **insured computer system** to allow for restoration of **your** business; or 2) the last day of the period set forth in Item 4 of the Declarations as the **period of restoration** for Insuring Agreement IX.

Personally identifiable information means information that can be used to determine, distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual, including, but not limited to, financial account numbers, security codes, personal identification numbers (PINs), credit and debit card numbers, medical or healthcare information, social security numbers, driver's license numbers, addresses, passwords, and any other non-public information as defined in **privacy regulations**.

Phishing attack means the use by a **third party** of fraudulent telephone calls, emails, texts, instant messages or other electronic communications or malicious websites to impersonate **you**, **your** brand, or **your** products or services to solicit **private information**. With respect to Insuring Agreement XII.C. only, **phishing attack** also includes the use by a **third party** of fraudulent telephone calls, emails, texts, instant messages or other electronic communications or malicious websites to impersonate **you**, **your** client, **your** vendor, or an **executive** or **employee** to solicit **money**, **securities**, or **other property**.

Phishing attack loss means 1) direct financial loss **you** sustain due to a **phishing attack** that fraudulently induces an **executive** or **employee** to transfer, pay or deliver **money**, **securities**, or **other property** to an unintended **third party**; 2) expenses **you** incur with **approval** to create and issue a specific press release or to establish a specific website to advise **your** customers and prospective customers of a **phishing attack**; and 3) the cost of reimbursing **your** existing customers or clients for their direct financial losses resulting from a **phishing attack**, provided such reimbursement is made by **you** with **approval**.

Policy period means the period from the effective date to the expiration date of this Policy, as set forth in Item 2 of the Declarations, or any earlier termination or cancellation date.

Post breach remediation costs means reasonable and necessary costs that **you** incur after a **security breach** or **privacy breach**, for which the Underwriters have accepted coverage under Insuring Agreement VI of this Policy, to mitigate the potential of a future **security breach** or **privacy breach**, including, but not limited to, costs to complete an information security risk assessment, conduct an information security gap analysis, develop an information security document set, deliver an information security awareness training session to **employees** and **executives**, and hire a company specializing in **data** or **computer system** security to determine how to protect **data** or an **insured computer system** from a future **security breach** or **privacy breach**.

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.

Privacy breach means any of the following:

1. The unauthorized collection, disclosure, use, access, destruction or modification of **private information**;
2. The inability to access, or failure to provide, **private information**;
3. The theft or loss of **private information**, including the theft or loss of **private information** stored on an unsecured **data** storage device or mobile or handheld device, including any smartphone, tablet, and laptop which is owned by **you** and operated by an **Insured**, or owned and operated by an **employee** or **executive** who has agreed in writing to **your** corporate mobile device acceptable use and security policy (also known as a "Bring Your Own Device" policy);
4. The surrender of **private information** in a **phishing attack**;
5. Failure to implement, maintain, or comply with privacy policies and procedures stating **your** obligations relating to **private information**, including but not limited to **your privacy policy**;
6. Failure to develop or administer an identity theft prevention program;
7. Failure to implement specific security practices with respect to **private information** required by any statute, rule, regulation, or other law;
8. An infringement or violation of any rights to privacy;
9. Breach of a person's right of publicity, false light, or intrusion upon a person's seclusion;
10. Failure to comply with **privacy regulations** pertaining to an **Insured's** responsibilities with respect to **private information**, but only with respect to an act listed in paragraphs 1 through 8 above; or

11. Failure to comply with **privacy regulations** prohibiting unfair or deceptive trade practices or consumer fraud pertaining to an **Insured's** responsibilities with respect to **private information**, but only with respect to an act listed in paragraphs 1 through 8 above.

A series of continuing **privacy breaches**, related or repeated **privacy breaches**, or multiple **privacy breaches** resulting from the same event or incident will be considered a single **privacy breach** and will be considered to have occurred at the time the first of such **privacy breaches** occurred.

Privacy breach response costs means:

1. **Initial breach consultation costs**;
2. Reasonable and necessary **public relations expenses** that **you** incur with **approval** prior to or following the publication of an **adverse media report** to avert or mitigate any material damage to **your reputation** or **your** brand, which results or reasonably could result from the **adverse media report**;
3. Reasonable and necessary legal fees that **you** incur on **your** own behalf or on behalf of a party for whom **you** are **vicariously liable** to:
 - a. Determine the scope, cause, and extent of an actual or suspected **privacy breach** or **security breach**;
 - b. Determine the applicability of, and **your** obligations to comply with, **privacy regulations** due to an actual or suspected **privacy breach**; and
 - c. Draft a **notification** letter to be sent to parties affected by a **privacy breach**.
4. Reasonable and necessary fees and costs that **you** incur on **your** own behalf, or on behalf of a party for whom **you** are **vicariously liable**, to retain a qualified IT forensics firm or **computer** security expert to investigate and identify the source and scope of a **security breach** or **privacy breach**; and
5. Overtime salaries of non-exempt **employees** assigned to handle inquiries from parties affected by a **privacy breach**.

Privacy regulations means federal, state, local or foreign statutes, rules, regulations and other laws in effect now, or as hereafter amended, associated with the confidentiality, access, control, use, or protection of **private information**, including, but not limited to:

1. The Health Insurance Portability and Accountability Act of 1996 (Public Law 104- 191), known as HIPAA, and related or similar state medical privacy laws;
2. The Gramm-Leach-Bliley Act of 1999 (G-L-B), also known as the Financial Services Modernization Act of 1999, including sections concerning security protection and standards for customer records maintained by financial services companies, and the rules and regulations promulgated thereunder;
3. State and Federal statutes and regulations regarding the security and privacy of consumer information;
4. Governmental privacy protection regulations or laws associated with the control and use of personal information, including but not limited to requirements to post a privacy policy, adopt specific privacy controls, or inform customers of an actual or suspected **privacy breach**;
5. Privacy provisions of consumer protection laws, including the Federal Fair Credit Reporting Act (FCRA) and similar state laws;
6. The Children's Online Privacy Protection Act or similar laws;
7. The EU General Data Protection Regulation or other similar privacy and security statutes, rules, regulations or other laws worldwide; and
8. The Health Information Technology for Economic and Clinical Health Act (HITECH ACT), enacted under Title XIII of the American Recovery and Reinvestment Act of 2009 (ARRA) (Pub. L. 111-5), and its implementing regulations, including related or similar state medical privacy laws.

Privacy regulatory proceeding means a civil administrative proceeding, regulatory action, request for information, or investigation instituted against an **Insured** by a federal, state, local or foreign governmental body because of a **security breach** or **privacy breach**.

Private information means 1) proprietary or confidential information owned by a **third party** that is in the care, custody or control of an **Insured**, or is used by an **Insured** with the consent of such **third party**; 2) **personally identifiable information**; and 3) any information that is linked or linkable to a specific individual and that is subject to any **privacy regulations**.

Programming error means an error which occurs during the development or encoding of a computer program, software or application and which would, when in operation, result in a malfunction or incorrect operation of a **computer system**.

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

Public relations expenses means expenses **you** incur to retain or hire a **third party** public relations consultant or public relations firm to protect or restore **your reputation**, which is damaged or reasonably could be damaged by an **adverse media report**.

Regulatory compensatory award means a sum of **money** which an **Insured** is legally obligated to pay as a regulatory agency's award or fund for parties affected by a **privacy breach**, due to an adverse judgment or settlement arising out of a **privacy regulatory proceeding**. **Regulatory compensatory award** includes consumer redress funds, but will not include any criminal fines or penalties of any nature whatsoever.

Regulatory fines and penalties means civil fines or penalties imposed by a federal, state, local, or foreign governmental agency or regulatory body against an **Insured** as a result of a **privacy regulatory proceeding**. **Regulatory fines and penalties** does not include: 1) any criminal fines or penalties of any nature whatsoever; or 2) **PCI DSS fines and assessments**.

Retention means the amount specified as such in Item 4 of the Declarations.

Retroactive date means the date specified as such in Item 5 of the Declarations on or after which **wrongful acts** or **first party insured events** (if applicable) must have taken place to be considered for coverage under this Policy.

Reward expenses means the reasonable amount that **you** pay with **approval** to an **informant** for information not otherwise available which leads to the arrest and conviction of any person who commits an illegal act that causes a **first party insured event**.

Securities means negotiable or non-negotiable instruments or contracts representing **money** or **other property**, but does not include **money**.

Security and privacy wrongful act means any of the following, whether actual or alleged, but only if committed by an **Insured**:

1. The failure to prevent or hinder a **security breach**, which in turn results in:
 - a. The alteration, copying, corruption, destruction, deletion, or damage to **data** stored on an **insured computer system**;
 - b. Theft, loss or unauthorized disclosure of electronic or non-electronic **private information** that is in **your** care, custody or control;
 - c. Theft, loss or unauthorized disclosure of electronic or non-electronic **private information** that is in the care, custody or control of a **BPO service provider** or **outsourced IT service provider** that is holding, processing or transferring such **private information** on **your** behalf; provided, however, that the theft, loss or unauthorized disclosure occurs while **your** written contract with such **BPO service provider** or **outsourced IT service provider** is still in effect;
 - d. Unauthorized access to, or unauthorized use of, a **computer system** other than an **insured computer system**;
 - e. The inability of an authorized **third party** to gain access to **your** services;
2. The failure to timely disclose a **security breach** or **privacy breach** affecting **private information**;
3. The failure to dispose of **private information** within the required period, in violation of **privacy regulations**;
4. The failure to prevent the transmission of malicious code or computer virus from an **insured computer system** to the **computer system** of a **third party**;
5. A **privacy breach**;
6. The failure to prevent a **privacy breach**;
7. The failure to prevent or hinder participation by an **insured computer system** in a **denial of service attack** directed against the internet site or **computer system** of a **third party**;
8. The failure to prevent the theft or loss of **personally identifiable information** of **employees**; or
9. Infliction of emotional distress or mental anguish, but only if directly resulting from a peril described in paragraphs 1. through 8. above.

Security breach means any of the following, whether a specifically targeted attack or a generally distributed attack: (1) a **hacking attack**; or (2) the physical theft or loss of an unsecured **data** storage device containing **private information**; or (3) the theft or loss of an unsecured mobile or handheld device containing **private information**, including any smartphone, tablet, and laptop owned by **you** and operated by an **insured**, or owned and operated by an **employee** or **executive** who has agreed in writing to **your** corporate mobile device acceptable use and security policy (also known as a "Bring Your Own Device" policy). A series of continuing **security breaches**, related or repeated **security breaches**, or multiple **security breaches** resulting from a continuing attack, event, incident or failure of computer security will be considered a single **security breach** and will be considered to have occurred at the time the first of such **security breaches** occurred.

Service provider computer system means a **computer system** that is owned or leased by, and under the direct operational control of, an **outsourced IT service provider**.

Special expenses means reasonable and necessary costs and expenses **you** incur to 1) prevent, preserve, minimize, or mitigate any further damage to **digital assets**, including the reasonable and necessary fees and expenses of specialists, outside consultants or forensic experts; 2) preserve critical evidence of any criminal or malicious wrongdoing; 3) purchase

replacement licenses for computer programs because the copy protection system or access control software was damaged or destroyed by a **system failure**; or 4) notify affected parties of a **system failure**.

Subsidiary means any entity in which the **Named Insured**, either directly or indirectly, through one or more of its **Subsidiaries**:

1. Had **managerial control** before the effective date of this Policy and was insured under a policy issued by the Underwriters of which this Policy is a direct and continuous renewal;
2. Had **managerial control** as of the effective date of this Policy; or
3. Acquires **managerial control** after the effective date of this Policy, subject to the limitations of Section 21.1 of this Policy.

System failure means an unplanned outage, interruption, failure, suspension, or degradation of service of an **insured computer system**, including, but not limited to, any such outage, interruption, failure, suspension, or degradation of service caused directly by a **hacking attack**. **System failure** does not include any **dependent system failure**.

Takeover means:

1. Any person, entity or affiliated group of persons or entities obtains more than 50% of the **Named Insured's** equity or assets;
2. Any person, entity or affiliated group of persons or entities obtains the right to elect or appoint more than 50% of the **Named Insured's** trustees, **executives** or member managers, as applicable;
3. The acquisition of the **Named Insured** by another entity, whereby the entity obtains **managerial control** of the **Named Insured**;
4. The **Named Insured** is dissolved, sold or acquired by, merged into, or consolidated with, another entity, such that the **Named Insured** is not the surviving entity; or
5. The **Named Insured** ceases to do business for any reason.

TCPA claim means:

1. A written demand made against an **Insured** for **money** or non-monetary relief alleging a **TCPA violation**;
2. The service of a civil lawsuit or the institution of arbitration or other alternative dispute resolution proceedings against an **Insured** alleging a **TCPA violation** and seeking **money**, a temporary restraining order, or a preliminary or permanent injunction; or
3. A written request received by an **Insured** to toll or waive a statute of limitations relating to a potential **TCPA claim** against an **Insured**.

TCPA violation means any of the following, whether actual or alleged, but only if committed by an **Insured**:

1. Any unsolicited telephone calls, emails, faxes, or other communications to **your** actual or prospective customers or other **third parties**;
2. Any violation of the Telephone Consumer Protection Act (47 U.S.C. §227), as amended, or any regulations promulgated thereunder;
3. A violation of the Telemarketing and Consumer Fraud and Abuse Prevention Act (15 U.S.C. §§ 6101-6108), as amended, or any regulations promulgated thereunder;
4. A violation of the CAN-SPAM Act (15 U.S.C. §§ 7701-7713), as amended, or any regulations promulgated thereunder; or
5. A violation of any similar federal, state, local or foreign law, whether statutory, regulatory or common law, including any anti-spam law or other law that addresses, prohibits or limits the use of telephonic or electronic communications for solicitation purposes.

Telecommunications fraud means the intentional, unauthorized and fraudulent gaining of access to outgoing telephone service through infiltration and manipulation of an **insured telecommunications system**.

Telecommunications fraud loss means the charges **you** incur for unauthorized calls directly resulting from **telecommunications fraud**.

Third party means any entity, company, organization or person who does not qualify as an **Insured** under Section 6 (Who is Insured) of this Policy.

Unauthorized trading means trading, which at the time of the trade, exceeds permitted financial limits or is outside of permitted product lines.

Vicariously liable means **your** legal responsibility for the liability of others, including legal responsibility **you** assume in a contract. The existence of vicarious liability will not create or confer any rights or duties under this Policy to any **third party**, other than as provided in this definition.

Waiting Period means the amount of time, as set forth in Item 4.A. of the Declarations, that must elapse before any loss or expenses may be payable under Insuring Agreement VIII, Insuring Agreement IX.B, or Insuring Agreement X.B. The **waiting period** applies to each **period of restoration** and **period of indemnity**.

Wrongful act means:

1. With respect to Insuring Agreement I, a **multimedia wrongful act**;
2. With respect to Insuring Agreement II, a **security and privacy wrongful act**;
3. With respect to Insuring Agreement III and IV, a **security breach** or **privacy breach**;
4. With respect to Insuring Agreement V, a **TCPA violation**.

You and **Your** means the **Named Insured** and any **Subsidiary**.

Your account means a business account maintained by **you** at a financial institution from which **you**, or any **insured** authorized by **you**, may request the transfer, payment or delivery of **money** or **securities**.

Your privacy policy means **your** published policies provided to **employees** or **third parties** in written or electronic form that govern the collection, use, disclosure, correction, dissemination, confidentiality, integrity, accuracy or availability of **private information**.

Your reputation means the estimation of trust that customers or clients have in doing business with **you** or in purchasing **your** products or services.

8. Exclusions

8.1 Exclusions Applicable to All Insuring Agreements

The exclusions in this section apply to all Insuring Agreements of this Policy.

The Underwriters will not be liable under this Policy for any **claim**:

- 8.1.1. Based upon, arising from, or in any way involving an actual or alleged **wrongful act** or **first party insured event** of which any **executive** had knowledge prior to the effective date of this Policy or prior to the effective date of a Policy issued by the Underwriters of which this Policy is a direct and continuous renewal.
- 8.1.2. Made by or on behalf of an **Insured** against another **Insured**. This exclusion does not apply to:
 - a. An otherwise covered **claim** under Insuring Agreement II which is brought by any past, present or future **employee** for a **security and privacy wrongful act**; or
 - b. An otherwise covered **claim** under Insuring Agreement I or Insuring Agreement II which is brought by a person or entity qualifying as an **Insured** under Section 6.6.
- 8.1.3. Based upon, arising from, or in any way involving any of the following committed by an **Insured**, whether acting alone or in collusion with other persons:
 - a. A willful, intentional, deliberate, malicious, fraudulent, dishonest, or criminal act or omission;
 - b. Any intentional violation of law; or
 - c. The gaining of any profit or advantage to which an **Insured** is not legally entitled.

This exclusion does not apply to **defense costs** or the Underwriters' duty to defend any **claim** under Insuring Agreement I, II, III, IV, or V until the conduct described in this exclusion has been established by a final, non-appealable adjudication in a judicial, administrative or alternative dispute proceeding, or by an **Insured's** own admission in a proceeding or otherwise. The Underwriters will have the right to recover **defense costs** incurred in defending any such **claim** from those parties found to have committed the conduct described in this exclusion.

This exclusion does not apply to any **Insured** that did not commit, participate in, or have knowledge of any conduct described in this exclusion.
- 8.1.4. Based upon, arising from, or in any way involving the insolvency or bankruptcy of any person or entity, or the failure, inability, or unwillingness of any person or entity to make payments, perform obligations or conduct business because of insolvency, liquidation, or bankruptcy. However, **your** insolvency or bankruptcy will not relieve the Underwriters of their obligations under this Policy where **your** insolvency or bankruptcy does not give rise to a **claim** or loss.
- 8.1.5. For **bodily injury** or **property damage**.

- 8.1.6. Based upon, arising from, or in any way involving any of the following, regardless of any other cause or event that contributes concurrently or in any sequence to the **claim**:
- a. Electrical or mechanical failures or interruption, including electrical disturbance, spike, brownout, or blackout; or
 - b. Any regional, countrywide, or global outage, failure, disruption, or reduction in supply of any utility service or infrastructure, including electricity, gas, water, telephone, cable, internet, satellite or telecommunications, or any failure, outage, disruption, degradation or termination of any critical part of such service or infrastructure.
- 8.1.7. Based upon, arising from, or in any way involving the actual or alleged inaccurate, inadequate, or incomplete description of the price of goods, products or services.
- 8.1.8. Based upon, arising from, or in any way involving the violation of any economic or trade sanctions by the United States government, including, but not limited to, sanctions administered and enforced by the United States Treasury Department's Office of Foreign Assets Control (OFAC). This exclusion does not apply to a **security breach** originating from any country where the United States of America has imposed economic or trade sanctions.
- 8.1.9. Based upon, arising from, or in any way involving any breach of any express, implied, actual or constructive contract, warranty, guarantee or promise. This exclusion does not apply to:
- a. Any liability or obligation an **Insured** would have had in the absence of such contract, warranty, guarantee or promise and which would have been insured by this Policy;
 - b. An actual or alleged breach of **your privacy policy**;
 - c. An actual or alleged breach of an express, implied, actual or constructive contract, warranty, guarantee or promise to protect **private information**;
 - d. A **claim** under Insuring Agreement II for an unintentional breach by an **Insured** of the provisions of a confidentiality or non-disclosure agreement relating to the confidentiality of **private information**; or
 - e. A **claim** under Insuring Agreement IV for an unintentional breach of the provisions of a **merchant services agreement** relating to compliance with the **PCI DSS Standard**.
- 8.1.10. Based upon, arising from, or in any way involving any liability assumed by any **Insured** under a contract or agreement. This exclusion does not apply to:
- a. A **claim** under Insuring Agreement I or Insuring Agreement II for liability **assumed under contract**;
 - b. Any liability an **Insured** would have had in the absence of such contract or agreement and which would have been insured by this Policy; or
 - c. With respect to Insuring Agreement IV only, liability for **PCI DSS fines and assessments** assumed by **you** under a **merchant services agreement**.
- 8.1.11. Based upon, arising from, or in any way involving:
- a. Any actual, alleged or threatened presence of pollutants or contamination of any kind, including, but not limited to, asbestos, smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste (waste includes materials to be recycled, reconditioned, or reclaimed), whether or not such presence results from an **Insured's** activities or the activities of others, or such presence or contamination happened suddenly or gradually, accidentally or intentionally, or expectedly or unexpectedly; or
 - b. Any directive or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize pollutants, or in any way respond to, or assess the effects of, pollutants or contamination of any kind.
- 8.1.12. Based upon, arising from, or in any way involving **income loss** caused by, or resulting from, **unauthorized trading**.
- 8.1.13. Based upon, arising from, or in any way involving:
- a. The actual or alleged purchase or sale of **securities**;
 - b. The actual or alleged loss of value of any **securities**;
 - c. The offer of, or solicitation of an offer, to purchase or sell **securities**; or
 - d. The violation of any **securities** law including, but not limited to, the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, or the Sarbanes-Oxley Act of 2002, or any regulation promulgated under the foregoing statutes, or any similar federal, state, local, or foreign law, including "Blue Sky" laws, whether such law is statutory, regulatory, or common law.
- 8.1.14. Based upon, arising from, or in any way involving the actual or alleged government enforcement of any federal, state, local or foreign regulation, including, but not limited to, regulations promulgated by the United States Federal

Trade Commission, the Federal Communications Commission, or the Securities and Exchange Commission. This exclusion does not apply to an otherwise covered **claim** under Insuring Agreement III.

8.1.15. Based upon, arising from, or in any way involving:

- a. Any employer-**employee** relations, policies, practices, acts, or omissions;
- b. Any actual or alleged refusal to employ any person; or
- c. Any misconduct with respect to **employees**.

This exclusion does not apply to an otherwise covered **claim** under Insuring Agreement II, Insuring Agreement III or Insuring Agreement VI.

8.1.16. Based upon, arising from, or in any way involving any actual or alleged harassment or discrimination of any kind including, but not limited to, age, color, race, gender, creed, national origin, marital status, sexual preferences, disability, or pregnancy.

8.1.17. Based upon, arising from, or in any way involving:

- a. The violation of any pension, healthcare, welfare, profit sharing, mutual, or investment plans, funds, or trusts; or
- b. Any violation of any provision of the Employee Retirement Income Security Act of 1974 and its amendments, or the Pension Protection Act of 2006 and its amendments, or any regulation, ruling, or order issued pursuant to the foregoing statutes.

Exclusion 8.1.17.b. does not apply to an otherwise covered **claim** under Insuring Agreement II, Insuring Agreement III or Insuring Agreement VI.

8.1.18. For loss, damage, cost, or expense of whatsoever nature directly or indirectly caused by, resulting from, or in connection with any **kinetic military action**, regardless of any other cause or event contributing concurrently or in any other sequence to the loss; or for loss, damage, cost, or expense of whatsoever nature directly or indirectly caused by, resulting from, or in connection with any action taken by a government authority to hinder, control, prevent, suppress, or defend against any **kinetic military action**; or the confiscation, nationalization, requisition, or destruction of, or damage to, property by, or under the order of, any government authority.

8.1.19. Based upon, arising from, or in any way involving an **act of terrorism**. This exclusion does not apply to an **act of cyber terrorism**.

8.1.20. Based upon, arising from, or in any way involving:

- a. Gambling, pornography, prizes, awards, or coupons; or
- b. The sale or provision of prohibited, restricted or regulated items, including, but not limited to, alcoholic beverages, tobacco or drugs.

8.1.21. Based upon, arising from, or in any way involving:

- a. Any **Insured's** failure to comply with or follow the **PCI Data Security Standard** or any payment card company rules; or
- b. The implementation or maintenance of, or compliance with, any security measures or standards relating to any payment card **data** including, but not limited to, any fine or penalty imposed by a payment card company on a merchant bank or payment processor that an **Insured** has paid or agreed to reimburse or indemnify.

This exclusion does not apply to an otherwise covered **PCI DSS demand** under Insuring Agreement IV.

8.1.22. Based upon, arising from, or in any way involving:

- a. Any actual or alleged unfair competition, price fixing, deceptive trade practices or restraint of trade; or
- b. The violation of any antitrust statute, legislation or regulation.

Exclusion 8.1.22.a. does not apply to:

- a. Allegations of unfair competition that form a part of an otherwise covered **claim** under Insuring Agreement I, Insuring Agreement II or Insuring Agreement III;
- b. Allegations of deceptive trade practices that form a part of an otherwise covered **claim** under Insuring Agreement II or Insuring Agreement III.

8.1.23. Based upon, arising from, or in any way involving any actual or alleged infringement of any patent.

- 8.1.24. Based upon, arising from, or in any way involving the misappropriation, theft, copying, display or publication of any trade secret. This exclusion does not apply to an otherwise covered **claim** under Insuring Agreement II for failure to prevent the misappropriation of a trade secret which results from a **security and privacy wrongful act**.
- 8.1.25. Based upon, arising from, or in any way involving the confiscation, commandeering, requisition, destruction of, or damage to, computer hardware by order of a government de jure or de facto, or by any public authority for whatever reason. This exclusion does not apply to an otherwise covered **claim** under Insuring Agreement IX.
- 8.1.26. Based upon, arising from, or in any way involving any unsolicited communication of information or advertising by telephone, email, fax, text, or any other means prohibited by law, or any actual or alleged violation of the Telephone Consumer Protection Act (47 U.S.C. §227), the Telemarketing and Consumer Fraud and Abuse Prevention Act (15 U.S.C. §§ 6101-6108), or the CAN-SPAM Act (15 U.S.C. §§ 7701-7713), each as amended, or any regulations promulgated under the foregoing statutes, or any similar federal, state, local or foreign law, whether such laws are statutory, regulatory or common law, including any anti-spam law or other law concerning the use of telephonic or electronic communications for solicitation purposes, or any allegations of invasion or violation of any rights to privacy derived therefrom. This exclusion does not apply to an otherwise covered **TCPA claim** under Insuring Agreement V.

8.2. Exclusions Applicable to All First Party Insuring Agreements (Insuring Agreements VI through XIV)

The exclusions in this section apply to all First Party Insuring Agreements (Insuring Agreements VI through XIV) of this Policy.

The Underwriters will not be liable for:

- 8.2.1. Any liability to any **third party** for whatever reason, including, contractual penalties, **damages**, or legal costs and expenses of any type;
- 8.2.2. Sanctions, fines or penalties imposed by law; or
- 8.2.3. Any **claim** based upon, arising from, or in any way involving fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, force majeure, or any other physical event, however caused.

8.3. Exclusions Applicable to Insuring Agreement VIII (BrandGuard)

The exclusions in this section apply to Insuring Agreement VIII (BrandGuard) of this Policy.

The Underwriters will not be liable for:

- 8.3.1. Any loss, cost, liability or expense **you** incur to protect, restore, or re-establish **your reputation**, including **public relations expenses**;
- 8.3.2. Any loss, cost, liability or expense that is insured by any other insurance, except excess insurance;
- 8.3.3. Any loss, cost, liability or expense incurred because of an **adverse media report** that also affects or refers in similar terms to a general security issue, an industry, or **your** specific competitors without any specific allegations regarding a **security breach** or **privacy breach** committed by an **Insured**, or by others acting on **your** behalf, for whom **you** are legally responsible, including **BPO service providers** or **outsourced IT service providers**; or
- 8.3.4. Amounts paid, or payable, under Insuring Agreement VI.

8.4. Exclusions Applicable to Insuring Agreement IX (System Failure) and Insuring Agreement X (Dependent System Failure)

The exclusions in this section apply to Insuring Agreement IX (System Failure) and Insuring Agreement X (Dependent System Failure) of this Policy.

The Underwriters will not be liable for:

- 8.4.1. The cost of restoring, updating, or replacing **digital assets** to a level beyond that which existed prior to the **system failure** or **dependent system failure**;
- 8.4.2. Physical damage to, or the costs to repair or replace, any computer hardware or **data center**;

- 8.4.3. The economic or market value of **digital assets**;
- 8.4.4. The costs or expenses incurred to identify, patch, or remediate software **programming errors** or **computer system** vulnerabilities;
- 8.4.5. The cost to upgrade, improve, repair, redesign, reconfigure, or maintain an **insured computer system** to a level of functionality beyond that which existed prior to the **system failure**;
- 8.4.6. The cost of restoring, replacing or repairing any electronic media;
- 8.4.7. The cost to upgrade, improve, repair, redesign, reconfigure, or maintain a **service provider computer system**; or
- 8.4.8. Loss of goodwill or harm to **your reputation**.

8.5. Exclusions Applicable to Insuring Agreement XII (Cyber Crime)

The exclusions in this section apply to Insuring Agreement XII (Cyber Crime) of this Policy.

The Underwriters will not liable for:

- 8.5.1. Any **claim** based upon, arising from, or in any way involving any actual or alleged unauthorized acquisition, access, use or disclosure of **private information** that is held or transmitted in any form. This exclusion does not apply to **financial fraud** which directly results from the use of **private information**.
- 8.5.2. Any **claim** based upon, arising from, or in any way involving the seizure, confiscation, nationalization, requisition, or destruction of an **insured telecommunications system** by, or under the order of, any government or public authority.
- 8.5.3. Amounts that have been wholly or partially reversed by a credit card company or financial institution.
- 8.5.4. Loss of **other property** arising out of, resulting from, or in any way involving the fraudulent or purportedly fraudulent use of a credit or debit card.
- 8.5.5. Any **claim** based upon, arising from, or in any way involving any fraudulent instruction, if the sender, or any person or organization acting in collusion with the sender, ever had authorized access to **your** password, PIN or other security code. This exclusion does not apply to **phishing attack loss** incurred by **you** because of a fraudulent instruction transmitted by an **employee** or an **executive**, if the fraudulent instruction was transmitted as a direct result of that **employee** or **executive** receiving intentionally misleading or deceptive telephonic or electronic communications from a **third party** falsely purporting to be **you** or **your** client, vendor, or **employee**.
- 8.5.6. Any **claim** based upon, arising from, or in any way involving the giving or surrendering of **money, securities, or other property** in any exchange for or purchase of goods, products or services:
 - a. That are not yet delivered, whether or not fraudulent;
 - b. That fail to conform to advertised quality or performance; or
 - c. That fail to conform to the quality or performance expected from the standpoint of the **Insured**.
- 8.5.7. Any **claim** based upon, arising from, or in any way involving potential income, including interest and dividends, not realized by **you** or **your** customers or clients.
- 8.5.8. The theft of **money, securities, or other property** belonging to a **third party**. This exclusion does not apply to **phishing attack loss** incurred by **you** to reimburse **your** customers or clients for their direct financial losses resulting from a **phishing attack**.

9. Innocent Insured Provision

- 9.1. Whenever coverage under this insurance would be excluded, suspended or lost because of non-compliance with Section 11, relating to the giving of notice of a **claim** to the Underwriters, with respect to which any other **Insured** becomes in default solely because of the failure to give such notice or concealment of such failure by one or more **Insureds** responsible for the loss or damage otherwise insured hereunder, then such insurance as would otherwise be afforded under this Policy will apply to any **Insured** who did not personally commit, personally participate in committing, or personally acquiesce to such failure to give notice, provided that the **Insured** entitled to the benefit of this provision complies with Section 11 promptly after obtaining knowledge of the failure of any other **Insured** to comply therewith.

- 9.2. Any insurance afforded by this provision will not apply to a **claim**, if a current **executive** failed to give notice, as required by Section 11, of a **claim** which was known to such **executive**.
- 9.3. Whenever coverage under this insurance would be excluded, suspended, or lost because of Exclusion 8.1.3., relating to a willful, deliberate, malicious, fraudulent, dishonest, or criminal act or omission by an **Insured**, then such insurance as would otherwise be afforded under this Policy will apply to those **Insureds** who did not personally commit, personally participate in committing, personally acquiesce, or remain passive after having personal knowledge of such willful, deliberate, malicious, fraudulent, dishonest, or criminal act or omission.

10. Extended Reporting Provisions

- 10.1. In the event of cancellation or non-renewal of this Policy, the **Named Insured** will have the right, upon payment of an additional premium, to have issued an endorsement providing an **extended reporting period**, effective from the date of cancellation, or in the event of non-renewal, effective from the expiration date of this Policy.
- 10.2. The additional premium for the **extended reporting period** will be calculated based on a percentage of the full annual policy premium in effect immediately prior to the end of the **policy period**, including any additional premium for endorsements. The **extended reporting period** options are: a) one (1) year for 100% of annual premium; b) two (2) years for 150% of annual premium; or c) three (3) years for 200% of the annual premium.
- 10.3. If purchased, the **extended reporting period** will apply to:
- With respect to the Third Party Liability Insuring Agreements, any **claim** first made against an **Insured** during the **extended reporting period**, but only if 1) the actual or alleged **wrongful acts** giving rise to such **claim** occur on or after the **retroactive date** and prior to the end of the **policy period**, and 2) the **claim** is reported to the Underwriters during the **extended reporting period**; and
 - With respect to the First Party Insuring Agreements, any **claim** reported to the Underwriters during the **extended reporting period**, but only if 1) the **first party insured event** giving rise to such **claim** occurs prior to the end of the **policy period**, and 2) the **first party insured event** is first discovered by an **executive** during the **extended reporting period**.
- 10.4. To purchase the **extended reporting period** endorsement, the **Named Insured's** written request for the **extended reporting period**, together with full payment of the additional premium for the **extended reporting period**, must be received by the Underwriters within thirty (30) days of the effective date of non-renewal or cancellation of this Policy.
- 10.5. The **extended reporting period** applies only to those Insuring Agreement(s) purchased, as set forth in the Declarations.
- 10.6. The Limits of Liability for the **extended reporting period** are part of, and not in addition to, the Limits of Liability set forth in Item 3 of the Declarations.
- 10.7. The quotation by the Underwriters of a different premium, **retention**, Limit of Liability, or changes in policy language at renewal will not constitute a refusal to renew by the Underwriters.
- 10.8. The right to an **extended reporting period** will not be available to the **Named Insured** where cancellation or non-renewal by the Underwriters is because of non-payment of premium or an **Insured's** failure to pay amounts within the applicable **retention**.
- 10.9. All notices and premium payments with respect to the **extended reporting period** will be directed to the Underwriters through the entity named in Item 8 of the Declarations.
- 10.10. At the commencement of an **extended reporting period**, the entire premium will be considered fully earned, and in the event the **Named Insured** terminates an **extended reporting period** for any reason prior to its natural expiration, the Underwriters will not be liable to return any premium paid for the **extended reporting period**.

11. Notice Provisions

- 11.1. If any **claim** under Insuring Agreement I, II, III, IV, or V is made against any **Insured**, an **executive** must provide written notice to the Underwriters of such **claim** as soon as practicable during the **policy period**, but no later than sixty (60) days after expiration of the **policy period** (or during the **extended reporting period**, if applicable). A **claim** under Insuring Agreement I, II, III, IV or V will be considered to be first made when it is received by an **Insured**.

- 11.2. If **you** have any **claim** under Insuring Agreement VIII, an **executive** must provide written notice to the Underwriters of such **claim** during the **period of indemnity**.
- 11.3. If **you** have any **claim** under Insuring Agreement VI, IX, X, XI, or XII, an **executive** must provide written notice to the Underwriters of such **claim** as soon as practicable during the **policy period**, but no later than sixty (60) days after expiration of the **policy period** (or during the **extended reporting period**, if applicable).
- 11.4. A written request for indemnification under Insuring Agreement VII, XIII, or XIV must be submitted to the Underwriters by an **executive** (or with respect to Insuring Agreement XIV, by or on behalf of an **Insured**) as soon as practicable during the **policy period**, but no later than sixty (60) days after expiration of the **policy period** (or during the **extended reporting period**, if applicable).
- 11.5. If, during the **policy period**, an **executive** becomes aware of any incidents, acts, facts or circumstances that could reasonably be a basis for a **claim**, and if the **executive** gives written notice to the Underwriters during the **policy period** that describes:
- a. The specific details of the incidents, acts, facts or circumstances that could reasonably be the basis for the **claim**;
 - b. The possible **damages**, penalties, or other amounts potentially covered under this Policy that may result or has resulted from the facts or circumstances; and
 - c. The details regarding how the **executive** first became aware of the incidents, acts, facts or circumstances,
- then any **claim** arising out of such reported incidents, acts, facts or circumstances will be considered to be a **claim** first made on the date when the Underwriters first received written notice complying with the above requirements.
- 11.6. A **claim** will be considered reported to the Underwriters when notice is first given to the Underwriters through persons named in Item 8 of the Declarations.

12. Loss Determination

12.1. Brand Loss

- 12.1.1. The **brand loss** payable under Insuring Agreement VIII will be calculated by taking into account:
- a. The prior experience of **your** business preceding the date of the **adverse media report** or **notification**, whichever applies, and **your** likely net profit, had no **adverse media report** been published or **notification** occurred;
 - b. Income derived from substitute methods, facilities, or personnel **you** use to maintain **your** revenue stream;
 - c. **Your** documentation of the trends in **your** business and variations in, or other circumstances affecting, **your** business before or after the **adverse media report** or **notification**, which would have affected **your** business had no **adverse media report** been published or **notification** occurred;
 - d. Any fixed operating expenses (including ordinary payroll), but only to the extent that such operating expenses must continue during the **period of indemnity**.
- 12.1.2. For purposes of calculating **brand loss**, "net profit" will include the amount of **money** paid or payable to **you**, including donations, for goods, products, or services sold, delivered, or rendered in the normal course of **your** business.

12.2. Digital Assets Loss

Digital assets loss under Insuring Agreement IX.A. or Insuring Agreement X.A. (whichever applies) will be determined as follows:

- a. If the impacted **digital asset** was purchased from a **third party**, the Underwriters will pay only the lesser of the original purchase price of the **digital asset** or the reasonable and necessary **digital assets loss**.
- b. If it is determined that the **digital assets** cannot be replaced, restored or recreated, then Underwriters will only reimburse the actual and necessary **digital assets loss** incurred up to such determination.

12.3. Income Loss

- 12.3.1. The **income loss** payable under Insuring Agreement IX.B. or Insuring Agreement X.B. (whichever applies) will be calculated as follows:
- a. **Your** net profit, as could have been reasonably projected, but which has been lost as a direct result of a **system failure** or **dependent system failure** (whichever applies); plus

- b. Any fixed operating expenses (including ordinary payroll) incurred, but only to the extent that such operating expenses must continue during the **period of restoration** or **period of indemnity** (whichever applies).

12.3.2. **Income loss** will be calculated by taking into account:

- a. the prior experience of **your** business preceding the date of the **system failure** or **dependent system failure** (whichever applies) and **your** likely net profit, had no **system failure** or **dependent system failure** (whichever applies) occurred;
- b. Income derived from substitute methods, facilities, or personnel **you** use to maintain **your** revenue stream; and
- c. **Your** documentation of the trends in **your** business and variations in, or other circumstances affecting, **your** business before or after the **system failure** or **dependent system failure** (whichever applies), which would have affected **your** business had no **system failure** or **dependent system failure** (whichever applies) occurred.

12.3.3. For purposes of calculating **income loss**, "net profit" will include the amount of **money** paid or payable to **you**, including donations, for goods, products, or services sold, delivered, or rendered in the normal course of **your** business.

13. Assistance and Cooperation

- 13.1. As a condition precedent to coverage under this Policy, the **Insureds** are required to assist and cooperate with the Underwriters in the investigation, adjustment, defense and settlement of any **claim**, including, but not limited to, assisting and cooperating with the Underwriters in the pursuit of any coverage that may be available from other insurers or insurance policies for any amounts which also may be covered under this Policy. The **Insureds** must not take any action which in any way increases the Underwriters' exposure under this Policy.
- 13.2. The **Insureds** must execute or cause to be executed all papers and render all assistance as reasonably requested by the Underwriters. Part of this assistance may require the **Insureds** to provide copies of a **third party's** system security and event logs.
- 13.3. At the Underwriters' request, the **Insureds** must assist in making settlements, in the conduct of suits, and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Insured** with respect to which insurance is afforded under this Policy. The **Insureds** must attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses at the **Insureds'** own cost.
- 13.4. No **Insured** will admit liability, make any payment, assume any obligation, incur any expense, enter into any settlement, stipulate to any judgment or award, or dispose of any **claim** without **approval**, unless otherwise provided under any Insuring Agreement. However, the prompt public admission of a **privacy breach** or **security breach** potentially impacting the **personally identifiable information** of **employees** or **third parties**, as required by **privacy regulations** or **card association** operating requirements, will not be considered as an admission of liability requiring **approval**; but, the Underwriters must be provided notice, in accordance with Section 11 of this Policy, of such public admission, if such public admission is a circumstance that could lead to a **claim**.
- 13.5. The Underwriters have the right to investigate coverage as necessary, including, but not limited to, any investigation with respect to the **application**, statements made in the **application**, and any supplemental material submitted therewith.
- 13.6. The **Insureds** must submit to examination under oath by our representatives, if requested, in connection with all matters relating to this Policy.

14. Subrogation

If any payment is made under this Policy and there is available to the Underwriters any of the **Insureds'** rights of recovery against any **third party**, then the Underwriters will maintain all such rights of recovery. The **Insureds** will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insureds** will do nothing to prejudice such rights. Any recoveries will be applied first to subrogation expenses, second to **damages**, **defense costs**, or any other amounts paid by the Underwriters, and lastly to the **retention**. Any additional amounts recovered will be paid to the **Insured**.

15. Other Insurance

If other valid and collectible insurance is available to the **Insureds** for any **claim** covered under this Policy, the Underwriters' obligations are limited as follows:

- a. For any **claim** covered under any First Party Insuring Agreement (Insuring Agreements VI through XIV) of this Policy, this insurance is primary to any other valid and collectible insurance available to an **Insured** for such **claim**.
- b. For any **claim** covered under any Third Party Liability Insuring Agreement (Insuring Agreements I through V) of this Policy, this insurance is excess of any other valid and collectible insurance available to an **Insured** for such **claim**, including any retention or deductible portion thereof, unless such other insurance is written specifically to be excess insurance over the coverage provided by this Policy.

16. Entire Agreement

By acceptance of this Policy, the **Named Insured** agrees that this Policy embodies all agreements between the **Named Insured** and the Underwriters relating to this insurance. Notice to any agent, or knowledge possessed by any agent, or by any other person, will not affect a waiver or a change in any part of this Policy or estop the Underwriters from asserting any right under the terms of this insurance; nor will the terms of this insurance be waived or changed, except by endorsement issued to form a part of this Policy and signed by the Underwriters.

17. Assignment

The interest hereunder is not assignable by the **Named Insured** or any **Subsidiary**. If an **Insured** dies or is adjudged incompetent, this insurance will apply to such **Insured's** legal representative to the same extent it would have applied to the **Insured**.

18. Cancellation by the Named Insured

The **Named Insured** may cancel this Policy by surrender thereof to the Underwriters, and by mailing or delivering to the Underwriters advance, written notice stating when thereafter cancellation will be effective. The mailing of such notice will be sufficient notice and the effective date of cancellation will become the end of the **policy period**. Delivery of such written notice will be equivalent to mailing. If this Policy is canceled by the **Named Insured**, the earned premium will be computed on a short rate basis. Notwithstanding the foregoing, if a **claim** or potential **claim** is reported under this Policy, no return premium will be provided. Payment or tender of any unearned premium by Underwriters will not be a condition precedent to the effectiveness of cancellation.

19. Cancellation by the Underwriters

- 19.1. The Underwriters may cancel this Policy for non-payment of premium by mailing to the **Named Insured** written notice stating when, not less than ten (10) days thereafter, such cancellation will be irrevocable. If payment is not received within the ten (10) day period, then this Policy will be cancelled ab initio, meaning coverage is null and void as of the effective date of this Policy. The mailing of such notice will be sufficient notice. Delivery of such written notice by the Underwriters by facsimile, email or private courier will be equivalent to mailing. If the foregoing notice period conflicts with any governing law or regulation, then such period will be amended to afford the minimum notice period permitted thereunder.
- 19.2. If the Underwriters cancel this Policy other than as set forth in paragraph 19.1, the Underwriters will give the **Named Insured** thirty (30) days' written notice prior to cancellation. The cancellation notice will state the effective date of the cancellation, and this Policy will terminate on that date. If the foregoing notice period conflicts with any governing law or regulation, then such period will be amended to afford the minimum notice period permitted thereunder. If the Underwriters cancel this Policy under this paragraph 19.2, the earned premium will be computed pro-rata.

20. Spousal or Domestic Partner Extension

The coverage afforded under this Policy will, subject to the terms, conditions, limitations and exclusions, be extended to apply to a **claim** against a person who, at the time the **claim** is made, is a lawful spouse or domestic partner of an **Insured**, but only if such spouse or domestic partner is the subject of any **claim** because of marriage or domestic partnership to such **Insured**. In no event will the coverage afforded under this provision apply to any **claim** caused by, resulting from, or in any way involving the acts of an **insured's** spouse or domestic partner.

21. Coverage for Created, Acquired or Sold Subsidiaries

21.1. Created or Acquired Subsidiaries

- 21.1.1. If, after the inception of the **policy period**, the **Named Insured** acquires or creates a **Subsidiary**, then for a period of sixty (60) days after the effective date of the transaction, the **Subsidiary** will be automatically included within the definition of **Insured**, but only with respect to a **claim** for **wrongful acts** or **first party insured events** that occur after the creation or acquisition of such **Subsidiary**. The **Named Insured** must give the Underwriters written notice of the newly acquired or created **Subsidiary** within sixty (60) days of the effective date of the acquisition or creation thereof, together with such information as we may require.
- 21.1.2. If the revenues of the newly acquired or created **Subsidiary** exceed thirty percent (30%) of the annual revenues of the **Named Insured** prior to the creation or acquisition, as reflected in the most recent **application** for this insurance, there may be an additional premium charged which must be paid for coverage for the new **Subsidiary** to continue beyond the initial sixty (60) day period. Upon payment of the additional premium, the new **Subsidiary** will be included within the definition of **Insured** for the duration of the **policy period**.
- 21.1.3. If the revenues of the newly acquired or created **Subsidiary** do not exceed thirty percent (30%) of the annual revenues of the **Named Insured** prior to the creation or acquisition, as reflected in the most recent **application** for this insurance, the new **Subsidiary** will be automatically included within the definition of **Insured** for the duration of the **policy period**.
- 21.1.4. All notices and premium payments must be directed to the Underwriters through the entity named in Item 8 of the Declarations.

21.2. Sold Subsidiaries

If, after the inception of the **policy period**, the **Named Insured** sells a **Subsidiary**, that **Subsidiary** will be an **Insured**, but only with respect to a **claim** for **wrongful acts** or **first party insured events** that occur on or after the **retroactive date** (if applicable) and prior to the effective date of the sale. The **Named Insured** must give the Underwriters written notice, through the entity named in Item 8 of the Declarations, of any sale within sixty (60) days of the effective date of the sale. There will be no return premium.

22. Coverage In the Event of Takeover and Change of Control Extended Reporting Period

- 22.1. In the event of a **takeover** during the **policy period**, coverage under this Policy will continue until its natural expiration date for any **claim** made during the **policy period**, but only if the **wrongful acts** or **first party insured events** giving rise to such **claim** occur on or after the **retroactive date** (if applicable) and prior to the effective date of the **takeover**. The **Named Insured** must give the Underwriters written notice of the **takeover** as soon as practicable, but in no event later than thirty (30) days from the effective date of the **takeover**. The Policy cannot be cancelled after the effective date of the **takeover**, and the premium will be considered fully earned on such date. The Policy cannot be renewed upon its natural expiration date.
- 22.2. In the event of a **takeover**, the **Named Insured** will not have a right to purchase an **extended reporting period** pursuant to Section 10 of this Policy. However, the **Named Insured** will have a right to purchase a change of control **extended reporting period** pursuant to paragraphs 22.3. through 22.10. of this section.
- 22.3. In the event of a **takeover**, the **Named Insured** will have the right and option to purchase a change of control **extended reporting period**, provided the **Named Insured** has otherwise complied with the terms and conditions of this Policy.
- 22.4. The additional premium for the change of control **extended reporting period** will be calculated based on a percentage of the full annual policy premium in effect immediately prior to the end of the **policy period**, including any additional premium for endorsements. The change of control **extended reporting period** options are: a) one (1) year for 100% of annual premium; b) two (2) years for 150% of annual premium; or c) three (3) years for 200% of the annual premium.
- 22.5. To purchase the change of control **extended reporting period**, the **Named Insured's** written notice of the request to purchase a change of control **extended reporting period**, together with full payment of the premium for the change of control **extended reporting period**, must be received by the Underwriters within thirty (30) days of the Policy expiration date.
- 22.6. If purchased, the change of control **extended reporting period** will be effective from the expiration date of this Policy and will apply to:

- c. With respect to the Third Party Liability Insuring Agreements, any **claim** first made against an **Insured** during the change of control **extended reporting period**, but only if 1) the actual or alleged **wrongful acts** giving rise to such **claim** occur on or after the **retroactive date** and prior to the effective date of the **takeover**, and 2) the **claim** is reported to the Underwriters during the change of **control extended reporting period**; and
 - d. With respect to the First Party Insuring Agreements, any **claim** reported to the Underwriters during the change of control **extended reporting period**, but only if 1) the **first party insured event** giving rise to such **claim** occurs prior to the effective date of the **takeover**, and 2) the **first party insured event** is first discovered by an **executive** during the **extended reporting period**.
- 22.7. The change of control **extended reporting period** applies only to those Insuring Agreement(s) purchased, as set forth in the Declarations.
- 22.8. The Limits of Liability for the change of control **extended reporting period** are part of, and not in addition to, the Limits of Liability set forth in Item 3 of the Declarations.
- 22.9. All notices and premium payments with respect to the change of control **extended reporting period** must be directed to the Underwriters through the entity named in Item 8 of the Declarations.
- 22.10. At the commencement of the change of control **extended reporting period**, the entire premium for the change of control **extended reporting period** will be considered fully earned, and in the event the **Named Insured** terminates a change of control **extended reporting period** for any reason prior to its natural expiration, the Underwriters will not be liable to return any premium paid for the change of control **extended reporting period**.

23. Most Favorable Law

- 23.1. With respect to the insurability of **damages, regulatory compensatory awards, regulatory fines and penalties, and PCI DSS fines and assessments**, the applicable law will be the law of the state most favorable to the **Insured**, provided that the state whose law is most favorable to the **Insured** has a reasonable relationship to the **claim**.
- 23.2. A state's law will be considered to have a reasonable relationship to the **claim** if it is the state where:
- a. The **Named Insured** is incorporated or has a place of business;
 - b. The **claim** is pending; or
 - c. The **wrongful acts** giving rise to the **claim** were committed or allegedly committed.

24. Words and Titles of Paragraphs

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

25. Dispute Resolution

- 25.1. No action will lie against the Underwriters unless, as a condition precedent thereto, there has been full compliance with all terms of this insurance, nor until the amount of an **Insured's** obligation to pay has been finally determined either by judgment or award against the **Insured** after actual trial or arbitration or by written agreement of the **Insured**, the claimant, and the Underwriters.
- 25.2. Any person or organization, or the legal representative thereof, who has secured such judgment, award, or written agreement will thereafter be entitled to make a **claim** under this Policy to the extent of the insurance afforded by this Policy. No person or organization has any right under this Policy to join the Underwriters as a party to an action or other proceeding against any **Insured** to determine the **Insured's** liability, nor may the Underwriters be impleaded by the **Insured** or the **Insured's** legal representative. Bankruptcy or insolvency of the **Named Insured** or of the **Named Insured's** estate will not relieve the Underwriters of their obligations hereunder.
- 25.3. Mediation. If any dispute arises between any **Insured** and the Underwriters involving this Policy or a **claim** hereunder, the **Named Insured** and the Underwriters agree that such dispute will be referred to a qualified mediator in a good faith effort to negotiate a resolution of the dispute prior to the initiation of any arbitration or other proceedings. The party invoking the agreement to mediate will provide written notice to the other party setting forth its request to mediate and a brief statement regarding the issue to be mediated. The persons named in Item 10 of the Declarations are authorized and directed to accept the Notice of Mediation on behalf of the Underwriters. The **Named Insured** is authorized and directed to accept the Notice of Mediation on behalf of any **Insured**.

- 25.4. Arbitration. As a condition precedent to any right of action hereunder, in the event that a good faith effort to mediate pursuant to paragraph 25.3. above does not resolve a dispute between any **Insured** and the Underwriters involving this Policy or a **claim** or circumstance hereunder, the **Named Insured** and the Underwriters agree that such dispute will be determined by final and binding arbitration before a single arbitrator. If the parties cannot mutually select the arbitrator, the parties will refer the selection of the arbitrator to the American Arbitration Association.

26. Service of Suit Clause (U.S.A.)

- 26.1. Subject to the application of Section 25, it is agreed that in the event of the Underwriters' failure to pay any amount claimed to be due under this Policy, the Underwriters herein, at the **Named Insured's** request, will submit to the jurisdiction of any court of competent jurisdiction within the United States. Nothing in this section constitutes, or should be understood to constitute, a waiver of the Underwriters' rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or any state in the United States. It is further agreed that service of process in such suit may be made upon the Underwriters' representative designated in Item 10 of the Declarations, and the Underwriters will abide by the final decision of such court or of any appellate court in the event of an appeal.
- 26.2. The Underwriters' representative designated in Item 10 of the Declarations is authorized and directed to accept service of process on the Underwriters' behalf in any such suit or, upon the **Named Insured's** request, to give a written undertaking to the **Named Insured** that they will enter a general appearance on the Underwriters' behalf in the event such a suit is instituted.
- 26.3. Pursuant to any statute of any state, territory, or district of the United States which makes provision therefor, the Underwriters hereby designate the Superintendent, Commissioner, or Director of Insurance or other officer specified for that purpose in the statute, or his or her successor in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on the **Named Insured's** behalf or any beneficiary hereunder arising out of this Policy, and the Underwriters hereby designate the Underwriters' representative set forth in Item 10 of the Declarations as the person to whom the officer is authorized to mail such process or a true copy thereof.

27. Warranty by the Named Insured

- 27.1. By acceptance of this Policy, the **Named Insured** agrees that the statements contained in the **application** and any supplemental materials submitted therewith are their agreements and representations, which are considered material to the risk assumed by the Underwriters, and that this Policy is issued in reliance upon the truth thereof.
- 27.2. The misrepresentation or non-disclosure of any matter by the **Named Insured** or the **Named Insured's** agent in the **application** or any supplemental materials submitted to the Underwriters will render the Policy null and void and will relieve the Underwriters of all liability under this Policy.
- 27.3. The **application** and any supplemental materials submitted to the Underwriters are considered incorporated into and made a part of this Policy.

28. Forfeiture

Any action or failure to act by the **Named Insured** with the intent to defraud the Underwriters, or the material misrepresentation or non-disclosure of any material fact or **claims** by the **Named Insured** in the **application** or in any supplemental materials submitted to the Underwriters, will render this Policy null and void, and all coverage hereunder will be forfeited.

NAS INSURANCE SERVICES, LLC

By 
On behalf of the Underwriters
providing this insurance.

This Endorsement changes the Policy. Please read it carefully.

U.S.A.

NUCLEAR INCIDENT EXCLUSION CLAUSE-LIABILITY-DIRECT – E1856A-0710

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

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

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

This policy* does not apply:

- I. Under any Liability Coverage, to injury, sickness, disease, death or destruction
 - (a) with respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (b) resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- II. Under any Medical Payments Coverage, or under any Supplementary Payments Provision relating to immediate medical or surgical relief, to expenses incurred with respect to bodily injury, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
- III. Under any Liability Coverage, to injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if
 - (a) the nuclear material (1) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (2) has been discharged or dispersed therefrom;
 - (b) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

All other terms and conditions of the Policy remain unchanged

- (c) the injury, sickness, disease, death or destruction arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (c) applies only to injury to or destruction of property at such nuclear facility.

IV. As used in this Endorsement:

"**hazardous properties**" include radioactive, toxic or explosive properties; "**nuclear material**" means source material, special nuclear material or byproduct material; "**source material**", "**special nuclear material**", and "**byproduct material**" have the meanings given them in the Atomic Energy Act 1954 or in any law amendatory thereof; "**spent fuel**" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor; "**waste**" means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof;

"**nuclear facility**" means

- (a) any nuclear reactor,
- (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,
- (c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

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

With respect to injury to or destruction of property, the word "**injury**" or "**destruction**" includes all forms of radioactive contamination of property.

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

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

17/3/60

N.M.A. 1256

This endorsement is to take effect on January 27, 2020.

Policy No.: 1126976

Name: 29 Prime, Inc.

Policy Effective Date: January 27, 2020 Expiration: January 27, 2021

Endorsement No.: 1

All other terms and conditions of the Policy remain unchanged

This Endorsement changes the Policy. Please read it carefully.

NETGUARD® PLUS ENDORSEMENT

WAR AND CIVIL WAR EXCLUSION – E1856NKP-0519

In consideration of the premium charged, it is hereby understood and agreed that the Policy to which this endorsement attaches is amended as follows:

1. Section **7. Definitions, act of cyber terrorism**, is deleted in its entirety and replaced with the following:

Act of cyber terrorism means the premeditated use of disruptive activities, or an explicit threat to use disruptive activities, against a computer, **computer system**, or network by a person or group to further social, ideological, religious, political or similar objectives. **Act of cyber terrorism** does not include any such activities committed as a part of, or in support of, any military action, war or warlike operation.

2. Exclusions 8.1.18. and 8.1.19. are deleted in their entirety.
3. Section **8.1 Exclusions Applicable to All Insuring Agreements** is amended to include the following exclusion:

This insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, or military or usurped power, or confiscation, nationalization, requisition or destruction of or damage to property by or under the order of any government or public or local authority, regardless of any other cause or event contributing concurrently or in any other sequence to the loss; or for loss, damage, cost, or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken by a government authority to hinder, control, prevent, suppress, or defend against any of the aforementioned actions. This exclusion does not apply to an **act of cyber terrorism**.

This endorsement is to take effect on January 27, 2020

Policy No.: 1126976

Name: 29 Prime, Inc.

Policy Effective Date: January 27, 2020 Expiration: January 27, 2021

Endorsement No.: 2

All other terms and conditions of the Policy remain unchanged

POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE – E1856J-1117

COVERAGE FOR ACTS OF TERRORISM IS ALREADY INCLUDED IN THE POLICY (INCLUDING ANY QUOTATION FOR INSURANCE) TO WHICH THIS NOTICE APPLIES. YOU SHOULD KNOW THAT, UNDER THE POLICY, ANY LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM WOULD BE PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. UNDER THIS FORMULA, THE UNITED STATES PAYS 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020; OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER PROVIDING THE COVERAGE. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS EXCLUSION FOR NUCLEAR EVENTS. THE TERM "ACT OF TERRORISM" MEANS ANY ACT THAT IS CERTIFIED BY THE SECRETARY OF THE TREASURY, IN CONSULTATION WITH THE SECRETARY OF HOMELAND SECURITY AND THE ATTORNEY GENERAL OF THE UNITED STATES, TO BE AN ACT OF TERRORISM; TO BE A VIOLENT ACT OR AN ACT THAT IS DANGEROUS TO HUMAN LIFE, PROPERTY, OR INFRASTRUCTURE; TO HAVE RESULTED IN DAMAGE WITHIN THE UNITED STATES, OR OUTSIDE THE UNITED STATES IN THE CASE OF AN AIR CARRIER OR VESSEL OR THE PREMISES OF A UNITED STATES MISSION; AND TO HAVE BEEN COMMITTED BY AN INDIVIDUAL OR INDIVIDUALS, AS PART OF AN EFFORT TO COERCE THE CIVILIAN POPULATION OF THE UNITED STATES OR TO INFLUENCE THE POLICY OR AFFECT THE CONDUCT OF THE UNITED STATES GOVERNMENT BY COERCION. THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES EXCEEDS \$100 BILLION IN ANY ONE CALENDAR YEAR. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

THE PORTION OF YOUR ANNUAL PREMIUM THAT IS ATTRIBUTABLE TO COVERAGE FOR CERTIFIED ACTS OF TERRORISM AS DEFINED IN THE TERRORISM RISK INSURANCE ACT OF 2002, AS AMENDED, IS 1%.



On behalf of certain underwriters at Lloyd's

12 January 2015
LMA9105 (amended)

This endorsement is to take effect on January 27, 2020.

Policy No.: 1126976

Name: 29 Prime, Inc.

Policy Effective Date: January 27, 2020 Expiration: January 27, 2021

Endorsement No.: 3

All other terms and conditions of the Policy remain unchanged

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC) ADVISORY NOTICE TO POLICYHOLDERS – E1856US-0315

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your Policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by the Office of Foreign Assets Control ("OFAC"). **Please read this Notice carefully.**

OFAC administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

1. Foreign agents;
2. Front organizations;
3. Terrorists;
4. Terrorist organizations; and
5. Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's website -- <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it determined that you or any other insured, or any person or entity claiming the benefits of this insurance, has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments or premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

This endorsement is to take effect on January 27, 2020.

Policy No.: 1126976

Name: 29 Prime, Inc.

Policy Effective Date: January 27, 2020 Expiration: January 27, 2021

Endorsement No.: 4

All other terms and conditions of the Policy remain unchanged

This Endorsement changes the Policy. Please read it carefully.

NETGUARD® PLUS ENDORSEMENT

BODILY INJURY LIABILITY SUBLIMIT – E1856NGO-0118A

In consideration of the premium charged, it is understood and agreed that the Policy to which this endorsement attaches is amended as follows:

1. The Underwriters agree to provide a Bodily Injury Liability Sublimit, subject to the following terms and conditions:
 - a. Bodily Injury Liability Sublimit: \$250,000.00 each **Bodily Injury Claim**
\$250,000.00 Aggregate
 - b. Bodily Injury Liability Retention: \$0.00 each **Bodily Injury Claim**
 - c. Bodily Injury Liability Retroactive Date: None. Full prior acts are included.
2. Section 1.1 **Third Party Liability Insuring Agreements** is amended to include the following additional Insuring Agreement:

Bodily Injury Liability Insuring Agreement

- a. Subject to the **retention** and sublimit applicable to **bodily injury claims**, the Underwriters will pay on behalf of an **Insured** the sums that such **Insured** becomes legally obligated to pay as **damages**, and related **defense costs**, resulting from a **bodily injury claim**, but only if: 1) the **bodily injury claim** is first made against the **Insured** during the **policy period** (or during the **extended reporting period**, if applicable), 2) the **bodily injury claim** is reported to the Underwriters in writing as soon as practicable during the **policy period**, but no later than sixty (60) days after expiration of the **policy period** (or during the **extended reporting period**, if applicable) and 3) the **bodily injury** takes place on or after the **retroactive date** applicable to **bodily injury claims**.
- b. The Underwriters have the right and duty to defend an **Insured** against any **bodily injury claim**, even if the allegations of the **bodily injury claim** are groundless, false or fraudulent. The Underwriters have the right to appoint an attorney to defend any **bodily injury claim**. The Underwriters will consider the **Insured's** preference for the appointment of counsel to defend any **bodily injury claim**, but the final decision on selection of counsel rests with the Underwriters.

All other terms and conditions of the Policy remain unchanged

- c. Coverage under this Insuring Agreement shall be excess insurance over all other valid and collectible insurance available to an **Insured** for **bodily injury claims**, including any deductible portion thereof.
3. It is agreed that Section **2.2 Consent to Settlement Provisions (Applicable to Insuring Agreements I-IV)** is amended to also apply to the Bodily Injury Liability Insuring Agreement.
4. Section **3.1 Limits Per Insuring Agreement** is amended to include the following Bodily Injury Liability Sublimit provisions:

All **bodily injury claims** will be subject to the Bodily Injury Liability Sublimit. The Bodily Injury Liability Sublimit is the most the Underwriters will pay for each **bodily injury claim** and in the aggregate, regardless of the number of **bodily injury claims** or **Insureds**. The Bodily Injury Liability Sublimit will be the exclusive limit under the Policy for **bodily injury claims**, and such Sublimit is part of, and will reduce, the Maximum Policy Aggregate Limit set forth in Item 3.B. of the Declarations. The Underwriters will have no obligation to pay or defend, or to continue to pay or defend, any **bodily injury claim** after the Bodily Injury Liability Sublimit is exhausted.

Bodily injury claims arising out of the same, related, or continuing incidents, events, acts, facts or circumstances will be considered a single **bodily injury claim**, and only one “each **bodily injury claim**” limit and **retention** will apply, regardless of the number of claimants or **Insureds**.

5. Section **4.1 Retention Per Insuring Agreement** is amended to include the following Bodily Injury Liability Retention provisions:

The **retention** for **bodily injury claims** will apply separately to each **bodily injury claim**. The **retention** must be satisfied by the **Insured's** actual payment of **damages** and **defense costs**. The **Insured's** payment of the **retention** is a condition precedent to payment by the Underwriters of any amounts covered under the Bodily Injury Liability Sublimit, and the Underwriters will only be liable for **damages** and/or **defense costs** that exceed the **retention**, subject to the Bodily Injury Liability Sublimit.

6. Section **7. Definitions** is amended to include the following definitions:

Bodily injury claim means:

1. A written demand for **damages** or non-monetary relief made against an **Insured** solely for **bodily injury** caused by a **security breach** or **privacy breach**;

2. A written request received by an **Insured** to toll or waive a statute of limitations relating to a potential **claim** against an **Insured** solely for **bodily injury** caused by a **security breach** or **privacy breach**; or
3. The service of a civil lawsuit or the institution of arbitration or other alternative dispute resolution proceedings against an **Insured** seeking **damages** solely for actual or alleged **bodily injury** caused by a **security breach** or **privacy breach**.

A **bodily injury claim** will be deemed to be first made when any of the foregoing is received by an **Insured**.

Business equipment means any machinery, vehicle or electronic device or equipment that:

1. Is owned by or leased to **you**, and operated by **you** solely to conduct **your** business,
2. Can send and receive **data**, and
3. Is connected to the internet through **your** computer network.

Products mean:

1. Any tangible goods, products or devices that are manufactured, produced, processed, prepared, assembled, packaged, labeled, sold or distributed by **you**, by others trading under **your** name, or by a person or organization whose business or assets have been acquired by **you**; and
2. Containers, materials, parts or equipment furnished in connection with such goods, products or devices.

7. Section **7. Definitions, claim**, is amended to include the following:

Solely with respect to the Bodily Injury Liability Sublimit, **claim** means a **bodily injury claim**.

8. Section **7. Definitions, insured computer system**, is amended to include the following:

Solely with respect to the Bodily Injury Liability Sublimit, **insured computer system** means:

1. A **computer system** that is owned and operated by **you**, or that is leased to **you** and operated by **you**;
2. Industrial control systems, such as supervisory control and **data** acquisition (SCADA) systems, but only while owned and operated by **you**; and
3. **Business equipment**, but only while owned and operated by **you**.

However, **insured computer system** does not include any **products**.

9. Section **7. Definitions, wrongful act**, is amended to include the following:

Solely with respect to the Bodily Injury Liability Sublimit, **wrongful act** means **bodily injury** caused by a **security breach** or **privacy breach**.

10. It is agreed that Exclusion 8.1.5 of the Policy is amended to include the following:

This exclusion does not apply to a **bodily injury claim** otherwise covered under the Bodily Injury Liability Sublimit.

11. Section **8.1 Exclusions Applicable to All Insuring Agreements** is amended to include the following additional exclusion:

The Underwriters will not be liable for any **claim** based upon, arising from, or in any way involving any actual or alleged warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **products**, or the providing of, or failure to provide, warnings or instructions for **products**.

This endorsement is to take effect on January 27, 2020

Policy No.: 1126976

Name: 29 Prime, Inc.

Policy Effective Date: January 27, 2020 Expiration: January 27, 2021

Endorsement No.: 5

All other terms and conditions of the Policy remain unchanged

This Endorsement changes the Policy. Please read it carefully.

NETGUARD® PLUS ENDORSEMENT

BODILY INJURY LIABILITY SUBLIMIT – E1856NGO-0118

In consideration of the premium charged, it is understood and agreed that the Policy to which this endorsement attaches is amended as follows:

1. The Underwriters agree to provide a Bodily Injury Liability Sublimit, subject to the following terms and conditions:
 - a. Bodily Injury Liability Sublimit: \$0.00 each **Bodily Injury Claim**
\$0.00 Aggregate
 - b. Bodily Injury Liability Retention: \$0.00 each **Bodily Injury Claim**
 - c. Bodily Injury Liability Retroactive Date: None. Full prior acts are included.
2. Section 1.1 **Third Party Liability Insuring Agreements** is amended to include the following additional Insuring Agreement:

Bodily Injury Liability Insuring Agreement

- a. Subject to the **retention** and sublimit applicable to **bodily injury claims**, the Underwriters will pay on behalf of an **Insured** the sums that such **Insured** becomes legally obligated to pay as **damages**, and related **defense costs**, resulting from a **bodily injury claim**, but only if: 1) the **bodily injury claim** is first made against the **Insured** during the **policy period** (or during the **extended reporting period**, if applicable), 2) the **bodily injury claim** is reported to the Underwriters in writing as soon as practicable during the **policy period**, but no later than sixty (60) days after expiration of the **policy period** (or during the **extended reporting period**, if applicable) and 3) the **bodily injury** takes place on or after the **retroactive date** applicable to **bodily injury claims**.
- b. The Underwriters have the right and duty to defend an **Insured** against any **bodily injury claim**, even if the allegations of the **bodily injury claim** are groundless, false or fraudulent. The Underwriters have the right to appoint an attorney to defend any **bodily injury claim**. The Underwriters will consider the **Insured's** preference for the appointment of counsel to defend any **bodily injury claim**, but the final decision on selection of counsel rests with the Underwriters.

All other terms and conditions of the Policy remain unchanged

- c. Coverage under this Insuring Agreement shall be excess insurance over all other valid and collectible insurance available to an **Insured** for **bodily injury claims**, including any deductible portion thereof.
3. It is agreed that Section **2.2 Consent to Settlement Provisions (Applicable to Insuring Agreements I-IV)** is amended to also apply to the Bodily Injury Liability Insuring Agreement.
4. Section **3.1 Limits Per Insuring Agreement** is amended to include the following Bodily Injury Liability Sublimit provisions:

All **bodily injury claims** will be subject to the Bodily Injury Liability Sublimit. The Bodily Injury Liability Sublimit is the most the Underwriters will pay for each **bodily injury claim** and in the aggregate, regardless of the number of **bodily injury claims** or **Insureds**. The Bodily Injury Liability Sublimit will be the exclusive limit under the Policy for **bodily injury claims**, and such Sublimit is part of, and will reduce, the Maximum Policy Aggregate Limit set forth in Item 3.B. of the Declarations. The Underwriters will have no obligation to pay or defend, or to continue to pay or defend, any **bodily injury claim** after the Bodily Injury Liability Sublimit is exhausted.

Bodily injury claims arising out of the same, related, or continuing incidents, events, acts, facts or circumstances will be considered a single **bodily injury claim**, and only one “each **bodily injury claim**” limit and **retention** will apply, regardless of the number of claimants or **Insureds**.

5. Section **4.1 Retention Per Insuring Agreement** is amended to include the following Bodily Injury Liability Retention provisions:

The **retention** for **bodily injury claims** will apply separately to each **bodily injury claim**. The **retention** must be satisfied by the **Insured's** actual payment of **damages** and **defense costs**. The **Insured's** payment of the **retention** is a condition precedent to payment by the Underwriters of any amounts covered under the Bodily Injury Liability Sublimit, and the Underwriters will only be liable for **damages** and/or **defense costs** that exceed the **retention**, subject to the Bodily Injury Liability Sublimit.

6. Section **7. Definitions** is amended to include the following definitions:

Bodily injury claim means:

1. A written demand for **damages** or non-monetary relief made against an **Insured** solely for **bodily injury** caused by a **security breach** or **privacy breach**;

2. A written request received by an **Insured** to toll or waive a statute of limitations relating to a potential **claim** against an **Insured** solely for **bodily injury** caused by a **security breach** or **privacy breach**; or
3. The service of a civil lawsuit or the institution of arbitration or other alternative dispute resolution proceedings against an **Insured** seeking **damages** solely for actual or alleged **bodily injury** caused by a **security breach** or **privacy breach**.

A **bodily injury claim** will be deemed to be first made when any of the foregoing is received by an **Insured**.

Business equipment means any machinery, vehicle or electronic device or equipment that:

1. Is owned by or leased to **you**, and operated by **you** solely to conduct **your** business,
2. Can send and receive **data**, and
3. Is connected to the internet through **your** computer network.

Products mean:

1. Any tangible goods, products or devices that are manufactured, produced, processed, prepared, assembled, packaged, labeled, sold or distributed by **you**, by others trading under **your** name, or by a person or organization whose business or assets have been acquired by **you**; and
2. Containers, materials, parts or equipment furnished in connection with such goods, products or devices.

7. Section **7. Definitions, claim**, is amended to include the following:

Solely with respect to the Bodily Injury Liability Sublimit, **claim** means a **bodily injury claim**.

8. Section **7. Definitions, insured computer system**, is amended to include the following:

Solely with respect to the Bodily Injury Liability Sublimit, **insured computer system** means:

1. A **computer system** that is owned and operated by **you**, or that is leased to **you** and operated by **you**;
2. Industrial control systems, such as supervisory control and **data** acquisition (SCADA) systems, but only while owned and operated by **you**; and
3. **Business equipment**, but only while owned and operated by **you**.

However, **insured computer system** does not include any **products**.

9. Section **7. Definitions, wrongful act**, is amended to include the following:

All other terms and conditions of the Policy remain unchanged

Solely with respect to the Bodily Injury Liability Sublimit, **wrongful act** means **bodily injury** caused by a **security breach** or **privacy breach**.

10. It is agreed that Exclusion 8.1.5 of the Policy is amended to include the following:

This exclusion does not apply to a **bodily injury claim** otherwise covered under the Bodily Injury Liability Sublimit.

11. Section **8.1 Exclusions Applicable to All Insuring Agreements** is amended to include the following additional exclusion:

The Underwriters will not be liable for any **claim** based upon, arising from, or in any way involving any actual or alleged warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **products**, or the providing of, or failure to provide, warnings or instructions for **products**.

This endorsement is to take effect on January 27, 2020.

Policy No.: 1126976

Name: 29 Prime, Inc.

Policy Effective Date: January 27, 2020 Expiration: January 27, 2021

Endorsement No.: 6

All other terms and conditions of the Policy remain unchanged

This Endorsement changes the Policy. Please read it carefully.

NETGUARD® PLUS ENDORSEMENT

BRICKING LOSS SUBLIMIT WITH BETTERMENT COVERAGE – E1856NIO-0718

In consideration of the premium charged, it is understood and agreed that the Policy to which this endorsement attaches is amended as follows:

1. The Underwriters agree to provide a Bricking Loss Sublimit, subject to the following terms and conditions:

- a. Bricking Loss Sublimit: **\$0.00 Each Claim**
\$56.00 Aggregate
- b. Bricking Loss Retention: **\$46.54 Each Claim**

Bricking Loss Insuring Agreement

Subject to the Bricking Loss Sublimit and **retention**, the Underwriters will pay for **bricking loss** that **you** incur due to a **bricking event**, but only if 1) the **bricking event** occurs during the **policy period**, 2) the **bricking event** is first discovered by an **executive** during the **policy period** (or during the **extended reporting period**, if applicable), 3) the **bricking event** is reported to the Underwriters as soon as practicable, but no later than sixty (60) days after expiration of the **policy period** (or during the **extended reporting period**, if applicable), and 4) **you** provide clear evidence that the **bricking loss** results from a **bricking event**.

2. Section **3. Limits of Liability** is amended to include the following:

The Bricking Loss Sublimit is the most the Underwriters will pay for **bricking loss** resulting from all **bricking events** occurring during the **policy period**, regardless of the number of **claims** or **Insureds**. The Bricking Loss Sublimit will be the exclusive limit for **bricking loss**. Such Sublimit is part of, and will reduce, the Maximum Policy Aggregate Limit of Liability set forth in Item 3.B. of the Declarations. The Underwriters will have no obligation to pay **bricking loss** after exhaustion of the Bricking Loss Sublimit or the Maximum Policy Aggregate Limit of Liability, whichever is exhausted first. All **claims** arising out of the same, related, or continuing **bricking event** will be considered a single **claim**, and only one "each **claim**" limit will apply, regardless of the number of **insureds**.

3. Section **7. Definitions**, **claim**, is amended to include the following:

Solely with respect to the Bricking Loss Sublimit, **claim** means written notice from an **executive** to the Underwriters of a **bricking event**.

All other terms and conditions of the Policy remain unchanged

4. Section 7. **Definitions**, **first party insured event**, is amended to include the following:

Solely with respect to the Bricking Loss Sublimit, **first party insured event** means a **bricking event**.

5. Section 7. **Definitions**, **property damage**, is amended to include the following:

Property damage does not include the loss of use of **your** computer hardware or electronic equipment caused by a **bricking event**.

6. Section 7. **Definitions** is amended to include the following definitions:

Bricking event means the unauthorized or malicious reprogramming of software or firmware installed on **your** computer hardware or electronic equipment, including such reprogramming resulting from a **hacking attack**, which renders **your** computer hardware or electronic equipment nonfunctional or useless for its intended purpose, without being physically damaged.

Bricking loss means the cost to replace **your** computer hardware or electronic equipment due to loss of use of such computer hardware or electronic equipment caused by a **bricking event**; provided, however, that the amount of **bricking loss** payable under this Policy shall not exceed 25% more than the cost to replace **your** computer hardware or electronic equipment with computer hardware or electronic equipment that is functionally equivalent to that which existed prior to the **bricking event** occurring. **Bricking loss** does not include any costs to replace **your** computer hardware or electronic equipment or **other property** which sustains physical damage due to a **security breach**.

7. Whenever used in the Policy in singular and plural form, "First Party Insuring Agreement" includes the Bricking Loss Sublimit.

This endorsement is to take effect on January 27, 2020.

Policy No.: 1126976

Name: 29 Prime, Inc.

Policy Effective Date: January 27, 2020 Expiration: January 27, 2021

Endorsement No.: 7

All other terms and conditions of the Policy remain unchanged

This Endorsement changes the Policy. Please read it carefully.

NETGUARD® PLUS ENDORSEMENT

CYBER CRIME SUBLIMITS – E1856NHI-0419

In consideration of the premium charged, it is hereby understood and agreed that the Policy to which this endorsement attaches is amended as follows:

1. The Limits of Liability for **Insuring Agreement XII: Cyber Crime**, as set forth in Item 3.A. of the Declarations, are deleted and replaced with the following Cyber Crime Schedule of Limits:

Cyber Crime Schedule of Limits

	Each Claim	Aggregate
A. Financial Fraud Limit	\$500,000.00	\$500,000.00
B. Telecommunications Fraud Limit	\$50,000.00	\$50,000.00
C. Phishing Fraud Limit		
1. Your Phishing Fraud Loss Sublimit	f9	f9
2. Client Phishing Fraud Loss Sublimit	f10	f10
3. Phishing Fraud Aggregate Limit (C.1. and C.2. combined)		f11
Cyber Crime Aggregate Limit of Liability (A., B. and C. combined)		f12

2. Section 1.2.7., **Insuring Agreement XII: Cyber Crime**, part **C. Phishing Attack**, is deleted in its entirety and replaced with the following:

C. Phishing Fraud

Subject to the applicable **retention** and Limits of Liability, the Underwriters will pay for:

1. **Your phishing fraud loss** that **you** sustain because of **phishing fraud**, but only if: 1) the **phishing fraud** occurs on or after the **retroactive date**, 2) the **phishing fraud** is first discovered by an **executive** during the **policy period** (or during the **extended reporting period**, if applicable), and 3) the **phishing fraud** is reported to the Underwriters in writing in accordance with Section 11 of this Policy; and
 2. **Client phishing fraud loss** that **you** sustain because of **client phishing fraud**, but only if: 1) the **client phishing fraud** occurs on or after the **retroactive date**, 2) the **client phishing fraud** directly results from a **hacking attack**; 3) the **client phishing fraud** is first discovered by an **executive** during the **policy period** (or during the **extended reporting period**, if applicable), and 4) the **client phishing fraud** is reported to the Underwriters in writing in accordance with Section 11 of this Policy.
3. Section 7. **Definitions**, **claim**, paragraph 11, is deleted in its entirety and replaced with the following:
 11. With respect to Insuring Agreement XII only, written notice from an **executive** to the Underwriters of **financial fraud**, **telecommunications fraud**, **phishing fraud**, or **client phishing fraud**.

All other terms and conditions of the Policy remain unchanged

4. Section 7. **Definitions, financial fraud**, is deleted in its entirety and replaced with the following:

Financial fraud means:

1. An intentional, unauthorized and fraudulent written, electronic or telephonic instruction transmitted to a financial institution, directing such institution to debit, transfer, withdraw or disburse **money** or **securities** from a **financial account**, which instruction purports to have been transmitted by **you**, an **executive**, or an **employee**, but was in fact fraudulently transmitted by a **third party** without **your** knowledge or consent; or
2. The theft of **money** or **securities** from a **financial account** or **your** corporate credit cards as a result of a **hacking attack**.

5. Section 7. **Definitions, financial fraud loss**, is amended to include the following:

Financial fraud loss also includes the loss of **money** or **securities** that **you** sustain to reimburse **your** client or **your** customer for the theft of their **money** or **securities** as a direct result of **financial fraud**, provided such reimbursement is made with **approval**.

6. Section 7. **Definitions, first party insured event**, paragraphs 6 and 7, are deleted in their entirety and replaced with the following:

6. With respect to Insuring Agreement XII, **financial fraud, telecommunications fraud, phishing fraud, or client phishing fraud**;
7. With respect to Insuring Agreement XIII, a **security breach, privacy breach, phishing attack, system failure, cyber extortion threat, financial fraud, telecommunications fraud, phishing fraud, or client phishing fraud**; or

7. Section 7. **Definitions, phishing attack**, is deleted in its entirety and replaced with the following:

Phishing attack means the use by a **third party** of fraudulent and intentionally misleading telephone calls, emails, texts, instant messages or other electronic communications or malicious websites to impersonate **you**, **your** brand, **your** products, or **your** services to solicit **private information** from an **executive** or **employee**.

8. Section 7. **Definitions, phishing attack loss**, is deleted in its entirety.

9. Section 7. **Definitions** is amended to include the following:

Client account means a bank account held or maintained by **your** client or **your** customer, from which **you**, as an authorized user, may deposit, withdraw, transfer or disburse **money**.

Client phishing fraud means the malicious use of intentionally misleading telephone calls, emails, texts, instant messages or other electronic communications or malicious websites to fraudulently induce **your** client, **your** customer or **your** vendor to transfer, pay or deliver **money, securities, or other property** to an unintended party by impersonating an **insured**.

Client phishing fraud loss means:

1. **Your** loss of **money, securities, or other property** which **your** client, **your** customer or **your** vendor intended to transfer, pay or deliver to **you**, but which was transferred, paid or delivered to an unintended party due to **client phishing fraud**; and
2. The cost of reimbursing **your** client, **your** customer or **your** vendor for their direct loss of **money, securities, or other property** due to **client phishing fraud**, provided such reimbursement is made by **you** with **approval**.

Escrow account means a bank account held or maintained by **you** on behalf of **your** client or **your** customer.

Financial account means:

1. **Your account**;
2. Any **client account**; and
3. Any **escrow account**.

Phishing fraud means the malicious use of intentionally misleading telephone calls, emails, texts, instant messages or other electronic communications or malicious websites to fraudulently induce an **insured** to:

1. Transfer or deliver **other property** to an unintended party by impersonating another **insured** or **your** client, **your** customer or **your** vendor; or
2. Transfer or disburse **money** or **securities** from a **financial account** to an unintended party by impersonating another **insured** or **your** client, **your** customer or **your** vendor.

Your phishing fraud loss means:

1. The loss of **money, securities, or other property** that **you** sustain due to **phishing fraud**;
 2. The loss of **money** or **securities** that **you** sustain to reimburse **your** client or **your** customer for the loss of their **money** or **securities** as a direct result of **phishing fraud**, provided such reimbursement is made with **approval**; and
 3. Expenses **you** incur with **approval** to create and issue a specific press release or to establish a specific website to advise **your** customers and prospective customers of **phishing fraud**.
10. Section 8. **Exclusions**, exclusion 8.5.5., is deleted in its entirety and replaced with the following:
- 8.5.5. Any **claim** based upon, arising from, or in any way involving any fraudulent instruction, if the sender, or any person or organization acting in collusion with the sender, ever had authorized access to **your** password, PIN or other security code. This exclusion does not apply to **your phishing fraud loss**.
11. Section 8. **Exclusions**, exclusion 8.5.8., is deleted in its entirety.

All other terms and conditions of the Policy remain unchanged

This endorsement is to take effect on January 27, 2020

Policy No.: 1126976

Name: 29 Prime, Inc.

Policy Effective Date: January 27, 2020 Expiration: January 27, 2021

Endorsement No.: 8

All other terms and conditions of the Policy remain unchanged

This Endorsement changes the Policy. Please read it carefully.

NETGUARD® PLUS ENDORSEMENT

**PRIVACY REGULATIONS AMENDATORY:
CALIFORNIA CONSUMER PRIVACY ACT – E1856NKW-0719**

It is understood and agreed that the Policy to which this Endorsement attaches is hereby amended as follows:

Section **7. Definitions, privacy regulations**, is amended to include the following sentence:

Privacy regulations also includes the California Consumer Privacy Act or any rules or regulations promulgated thereunder.

This endorsement is to take effect on January 27, 2020

Policy No.: 1126976

Name: 29 Prime, Inc.

Policy Effective Date: January 27, 2020 Expiration: January 27, 2021

Endorsement No.: 9

All other terms and conditions of the Policy remain unchanged

This Endorsement changes the Policy. Please read it carefully.

NETGUARD® PLUS ENDORSEMENT

**SECURITY AND PRIVACY WRONGFUL ACT AMENDATORY –
E1856NKS-0819**

In consideration of the premium charged, it is hereby understood and agreed that the Policy to which this endorsement attaches is amended as follows:

Section **7. Definitions, security and privacy wrongful act**, is deleted in its entirety and replaced with the following:

Security and privacy wrongful act means any of the following, whether actual or alleged, but only if committed by an **Insured**:

1. The failure to prevent or hinder a **security breach** or **privacy breach**;
2. The failure to timely disclose a **security breach** or **privacy breach** affecting **private information**;
3. The failure to dispose of **private information** within the required period in violation of **privacy regulations**;
4. The failure to prevent the transmission of malicious code or computer virus from an **insured computer system** to the **computer system** of a **third party**;
5. A **privacy breach**;
6. The failure to prevent or hinder participation by an **insured computer system** in a **denial of service attack** directed against the internet site or **computer system** of a **third party**; or
7. Infliction of emotional distress or mental anguish, but only if directly resulting from a peril described in paragraphs 1. through 6. above.

This endorsement is to take effect on January 27, 2020

Policy No.: 1126976

Name: 29 Prime, Inc.

Policy Effective Date: January 27, 2020

Expiration: January 27, 2021

Endorsement No.: 10

All other terms and conditions of the Policy remain unchanged



TOKIO MARINE HCC

Cyber & Professional Lines Group
16501 Ventura Blvd. Suite 200, Encino, CA 91436 USA
Tel: 818-382-2030

REFERENCE #: 2064996

January 22, 2020

Hope Conley
A C Insurance, Inc.
1150 E. Orangethorpe Ave., Suite 100
Placentia, California 92870

Re: NetGuard® Plus Cyber Liability Insurance quote for Conroy Commercial, Inc.

Dear Hope Conley,

Thank you for the opportunity to provide a NetGuard® Plus Cyber Liability Insurance quote for Conroy Commercial, Inc.. In addition to the outstanding A++ (Superior) A.M. Best rating of our Houston Casualty Company paper, we provide prompt service and expert claims management. Please visit our website at tmhcc.com to learn more about the extensive products and services Tokio Marine HCC can provide.

The attached pages describe the basic terms and conditions of this quote. Some of the highlights of our NetGuard® Plus Cyber Liability Insurance policy form NGP 1000 (1.2020) include:

- Covers a broad range of cyber, privacy and multimedia-related exposures
- Free pre-breach expert consultation
- Expert cyber claims handling
- Telephone Consumer Protection Act (TCPA) Defense Sublimit
- Reward Expenses Sublimit
- Post Breach Remediation Costs Sublimit
- Optional Extended Reporting Period available for 1-3 years
- Broad coverage for data that is stored with or handled by third parties, including outsourced IT providers, BPO service providers and independent contractors
- Covers breach of corporate information
- Worldwide coverage
- Covers 24 months of credit monitoring services, identity theft assistance services or credit/identity repair and restoration services provided to affected individuals
- Access to Tokio Marine HCC's proprietary risk management website for help from expert cyber risk advisors, plus online cyber security training courses, vendor agreement templates and more.

Sincerely,
Bobby Sacchi
Associate Underwriter
azweben@tmhcc.com



NETGUARD® PLUS CYBER LIABILITY INSURANCE QUOTE

DATE: January 22, 2020

REFERENCE #: 2064996

APPLICANT: Conroy Commercial, Inc.
5877 West 3rd Street
Los Angeles, California 90036

PRODUCER: Hope Conley
A C Insurance, Inc.
1150 E. Orangethorpe Ave., Suite 100
Placentia, California 92870

Insurance Carrier: Houston Casualty Company (A++ "Superior")
Policy Form: NGP 1000 (1.2020)
Coverage Type: NetGuard® Plus Cyber Liability Insurance
Retroactive Date: None. Unknown Prior Acts are Covered
Knowledge Date: TBD
Policy Term: One Year
Underwriter: Bobby Sacchi
Policy Issuance Fee: \$175; non-refundable

TERMS & CONDITIONS:

Third Party Liability Coverage provided on a claims-made and reported basis. First Party Coverage provided on an event discovered and reported basis.

Payment of premium is due 30 days from the effective date of coverage.

Quote is valid until February 21, 2020.

For California risks filed by NAS, please include the 3.2% CA SLA surplus line tax and stamping fee with your remittance.

REQUIRED ADDITIONAL U/W INFORMATION:

Below terms are subject to our receipt, review and acceptance of the following information, prior to binding:

- **Subject to** a copy of a completed, signed and dated Cyber Crime Supplemental Application (A1856CCS-0915).
- **Subject to** review and approval of details regarding the "Yes" answer to Question #_____, regarding a Cyber Crime incident. What happened and when? What were the total costs incurred? What remedial steps were taken to prevent future incidents from recurring
- **Subject to** complete details of all claims including: name and title of defendant and claimant, date of the alleged claim/incident and when applicant became aware of the claim/incident, description of the allegation and facts, status of claim, amount of legal expenses incurred, total damages paid and reserved, and remedial steps taken to prevent a similar claim from recurring.



Option 1

Producer Commission: 22.5%

COVERAGES AND LIMITS OF LIABILITY

“Nil” or “N/A” indicates that the Coverage is not included in the quoted premium and that portion of the Policy will not apply.

A. Limits Per Insuring Agreement:

**Third Party Liability Insuring Agreements
(Claims Made and Reported Coverage)**

	Each Claim	Aggregate
Multimedia Liability Coverage	\$2,000,000	\$2,000,000
Security and Privacy Liability Coverage	\$2,000,000	\$2,000,000
Privacy Regulatory Defense and Penalties Coverage	\$2,000,000	\$2,000,000
PCI DSS Liability Coverage	\$2,000,000	\$2,000,000
Bodily Injury Liability Coverage	\$250,000	\$250,000
Property Damage Liability Coverage	\$50,000	\$50,000
TCPA Defense Coverage	\$50,000	\$50,000

**First Party Insuring Agreements
(Event Discovered and Reported Coverage)**

	Each Claim	Aggregate
Breach Event Costs Coverage	\$2,000,000	\$2,000,000
Post Breach Remediation Costs Coverage	\$25,000	\$25,000
BrandGuard® Coverage	\$2,000,000	\$2,000,000
System Failure Coverage	\$2,000,000	\$2,000,000
Dependent System Failure Coverage	\$1,000,000	\$1,000,000
Cyber Extortion Coverage	\$2,000,000	\$2,000,000
Cyber Crime Coverage		
A. Financial Fraud Sublimit	\$500,000	\$500,000
B. Telecommunications and Utilities Fraud Sublimit	\$500,000	\$500,000
C. Phishing Fraud Sublimits		
1. Your Phishing Fraud Loss Sublimit	\$500,000	\$500,000
2. Client Phishing Fraud Loss Sublimit	\$250,000	\$250,000
3. Phishing Fraud Aggregate Sublimit (C.1. & C.2. combined)		\$500,000
Cyber Crime Aggregate Limit (A., B., & C. combined)		\$500,000
Bricking Loss Coverage	\$2,000,000	\$2,000,000
Property Damage Loss Coverage	\$50,000	\$50,000
Reward Expenses Coverage	\$50,000	\$50,000
Court Attendance Costs Coverage	\$25,000	\$25,000

B. Maximum Policy Aggregate Limit: \$2,000,000

C. Additional Defense Costs Limit: \$1,000,000

(Not applicable to TCPA Defense Coverage)

D. Breach Event Costs Outside the Limit Enhancement: PURCHASED

DEDUCTIBLES, WAITING PERIODS, PERIODS OF INDEMNITY AND PERIOD OF RESTORATION

A. Each Insuring Agreement:



Multimedia Liability Coverage Deductible	\$2,500 each Claim
Security and Privacy Liability Coverage Deductible	\$2,500 each Claim
Privacy Regulatory Defense and Penalties Coverage Deductible	\$2,500 each Claim
PCI DSS Liability Coverage Deductible	\$2,500 each Claim
Bodily Injury Liability Coverage Deductible	\$2,500 each Claim
Property Damage Liability Coverage Deductible	\$2,500 each Claim
TCPA Defense Coverage Deductible	\$2,500 each Claim
Breach Event Costs Coverage Deductible	\$2,500 each Claim
Post Breach Remediation Costs Coverage Deductible	\$2,500 each Claim
BrandGuard® Coverage	
Waiting Period:	2 weeks
Period of Indemnity:	6 months
System Failure Coverage	
A. Data Recovery Deductible	\$2,500 each Claim
B. Non-Physical Business Interruption	
Waiting Period:	8 hours
Period of Restoration:	6 months
Dependent System Failure Coverage	
A. Data Recovery Deductible	\$2,500 each Claim
B. Non-Physical Business Interruption	
Waiting Period:	12 hours
Period of Indemnity:	4 months
Cyber Extortion Coverage Deductible	\$2,500 each Claim
Cyber Crime Coverage Deductible	\$2,500 each Claim
Bricking Loss Coverage Deductible	\$2,500 each Claim
Property Damage Loss Coverage Deductible	\$2,500 each Claim
Reward Expenses Coverage Deductible	\$2,500 each Claim
Court Attendance Costs Coverage Deductible	None each Claim
B. Aggregate Deductible:	\$7,500



TOKIO MARINE
HCC

Cyber & Professional Lines Group
16501 Ventura Blvd. Suite 200, Encino, CA 91436 USA
Tel: 818-382-2030

APPLICABLE ENDORSEMENTS:

None

TEST
MODE

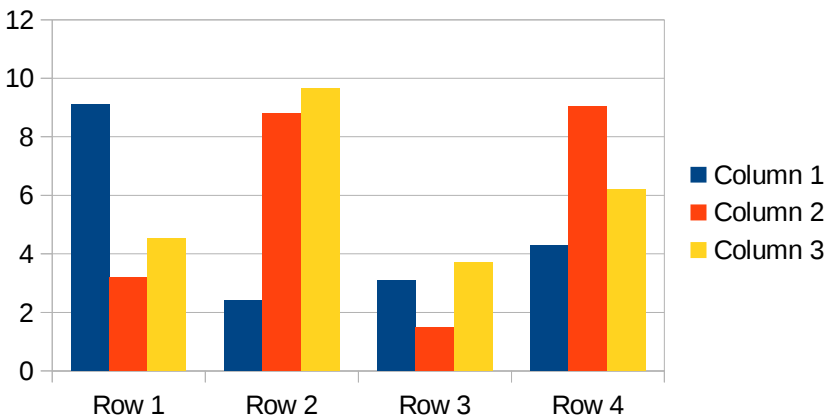
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4	Fusce vitae vestibulum velit.	Lorem	
5	Etiam vehicula luctus fermentum.	Ipsum	

Etiam vehicula luctus fermentum. In vel metus congue, pulvinar lectus vel, fermentum dui. Maecenas ante orci, egestas ut aliquet sit amet, sagittis a magna. Aliquam ante quam, pellentesque ut dignissim quis, laoreet eget est. Aliquam erat volutpat. Class aptent taciti sociosqu ad litora torquent per conubia nostra, per inceptos himenaeos. Ut ullamcorper justo sapien, in cursus libero viverra eget. Vivamus auctor imperdiet urna, at pulvinar leo posuere laoreet. Suspendisse neque nisl, fringilla at iaculis scelerisque, ornare vel dolor. Ut et pulvinar nunc. Pellentesque fringilla mollis efficitur. Nullam venenatis commodo imperdiet. Morbi velit neque, semper quis lorem quis, efficitur dignissim ipsum. Ut ac lorem sed turpis imperdiet eleifend sit amet id sapien.

Lorem ipsum dolor sit amet, consectetur adipiscing elit.

Nunc ac faucibus odio. Vestibulum neque massa, scelerisque sit amet ligula eu, congue molestie mi. Praesent ut varius sem. Nullam at porttitor arcu, nec lacinia nisi. Ut ac dolor vitae odio interdum condimentum. Vivamus dapibus sodales ex, vitae malesuada ipsum cursus convallis. Maecenas sed egestas nulla, ac condimentum orci. Mauris diam felis, vulputate ac suscipit et, iaculis non est. Curabitur semper arcu ac ligula semper, nec luctus nisl blandit. Integer lacinia ante ac libero lobortis imperdiet. Nullam mollis convallis ipsum, ac accumsan nunc vehicula vitae. Nulla eget justo in felis tristique fringilla. Morbi sit amet tortor quis risus auctor condimentum. Morbi in ullamcorper elit. Nulla iaculis tellus sit amet mauris tempus fringilla.

Maecenas mauris lectus, lobortis et purus mattis, blandit dictum tellus.

Maecenas non lorem quis tellus placerat varius. Nulla facilisi. Aenean congue fringilla justo ut aliquam. Mauris id ex erat. Nunc vulputate neque vitae justo facilisis, non condimentum ante sagittis. Morbi viverra semper lorem nec molestie. Maecenas tincidunt est efficitur ligula euismod, sit amet ornare est vulputate.

In non mauris justo. Duis vehicula mi vel mi pretium, a viverra erat efficitur. Cras aliquam est ac eros varius, id iaculis dui auctor. Duis pretium neque ligula, et pulvinar mi placerat et. Nulla nec nunc sit amet nunc posuere vestibulum. Ut id neque eget tortor mattis tristique. Donec ante est, blandit sit amet tristique vel, lacinia pulvinar arcu. Pellentesque scelerisque fermentum erat, id posuere justo pulvinar ut. Cras id eros sed enim aliquam lobortis. Sed lobortis nisl ut eros efficitur tincidunt. Cras justo mi, porttitor quis mattis vel, ultricies ut purus. Ut facilisis et lacus eu cursus.

In eleifend velit vitae libero sollicitudin euismod.

Fusce vitae vestibulum velit. Pellentesque vulputate lectus quis pellentesque commodo. Aliquam erat volutpat. Vestibulum in egestas velit. Pellentesque fermentum nisl vitae fringilla venenatis. Etiam id mauris vitae orci maximus ultricies. Cras fringilla ipsum magna, in fringilla dui commodo a.

Etiam vehicula luctus fermentum. In vel metus congue, pulvinar lectus vel, fermentum dui. Maecenas ante orci, egestas ut aliquet sit amet, sagittis a magna. Aliquam ante quam, pellentesque ut dignissim quis, laoreet eget est. Aliquam erat volutpat. Class aptent taciti sociosqu ad litora torquent per conubia nostra, per inceptos himenaeos. Ut ullamcorper justo sapien, in cursus libero viverra eget. Vivamus auctor imperdiet urna, at pulvinar leo posuere laoreet. Suspendisse neque nisl, fringilla at iaculis scelerisque, ornare vel dolor. Ut et pulvinar nunc. Pellentesque fringilla mollis efficitur. Nullam venenatis commodo imperdiet. Morbi velit neque, semper quis lorem quis, efficitur dignissim ipsum. Ut ac lorem sed turpis imperdiet eleifend sit amet id sapien.



Lloyd's London



Lloyd's London





TOKIO MARINE
HCC

16501 Ventura Blvd. Suite 200 Encino, CA 91436
tmhcc.com/pro

Feb 8, YYYY
Adam Cohen
AmWINS Insurance Brokerage
21550 Oxnard Street, Suite 1100
Woodland Hills, CA 91367

INVOICE FOR
Existential-Humanistic Institute, Inc.

Policy Information	
POLICY NUMBER	1129395
POLICY PERIOD	February 8, 2020 to February 8, 2021
INSURANCE COMPANY	Tokio Marine Kiln
INSURED	Existential-Humanistic Institute, Inc. 1368 Lincoln Ave. #214 San Rafael, CA 94901

Net premium and any applicable fees are due as follows:	
Premium	\$5,000.00
Policy Issuance Fee	\$0.00
Commission (15.00%)	<u>(\$750.00)</u>
NET	\$4,250.00
Total Net Premium and any applicable Fees Due:	\$4,250.00

TOTAL NET PREMIUM AND ANY APPLICABLE FEES DUE NO LATER THAN MARCH 09, 2020
