

American Revelry LLC
279 W Hidden Crk Pkwy Ste 1101
Burleson TX 76028-6077



**CYBER LIABILITY
POLICY**

THESE POLICY PROVISIONS WITH THE INFORMATION PAGE AND ENDORSEMENTS,
IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THIS POLICY.

NOTICE

The insured who is named herein is hereby notified that by virtue of this policy is a member of SOCIETY INSURANCE, a mutual company, and is entitled to vote either in person or by proxy at any and all meetings of the company. The annual meetings are held at the home office at Fond du Lac, Wisconsin, on the second Monday of March in each year at 2:00 p.m.

In Witness Whereof, we have caused this policy to be executed and attested.



Secretary
Patrick M Shine



President
Heather I Boyer

Have a complaint or need help?

If you have a problem with a claim or your premium, call your insurance company or HMO first. If you can't work out the issue, the Texas Department of Insurance may be able to help.

Even if you file a complaint with the Texas Department of Insurance, you should also file a complaint or appeal through your insurance company or HMO. If you don't, you may lose your right to appeal.

Society Insurance

To get information or file a complaint with your insurance company or HMO:

Call: Swingle Collins at 972-757-9890

Toll-free: 1-888-576-2438

Online: www.societyinsurance.com

Email: complaints@societyinsurance.com

Mail: Society Insurance, 150 Camelot Drive, P.O. Box 1029, Fond du Lac, WI 54936-1029

The Texas Department of Insurance

To get help with an insurance question or file a complaint with the state:

Call with a question: 1-800-252-3439

File a complaint: www.tdi.texas.gov

Email: ConsumerProtection@tdi.texas.gov

Mail: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091

¿Tiene una queja o necesita ayuda?

Si tiene un problema con una reclamación o con su prima de seguro, llame primero a su compañía de seguros o HMO. Si no puede resolver el problema, es posible que el Departamento de Seguros de Texas (Texas Department of Insurance, por su nombre en inglés) pueda ayudar.

Aun si usted presenta una queja ante el Departamento de Seguros de Texas, también debe presentar una queja a través del proceso de quejas o de apelaciones de su compañía de seguros o HMO. Si no lo hace, podría perder su derecho para apelar.

Society Insurance

Para obtener información o para presentar una queja ante su compañía de seguros o HMO:

Llame a: Swingle Collins al 972-757-9890

Teléfono gratuito: 1-888-576-2438

En línea: www.societyinsurance.com

Correo electrónico: complaints@societyinsurance.com

Dirección postal: Society Insurance, 150 Camelot Drive, P.O. Box 1029,
Fond du Lac, WI 54936-1029

El Departamento de Seguros de Texas

Para obtener ayuda con una pregunta relacionada con los seguros o para presentar una queja ante el estado:

Llame con sus preguntas al: 1-800-252-3439

Presente una queja en: www.tdi.texas.gov

Correo electrónico: ConsumerProtection@tdi.texas.gov

Dirección postal: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091

CLAIMS-MADE POLICY DISCLOSURE NOTICE

IMPORTANT NOTICE TO POLICYHOLDER

THIS DISCLOSURE NOTICE IS NOT YOUR POLICY. READ YOUR POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, AND WHAT IS AND IS NOT COVERED. ONLY THE PROVISIONS OF YOUR POLICY DETERMINE THE SCOPE OF YOUR INSURANCE PROTECTION.

Your policy is a claims-made policy. It provides coverage only for injury or damage occurring after the policy retroactive date (if any) shown on your policy and the incident is reported to your insurer prior to the end of the policy period. Upon termination of your claims-made policy, an extended reporting period option is available from your insurance company.

Please consult your insurance agent about any questions you may have about the coverage provided by your policy.

Society Insurance, a mutual company

150 Camelot Drive P.O. Box 1029, Fond du Lac, WI 54936-1029

CYBER LIABILITY INSURANCE POLICY DECLARATIONS

POLICY NUMBER: CY10037864

AGENCY AND MAILING ADDRESS:

Swingle Collins
13760 Noel Rd Ste 600
Dallas, TX 75240

ITEM 1. NAMED INSURED AND MAILING ADDRESS:

American Revelry LLC
279 W Hidden Crk Pkwy, Ste 1101
Burleson, TX 76028-6077

ITEM 2. POLICY PERIOD: 06/17/2024 TO 06/17/2025

both days at 12:01 a.m. standard time at the mailing address stated in Item 1.

ITEM 3. LIMITS OF INSURANCE

“Nil” or “N/A” indicates that the coverage was not purchased and that portion of this Policy does not apply.

A. Limits per Coverage Agreement:

Third Party Liability Coverage Agreements

	Each Claim	Aggregate
A. Multimedia Liability	\$ 50,000	\$ 50,000
B. Security and Privacy Liability	\$ 50,000	\$ 50,000
C. Privacy Regulatory Defense and Penalties	\$ 50,000	\$ 50,000
D. PCI DSS Liability	\$ 50,000	\$ 50,000
E. TCPA Defense	\$ 5,000	\$ 5,000

First Party Liability Coverage Agreements

	Each Claim	Aggregate
F. Breach Event Costs	\$ 50,000	\$ 50,000
G. Post Breach Remediation Costs	\$ 5,000	\$ 5,000
H. BrandGuard®	\$ 50,000	\$ 50,000
I. System Failure	\$ 50,000	\$ 50,000
J. Cyber Extortion	\$ 50,000	\$ 50,000
K. Cyber Crime	\$ 5,000	\$ 5,000
L. Reward Expenses	\$ 5,000	\$ 5,000
M. Court Attendance Costs	\$ 5,000	\$ 5,000
B. Maximum Policy Aggregate Limit	\$ 50,000	

ITEM 4. DEDUCTIBLE, WAITING PERIOD, PERIOD OF INDEMNITY, AND PERIOD OF RESTORATION

A.	Multimedia Liability	\$0	Each Claim
B.	Security and Privacy Liability	\$0	Each Claim
C.	Privacy Regulatory Defense and Penalties	\$0	Each Claim
D.	PCI DSS Liability	\$0	Each Claim
E.	TCPA Defense	\$0	Each Claim
F.	Breach Event Costs	\$0	Each Claim
G.	Post Breach Remediation Costs	\$0	Each Claim
H.	BrandGuard®	2 week waiting period 6 months period of indemnity	
I.	System Failure		
	A. Data Recovery	\$ 0	Each Claim
	B. Non-Physical Business Interruption	8 hour waiting period 6 months period of indemnity	
J.	Cyber Extortion	\$ 0	Each Claim
K.	Cyber Crime	\$ 0	Each Claim
L.	Reward Expenses	\$ 0	Each Claim
M.	Court Attendance Costs	None	

ITEM 5. RETROACTIVE DATE: 12/10/2022

ITEM 6. PREMIUM: \$ 273

SOCIETY INSURANCE, A MUTUAL COMPANY

150 Camelot Drive P.O. Box 1029, Fond du Lac, WI 54936-1029

FORMS SCHEDULE

POLICY NO: CY10037864

ACCOUNT NUMBER: 2000002681

90031010

NAMED INSURED AND MAILING ADDRESS

American Revelry LLC
279 W Hidden Crk Pkwy, Ste 1101
Burleson, TX 76028-6077

AGENCY AND MAILING ADDRESS

Swingle Collins
13760 Noel Rd Ste 600
Dallas, TX 75240

POLICY PERIOD: FROM 06/17/2024 TO 06/17/2025 AT 12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

NOTE: IF NO ENTRY APPEARS ON THE FOLLOWING ENDORSEMENTS, INFORMATION REQUIRED TO COMPLETE THE FORM WILL BE SHOWN ON THE SUPPLEMENTAL FORM DECLARATION IMMEDIATELY FOLLOWING THE APPLICABLE ENDORSEMENT

CYBER LIABILITY POLICY FORMS	
TX111 07 21	Texas How To File A Complaint Notice
TX115 07 21	Claims-Made Policy Disclosure Notice
CLI109 08 21	Property Damage Coverage
CLI105 06-19	Policyholder Disclosure Notice Of Terrorism Insurance Coverage
CLI101 06-19	Cyber Liability Insurance Policy

This endorsement changes the policy. Please read it carefully.

PROPERTY DAMAGE COVERAGE (THIRD PARTY LIABILITY AND FIRST PARTY SUB-LIMITS)

This Endorsement modifies insurance provided under the following:

CYBER LIABILITY INSURANCE POLICY

In consideration of the premium charged, and notwithstanding anything contained herein to the contrary, it is hereby understood and agreed that the Policy to which this Endorsement attaches is amended to include Property Damage Coverage, subject to the terms, conditions, and exclusions contained herein.

Various provisions in this Endorsement restrict coverage. Read the entire Endorsement carefully to determine **your** rights, duties, and what is and is not covered. The terms, conditions, and exclusions contained in this Endorsement apply only to the Property Damage Coverage. All other terms, conditions, and exclusions of the Policy remain unchanged and apply in full force and effect, unless this Endorsement states otherwise.

PROPERTY DAMAGE COVERAGE DECLARATIONS

1. Property Damage Coverage Agreement(s) Purchased:

<input checked="" type="checkbox"/>	Property Damage - First Party
<input checked="" type="checkbox"/>	Property Damage - Third Party Liability

If a Coverage Agreement has not been purchased, that portion of this Endorsement does not apply.

2. Property Damage Limits of Insurance:

- a. Property Damage – First Party Sub-limit:

\$ <u>5,000</u> per occurrence	\$ <u>5,000</u> aggregate
---------------------------------------	---------------------------

- b. Property Damage - Third Party Liability Sub-limit:

\$ <u>5,000</u> per property damage claim	\$ <u>5,000</u> aggregate
--	---------------------------

- c. Combined Property Damage Aggregate Limit: \$ 5,000

3. Property Damage Deductibles:

- a. Property Damage – First Party: \$1,000 per **occurrence**
- b. Property Damage – Third Party: \$1,000 per **property damage claim**

4. Property Damage – Third Party Liability Retroactive Date: 12/10/2022

5. Endorsement Period: 06/17/2024 to 06/17/2025

PROPERTY DAMAGE TERMS AND CONDITIONS

- A. Section 1. **Coverage Agreements** of the Policy is amended to include the following additional Coverage Agreements:

Property Damage Coverage Agreements

1. Property Damage – First Party

Subject to the applicable **deductible** and Sublimit, the Company agrees to pay for direct physical loss of or damage to **covered property** caused by or resulting from a **hacking attack** first commencing during the **endorsement period**, but only if there is no other valid and collectible insurance available to **you** for such loss or damage. This Coverage Agreement provides coverage for loss of, or damage to, **covered property** only in the absence of other insurance.

2. Property Damage – Third Party Liability

Subject to the applicable **deductible** and Sublimit, the Company 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 **property damage claim** for a **wrongful act**, but only if: 1) the **property damage claim** is first made against the **Insured** during the **endorsement period** (or during the **extended reporting period**, if applicable), 2) the **property damage claim** is reported to the Company in writing as soon as practicable during the **endorsement period**, but no later than 60 days after expiration of the **endorsement period** (or during the **extended reporting period**, if applicable) and 3) the **wrongful act** and **property damage** giving rise to the **property damage claim** occur on or after the **retroactive date**.

- B. It is understood and agreed that all provisions of Section 2. **Defense, Settlement and Investigation of Claims** of the Policy are amended to also apply to the Property Damage – Third Party Liability Coverage Agreement.

- C. Section 3. **Limits of Insurance** of the Policy is amended to include the following Property Damage Limits of Insurance provisions:

Property Damage Limits of Insurance

1. Property Damage – First Party Sub-limit

- a. The Property Damage – First Party Sub-limit shown in Item 2.a. of the Property Damage Coverage Declarations is the most the Company will pay under this Policy for any one **occurrence**, and in the aggregate for all **occurrences**, directly caused by **hacking attacks** first commencing during the **endorsement period**, regardless of the number of losses, **claims**, **Insureds**, or **insured locations**.

- b. The Property Damage – First Party Sub-limit shown in Item 2.a. of the Property Damage Coverage Declarations is the exclusive limit under the Policy for direct physical loss of or damage to **covered property** caused by or resulting from a **hacking attack**. Such Property Damage – First Party Sub-limit is included within, and will reduce, the Combined Property Damage Aggregate Limit shown in Item 2.c. of the Property Damage Coverage Declarations. The Company will have no obligation to pay, or to continue to pay, any loss after the Property Damage – First Party Sub-limit or the Combined Property Damage Aggregate Limit shown in Item 2.c. of the Property Damage Coverage Declarations has been exhausted, whichever occurs first.
- 2. Property Damage – Third Party Liability Sub-limit
 - a. The Property Damage – Third Party Liability Sub-limit shown in Item 2.b. of the Property Damage Coverage Declarations is the most the Company will pay under this Policy for each **property damage claim** and in the aggregate for all **property damage claims** first made during the **endorsement period**, including **defense costs**, regardless of the number of **property damage claims**, claimants, or **Insureds**.
 - b. The Property Damage – Third Party Liability Sub-limit shown in Item 2.b. of the Property Damage Coverage Declarations is the exclusive limit under the Policy for **property damage claims**. Such Property Damage – Third Party Liability Sub-limit is included within, and will reduce, the Combined Property Aggregate Limit shown in Item 2.c. of the Property Damage Coverage Declarations. The Company will have no obligation to defend or pay, or to continue to defend or pay, any **property damage claim** after the Property Damage – Third Party Liability Sub-limit or the Combined Property Damage Aggregate Limit shown in Item 2.c. of the Property Damage Coverage Declarations has been exhausted, whichever occurs first.
- 3. Combined Property Damage Aggregate Limit
 - a. The Combined Property Damage Aggregate Limit shown in Item 2.c. of the Property Damage Coverage Declarations is the most the Company will pay under this Policy for:
 - i. All **occurrences** insured under the Property Damage – First Party Insuring Agreement, which are directly caused by **hacking attacks** first commencing during the **endorsement period**; and
 - ii. All **property damage claims** insured under the Property Damage – Third Party Liability Insuring Agreement, which are first made during the **endorsement period**.
 - b. The Combined Property Damage Aggregate Limit is part of, and will reduce, the Maximum Policy Aggregate Limit set forth in Item 3.B. of the Policy Declarations. If the Maximum Policy Aggregate Limit is exhausted, the Company's obligation to defend or pay any **property damage claim** or **occurrence** under this Policy will end.

- D. Section 4. **Deductible and Waiting Period** of the Policy is amended to include the following Property Damage Deductible provisions:

Property Damage Deductible

1. Property Damage – First Party Deductible

The Property Damage – First Party **deductible** shown in Item 3.a. of the Property Damage Coverage Declarations will apply separately to each **occurrence** under the Property Damage – First Party Sublimit. If **your** covered loss in any one **occurrence** is less than or equal to the Property Damage – First Party **deductible**, the Company will not pay for that loss. If **your** covered loss in any one **occurrence** exceeds the Property Damage – First Party **deductible**, the Company will subtract the Property Damage – First Party **deductible** from the amount of covered loss, and the Company will pay the remaining amount of covered loss, subject to the Property Damage – First Party Sublimit.

2. Property Damage – Third Party Liability Deductible

The Property Damage – Third Party Liability **deductible** shown in Item 3.b. of the Property Damage Coverage Declarations will apply separately to each **property damage claim**. The Property Damage – Third Party Liability **deductible** must be satisfied by the **Insured's** actual payment of **damages** and/or **defense costs**. The **Insured's** payment of the Property Damage – Third Party Liability **deductible** is a condition precedent to payment by the Company of any amounts covered under the Property Damage – Third Party Liability Sub-limit, and the Company will only be liable for **damages** and related **defense costs** that exceed the Property Damage – Third Party Liability **deductible**, subject to the Property Damage – Third Party Liability Sub-limit.

- E. Section 5. **Territorial Limits** of the Policy is amended to include the following Property Damage – First Party Territorial Limits provisions:

Solely with respect to the Property Damage – First Party Sublimit, this insurance shall apply only to **covered property** and **operations** at an **insured location**.

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

Actual cash value means the amount it would cost to replace the damaged or destroyed **covered property** on the date of loss with property of like kind and quality, with proper deduction for obsolescence and physical depreciation.

Covered property means any of the following:

1. Tangible real and personal property in which you have an insurable interest as of the effective date of the **endorsement period**;
2. Tangible real and personal property **you** acquire during the **endorsement period**;
3. Property of others for which **you** had assumed liability prior to loss; and
4. **Your** financial interest in property belonging to others.

Covered property does not include:

1. Currency, **money**, **securities**, precious metal in bullion form, notes, evidences of debt or title, letters of credit, stamps, tickets, or precious and semi-precious stones;
2. Fine art;
3. Land, water, or any other substance in or on land;
4. Animals, standing timber, or growing crops;
5. Watercraft or aircraft, except **drones**;
6. Vehicles of **executives** or **employees**, or vehicles otherwise insured for physical loss or damage;
7. Underground mines or mine shafts, or any property within such mines or shafts;
8. Property in transit;
9. Property sold by an **Insured** under conditional sale, trust agreement, installment plan or other deferred payment plan after delivery to customers;
10. Satellites;
11. Offshore property;
12. Dams, water shafts, power tunnels, dikes, levees, gates and flumes; and
13. Outside plants, including owned electrical power transmission and distribution lines, beyond 1,000 feet from **your** business premises.

Drone means an aircraft that is not designed, manufactured, or modified after manufacture to be controlled directly by a person from within or on the aircraft, such as unmanned aerial vehicles, unmanned aircraft systems, or other remote-controlled aircraft or autonomous aircraft (including sensors, communications links, software, and components that control such aircraft).

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

Insured location means, and is limited to, **your** business premises, including the premises described in Item 1 of the Policy Declarations as your mailing address, any premises added by endorsement to the Policy, and any site at which **operations** are performed by **you** or by an **Insured** on **your** behalf.

Occurrence means the sum of all individual covered losses, or a series of individual covered losses, under the Property Damage – First Party Sublimit that are directly caused by any one **hacking attack**.

Operations means **your** business activities occurring at an **insured location**, which rely on **covered property**.

Property damage claim means any of the following, but only if alleging a **wrongful act**:

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

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

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

1. Solely with respect to the Property Damage – First Party Sublimit, **claim** means written notice from an **executive** to the Company of an **occurrence**.
2. Solely with respect to the Property Damage – Third Party Liability Sublimit, **claim** means a **property damage claim**.

- H. Section 7. **Definitions**, **deductible**, is amended to include the following:

Solely with respect to this Endorsement, the amount specified as such in Item 3 of the Property Damage Coverage Declarations.

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

Solely with respect to the Property Damage – First Party Sublimit, **first party insured event** means a **hacking attack**.

- J. Section 7. **Definitions**, **retroactive date**, is amended to include the following:

Solely with respect to this Endorsement, the date specified as such in Item 4 of the Property Damage Coverage Declarations.

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

Solely with respect to the Property Damage – Third Party Liability Sublimit, **wrongful act** means an **Insured's** failure to prevent or avoid **property damage** caused by a **security breach** or **privacy breach**.

- L. It is understood and agreed that all exclusions contained in **Section 8.1 Exclusions Applicable to All Coverage Agreements** will apply to the Property Damage Coverage; provided, however, that exclusion 8.1.5 of the Policy is amended to include the following:

This exclusion does not apply to:

1. An otherwise covered **occurrence** under the Property Damage – First Party Sublimit; or
2. An otherwise covered **property damage claim** under the Property Damage – Third Party Liability Sublimit.

- M. **Section 8. Exclusions** of the Policy is amended to include the following additional Property Damage exclusions:

Exclusions Applicable to the Property Damage – First Party Sublimit

The Company will not be liable for:

1. Any loss which is covered in whole or in part under another insurance policy;
2. Any loss of **covered property** caused by or resulting from any event other than a **hacking attack**;
3. Any costs to upgrade, redesign, reconfigure or maintain an **insured computer system** to a level of functionality beyond that which existed prior to a **hacking attack**;
4. Any loss arising from any **insured computer system** being deficient with respect to traffic and capacity requirements, where such deficiency is known to **you**, including design failures of an **insured computer system**;
5. Any loss arising from the ordinary wear and tear or gradual deterioration of an **insured computer system**, or the wear and tear, drop in performance, progressive deterioration, latent defect, or aging of **your** electronic equipment, or computer hardware;
6. Any of the following:
 - a. Indirect or remote loss or damage;
 - b. Loss of market or loss of use;
 - c. Loss, damage or deterioration resulting from any delay;
 - d. Loss of inventory caused by or resulting from **financial fraud**;
 - e. Mysterious disappearance, loss or shortage disclosed on taking inventory, or any unexplained loss;
 - f. Loss resulting from the enforcement of any law or ordinance that:
 - a. regulates the construction, repair, replacement, use or removal, including debris removal, of any property; or
 - b. requires the demolition of any property, including the cost in removing its debris;
 - g. Loss, damage, cost or expense incurred by **you** or by others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of **your** products in the stream of commerce or the products of **your** direct or indirect customers or suppliers, if such product, or any portion of it, is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy, contamination or dangerous condition;
7. Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by or resulting from the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials, regardless of any other cause or event contributing concurrently or in any other sequence thereto;
8. Any loss arising from the discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act;
9. Any loss arising from the risks of contraband, or illegal transportation or trade;
10. Any loss arising from any dishonest act, including but not limited to theft, whether committed alone or in collusion with others, at any time:
 - a. By an **Insured**; or
 - b. By any proprietor, partner, director, trustee, officer or employee of any business or entity (other than a common carrier) engaged by **you** to do anything relating to **covered property**.

11. Any loss arising from the lack of the following services:
 - a. Incoming electricity, fuel, water, gas, steam, refrigerant;
 - b. Outgoing sewerage; or
 - c. Incoming or outgoing voice, data or video, or satellite services.
 12. Any loss arising from damage caused by changes in temperature or changes in humidity, both whether atmospheric or not.
- N. The following Property Damage – First Party Sublimit Loss Adjustment and Settlement Provisions are added to the Policy:

Property Damage Loss Adjustment and Settlement

1. Loss Adjustment

Covered loss, if any, under the Property Damage – First Party Sublimit will be adjusted with and payable to **you**, or as may be directed by **you**. The interests of any lender, mortgagee and/or loss payee will also be included in loss payments as their interests may appear, when named on this Policy as a lender, mortgagee and/or loss payee.

2. Valuation

- a. Adjustment of the physical loss amount payable under the Property Damage – First Party Sublimit will be computed as of the date of the loss at the location of the loss. We will not pay more than **your** financial interest in the **covered property**, subject to the following:
- b. For all **covered property**, the loss amount will not exceed the lesser of the following:
 - i. All with due diligence and dispatch:
 - (a) The cost to repair;
 - (b) The cost to rebuild or replace on the same site with new materials of like size, kind and quality;
 - (c) The cost of rebuilding, repairing or replacing on the same or another site, but not to exceed the size and operating capacity that existed on the date of loss;
 - (d) The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement.
 - ii. The selling price of real property or machinery and equipment, other than stock, offered for sale on the date of loss;
 - iii. The increased cost of demolition, if any, resulting from loss covered by the Property Damage – First Party Sublimit, if such property is scheduled for demolition;
 - iv. The unamortized value of improvements and betterments, if such property is not repaired or replaced at **your** expense;
 - v. The **actual cash value**, if such property is:

- (a) Useless to **you**; or
 - (b) Not repaired, replaced or rebuilt on the same or another site within 2 years from the date of the loss.
- c. **You** may elect not to repair or replace **covered property** lost, damaged or destroyed. Loss settlement may be elected on the lesser of repair or replacement cost basis if the proceeds of such loss settlement are expended on other capital expenditures related to **your operations** within 2 years from the date of loss. As a condition of collecting under this provision, such expenditure must be unplanned as of the date of the loss and must be made at an **insured location**.

3. **Loss Conditions**

You must:

- a. Give immediate written notice to the Company of any loss under the Property Damage – First Party Sublimit;
- b. Protect the property from further loss or damage;
- c. Promptly separate the damaged and undamaged property; put it in the best possible order; and furnish a complete inventory of the lost, destroyed, damaged and undamaged property showing in detail the quantities, costs, **actual cash value**, replacement value and amount of loss claimed;
- d. Give a signed and sworn proof of loss to the Company within 90 days after the loss, unless that time is extended in writing by the Company. The proof of loss must state **your** knowledge and belief as to:
 - i. The time and origin of the loss;
 - ii. **Your** interest, and that of all others, in the property;
 - iii. The **actual cash value** and replacement value of each item and the amount of loss to each item; all encumbrances; and all other contracts of insurance, whether valid or not, covering any of the property;
 - iv. Any changes in the title, use, occupation, location, possession or exposures of the property since the effective date of the **endorsement period**;
 - v. By whom and for what purpose any **insured location** was occupied on the date of the loss, and whether it then stood on leased ground.
- e. Include a copy of all the descriptions and schedules in all policies and, if required, provide verified plans and specifications of any buildings, fixtures, machinery or equipment destroyed or damaged.
- f. As often as may be reasonably required:
 - i. Exhibit to any person designated by the Company all that remains of any property;
 - ii. Submit to examination under oath by any person designated by the Company and sign the written records of examinations; and
 - iii. Produce for examination, at the Company's request, all books of accounts, business records, bills, invoices and other vouchers, or certified copies if originals are lost, at such reasonable times and places that may be designated by the Company (or by the Company's representatives) and permit extracts and machine copies to be made.

4. **Insurers' Option**

The Company has the option to take all or any part of damaged **covered property** at the agreed or appraised value. The Company must give notice to **you** of its intention to do so within 30 days after receipt of proof of loss.

5. **Abandonment**

There may be no abandonment of any property to the Company.

6. **Control of Damaged Property**

The Property Damage – First Party Sublimit gives control of **covered property** that suffers insured physical damage as follows:

- a. **You** will have full rights to the possession and control of damaged **covered property** in the event of insured physical damage to such property, provided proper testing is done to show which **covered property** is physically damaged.
- b. Using reasonable judgment, **you** will decide if the physically damaged **covered property** can be reprocessed or sold.
- c. **Covered property** so judged by **you** to be unfit for reprocessing or selling will not be sold or disposed of except by **you** or with **your** consent.
- d. Any salvage proceeds received will go to:
 - i. The Company at the time of loss settlement; or
 - ii. **You**, if received prior to loss settlement and such proceeds will reduce the amount of loss payable accordingly.

7. **Appraisal**

If **you** and the Company disagree on the value of the property or the amount of loss, either party may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will pay its chosen appraiser and bear the other expenses of the appraisal and umpire equally. If there is an appraisal, we will still retain our right to deny the **claim**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THE CYBER LIABILITY INSURANCE POLICY REMAIN THE SAME

POLICYHOLDER DISCLOSURE

NOTICE OF TERRORISM INSURANCE COVERAGE

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

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%.

CYBER LIABILITY INSURANCE POLICY

Important Notice

The Third Party Liability Coverage Agreements (Coverage Agreements A through E) 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 Company in accordance with Section 11 of this Policy. Coverage Agreements A, B, C, and D provide liability coverage on a **claims-made-and-reported** basis. Coverage Agreement E provides defense-only coverage on a **claims-made-and-reported** basis. The First Party Coverage Agreements (Coverage Agreements F through M) 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 Coverage Agreements and Limits of Insurance purchased by the **Named Insured**. If an Insuring Agreement has not been purchased, that portion of this Policy does not apply. The Limits of Insurance for Coverage Agreements A through E include **defense costs**.

All **claims** are subject to the applicable **deductible(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 Company 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 Company. Please review this Policy carefully and discuss it with your insurance agent or broker.

1. Coverage Agreements

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

1.1 Third Party Liability Coverage Agreements

1.1.1. Coverage Agreement A: Multimedia Liability

The Company will pay on behalf of an **Insured** the sums in excess of the **deductible** and within the applicable Limits of Insurance 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 Company 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. Coverage Agreement B: Security and Privacy Liability

The Company will pay on behalf of an **Insured** the sums in excess of the **deductible** and within the applicable Limits of Insurance 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 Company 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. **Coverage Agreement C: Privacy Regulatory Defense and Penalties**

The Company will pay on behalf of an **Insured** the sums in excess of the **deductible** and within the applicable Limits of Insurance 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 Company 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. **Coverage Agreement D: PCI DSS Liability**

The Company will pay on behalf of an **Insured** the sums in excess of the **deductible** and within the applicable Limits of Insurance 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 Company 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. **Coverage Agreement E: TCPA Defense**

Subject to the applicable **deductible** and Limits of Insurance, the Company 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 Company in writing in accordance with Section 11 of this Policy, and 3) the **TCPA violation** occurs on or after the **retroactive date**. The Company will have no obligation to pay **damages** or any amounts, other than **defense costs**, under this Coverage Agreement.

1.2. **First Party Coverage Agreements**

1.2.1. **Coverage Agreement F: Breach Event Costs**

Subject to the applicable **deductible** and Limits of Insurance, the Company 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 Company in writing in accordance with Section 11 of this Policy.

1.2.2. Coverage Agreement G: Post Breach Remediation Costs

Subject to the applicable **deductible** and Limits of Insurance, the Company 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 Coverage Agreement F of this Policy, and 2) a written request for indemnification under this Coverage Agreement is made by an **executive** to the Company in accordance with Section 11 of this Policy.

1.2.3. Coverage Agreement H: BrandGuard®

Subject to the applicable **waiting period** and Limits of Insurance, the Company 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 Company 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. Coverage Agreement I: System Failure

A. Data Recovery

Subject to the applicable **deductible** and Limits of Insurance, the Company 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 Company 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 Company 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 Insurance, the Company 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 Company 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**.

1.2.6. Coverage Agreement J: Cyber Extortion

Subject to the applicable **deductible** and Limits of Insurance, the Company 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 Company in writing in accordance with Section 11 of this Policy.

The Company will not be obligated to pay **cyber extortion expenses** or **cyber extortion monies** unless the Company 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. Coverage Agreement K: Cyber Crime

A. Financial Fraud

Subject to the applicable **deductible** and Limits of Insurance, the Company 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 Company 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 Company of such refusal.

B. Telecommunications Fraud

Subject to the applicable **deductible** and Limits of Insurance, the Company 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 Company in writing in accordance with Section 11 of this Policy.

C. Phishing Attack

Subject to the applicable **deductible** and Limits of Insurance, the Company 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 Company in writing in accordance with Section 11 of this Policy.

1.2.8. Coverage Agreement L: Reward Expenses

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

1.2.9. Coverage Agreement M: Court Attendance Costs

Subject to the applicable Limits of Insurance, the Company 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 Company; 2) such attendance relates to the defense of a **claim** that is covered under Coverage Agreement A, B, C, D, or E of this Policy; and 3) a written request for indemnification under this Coverage Agreement is made by or on behalf the **Insured** in accordance with Section 11 of this Policy. The Company's daily maximum Limit of Insurance 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 Insurance for this Coverage 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 Coverage Agreements)

- 2.1.1. The Company have the right and duty to defend an **Insured** against any **claim** covered under Coverage Agreement A, B, C, D or E of this Policy, even if the allegations of the **claim** are groundless, false, or fraudulent. The Company have the right to appoint an attorney to defend any such **claim**.
- 2.1.2. The Limits of Insurance available to pay **damages** (where applicable) will be reduced, and may be completely exhausted, by the Company's payment of **defense costs** or any other amounts covered under this Policy.
- 2.1.3. The Company 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 Insurance or the Maximum Policy Aggregate Limit, whichever occurs first. Upon exhaustion of such Limit of Insurance, the Company will have the right to withdraw from the further defense of a **claim** by tendering control of said defense to the **Insured**.
- 2.1.4. 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 Company will not be liable for any **damages**, **defense costs**, settlement, judgment, assumed obligation, admitted liability, voluntary payment, or confessed **damages** to which the Company have not given **approval**.

2.2. Choice of Counsel (Applicable to All Coverage Agreements)

- 2.2.1. The Company will consider the **Insured's** preference for the appointment of counsel to defend any **claim** under Coverage Agreement A, B, C, D or E, 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 Coverage Agreement of this Policy, but the final decision on selection of counsel rests with the Company. The **Insured** shall not formally appoint counsel without **approval**.
- 2.2.2. The Company 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 Company.

2.3. Investigation (Applicable to All Coverage Agreements)

The Company 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 Insurance

3.1. Limits Per Coverage Agreement

The Limits Per Coverage Agreement set forth in Item 3.A. of the Declarations represent the most the Company will pay under each Coverage 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 Coverage Agreement is exhausted, all of Company's obligations under that Coverage 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 Company will pay under this Policy for all **claims** first made during the **policy period**, including **defense costs**, regardless of the number of Coverage Agreements that apply.
- 3.2.2. The Limit of Insurance for the **extended reporting period**, if applicable, will be part of, and not in addition to, the Limits of Insurance set forth in Item 3 of the Declarations. The existence of an **extended reporting period** will not increase or reinstate such Limits of Insurance.

3.3. Related Claims

- 3.3.1. 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 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 first reported to the Company on the date the earliest of all such **claims** is reported to the Company; and
 - c. All such **claims** will be subject to the Limits of Insurance of the Policy in effect when the earliest of all such **claims** is first made.

- 3.3.2. If coverage for any **claim** exists under multiple Coverage Agreements of this Policy, the Company's total maximum Limit of Insurance under this Policy for such **claim** will be the Maximum Policy Aggregate Limit. The Company will allocate payments under this Policy to that portion of the **claim** covered under each applicable Coverage Agreement; however, the Company will never pay more under any one applicable Coverage Agreement than the amount set forth in Item 3 of the Declarations as the Limit of Insurance for that Coverage Agreement. The Company have the sole discretion to allocate amounts paid, if any, against the appropriate Limit of Insurance.

4. Deductible and Waiting Period

4.1. Deductible Per Coverage Agreement

- 4.1.1. The **deductible** amount for each Coverage Agreement, as set forth in Item 4 of the Declarations, will apply separately to each **claim**. The **deductible** 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 Coverage Agreement, only the highest **deductible** will apply.
- 4.1.3. The **Insured's** payment of the applicable **deductible** is a condition precedent to payment by the Company of any amounts covered under this Policy, and the Company will only be liable for the amount that exceeds the **deductible**, up to the applicable Limit of Insurance set forth in Item 3. of the Declarations.
- 4.1.4. The **Insured** must make direct payments within the **deductible** to the appropriate parties designated by the Company.

4.2. 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 Coverage Agreements that apply. Only one **deductible** will apply to such **claim**.

4.3. Waiting Period

The **waiting period** for Coverage Agreement H and Coverage Agreement I.B., as set forth in Item 4 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 Company 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 Company, 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 Coverage Agreement A and B 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 Coverage Agreement A or Coverage Agreement B does not include a **privacy regulatory proceeding, PCI DSS demand or TCPA claim**.

2. With respect to Coverage Agreement C only, a **privacy regulatory proceeding**. A **claim** under Coverage Agreement C does not include a **PCI DSS demand** or **TCPA claim**.
3. With respect to Coverage Agreement D only, a **PCI DSS demand**.
4. With respect to Coverage Agreement E only, a **TCPA claim**.
5. With respect to Coverage Agreement F only, written notice from an **executive** to the Company of an **adverse media report**, **security breach** or **privacy breach**.
6. With respect to Coverage Agreement G only, written request by an **executive** to the Company for indemnification of **post breach remediation costs**.
7. With respect to Coverage Agreement H only, written notice from an **executive** to the Company of an **adverse media report** or **notification** that has resulted or may result in **brand loss**.
8. With respect to Coverage Agreement I only, written notice from an **executive** to the Company of a **system failure**.
9. With respect to Coverage Agreement J only, written notice from an **executive** to the Company of a **cyber extortion threat**.
10. With respect to Coverage Agreement K only, written notice from an **executive** to the Company of **financial fraud**, **telecommunications fraud** or a **phishing attack**.
11. With respect to Coverage Agreement L only, written request by an **executive** to the Company for indemnification of **reward expenses**.
12. With respect to Coverage Agreement M only, written request by an **executive** to the Company for indemnification of **court attendance costs** incurred by an **Insured** in a **claim** covered under Coverage Agreement A, B, C, D, or E 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 to 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 Coverage Agreement A, B, C, D, or E 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**; or 7) 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 Company; 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.

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

Defense costs means reasonable and necessary fees incurred with **approval** and charged by an attorney(s) designated by the Company 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 Company 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**.

Digital assets means **data** and computer programs that exist in an **insured computer system**. **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**.

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 Coverage Agreement F and H, an **adverse media report**, **security breach** or **privacy breach**;
2. With respect to Coverage Agreement G, a **security breach** or **privacy breach**;
3. With respect to Coverage Agreement I, a **system failure**;
4. With respect to Coverage Agreement J, a **cyber extortion threat**;
5. With respect to Coverage Agreement K, **financial fraud**, **telecommunications fraud**, or a **phishing attack**;
6. With respect to Coverage Agreement L, a **security breach**, **privacy breach**, **system failure**, **cyber extortion threat**, **financial fraud**, **telecommunications fraud**, or a **phishing attack**; or
7. With respect to Coverage Agreement M, **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 the net profit loss **you** sustain during the **period of restoration** as a direct result of a **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 **deductible** if **you** retain counsel pre-approved by the Company.

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 Coverage Agreement B 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 Coverage Agreements B, C, D, F, and J 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 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 Coverage Agreement H.

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 Coverage Agreement I.

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 Coverage Agreement K.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** brand, **your** products or services, or an **executive** or **employee** to solicit **money** or **securities**.

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 Company have accepted coverage under Coverage Agreement F 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 does 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**.

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.

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 Company 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**.

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 or 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. A 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 of the Declarations, that must elapse before any loss or expenses may be payable under Coverage Agreement H or Coverage Agreement I.B. The **waiting period** applies to each **period of restoration** and **period of indemnity**.

Wrongful act means:

1. With respect to Coverage Agreement A, a **multimedia wrongful act**;
2. With respect to Coverage Agreement B, a **security and privacy wrongful act**;
3. With respect to Coverage Agreement C and D, a **security breach** or **privacy breach**;
4. With respect to Coverage Agreement E, 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 Coverage Agreements

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

The Company 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 Company 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 Coverage Agreement B which is brought by any past, present or future **employee** for a **security and privacy wrongful act**; or

- b. An otherwise covered **claim** under Coverage Agreement A or Coverage Agreement B 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 Company's duty to defend any **claim** under Coverage Agreement A, B, C, D, or E 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 Company 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 Company 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 Coverage Agreement B 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 Coverage Agreement D 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 Coverage Agreement A or Coverage Agreement B 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 Coverage Agreement D 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 Coverage Agreement C.

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 Coverage Agreement B, Coverage Agreement C or Coverage Agreement F.

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 Coverage Agreement B, Coverage Agreement C or Coverage Agreement F.

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. For:

- 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 Coverage Agreement D.

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 Coverage Agreement A, Coverage Agreement B or Coverage Agreement C;
- b. Allegations of deceptive trade practices that form a part of an otherwise covered **claim** under Coverage Agreement B or Coverage Agreement C.

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 Coverage Agreement B 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 Coverage Agreement I.

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 Coverage Agreement E.

8.2. Exclusions Applicable to All First Party Coverage Agreements (Coverage Agreements F through M)

The exclusions in this section apply to all First Party Coverage Agreements (Coverage Agreements F through M) of this Policy.

The Company 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 Coverage Agreement H (BrandGuard)

The exclusions in this section apply to Coverage Agreement H (BrandGuard) of this Policy.

The Company 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 Coverage Agreement F.

8.4. Exclusions Applicable to Coverage Agreement I (System Failure)

The exclusions in this section apply to Coverage Agreement I (System Failure) of this Policy.

The Company 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**;
- 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. Loss of goodwill or harm to **your reputation**.

8.5. Exclusions Applicable to Coverage Agreement K (Cyber Crime)

The exclusions in this section apply to Coverage Agreement K (Cyber Crime) of this Policy.

The Company will not be 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**, provided such reimbursement is made by **you** with **approval**.

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 Company, 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:
 - a. With respect to the Third Party Liability Coverage 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 Company during the **extended reporting period**; and
 - b. With respect to the First Party Coverage Agreements, any **claim** reported to the Company 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 Company within sixty (60) 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 Insurance for the **extended reporting period** are part of, and not in addition to, the Limits of Insurance set forth in Item 3 of the Declarations.
- 10.7. The quotation by the Company of a different premium, **deductible**, Limit of Insurance, or changes in policy language at renewal will not constitute a refusal to renew by the Company.
- 10.8. The right to an **extended reporting period** will not be available to the **Named Insured** where cancellation or non-renewal by the Company is because of non-payment of premium or an **Insured's** failure to pay amounts within the applicable **deductible**.
- 10.9. All notices and premium payments with respect to the **extended reporting period** must be directed to the Company.
- 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 Company will not be liable to return any premium paid for the **extended reporting period**.

11. Notice Provisions

- 11.1. If any **claim** under Coverage Agreement A, B, C, D, or E is made against any **Insured**, an **executive** must provide written notice to the Company 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 Coverage Agreement A, B, C, D or E will be considered to be first made when it is received by an **Insured**.
- 11.2. If **you** have any **claim** under Coverage Agreement H, an **executive** must provide written notice to the Company of such **claim** during the **period of indemnity**.
- 11.3. If **you** have any **claim** under Coverage Agreement F, I, J, or K, an **executive** must provide written notice to the Company 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 Coverage Agreement G, L, or M must be submitted to the Company by an **executive** (or with respect to Coverage Agreement M, 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 Company 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 Company first received written notice complying with the above requirements.

11.6. A **claim** will be considered reported to the Company when notice is first given to the Company.

12. Loss Determination

12.1. Brand Loss

12.1.1. The **brand loss** payable under Coverage Agreement H 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 Coverage Agreement IX.A. will be determined as follows:

- a. If the impacted **digital asset** was purchased from a **third party**, the Company 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 Company 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 Coverage Agreement IX.B. 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**; 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** and **your** likely net profit, had no **system failure**;
- 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**, which would have affected **your** business had no **system failure** 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 Company in the investigation, adjustment, defense and settlement of any **claim**, including, but not limited to, assisting and cooperating with the Company 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 Company’s 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 Company. 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 Company’s 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 Coverage 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 Company 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 Company 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 Company any of the **Insureds'** rights of recovery against any **third party**, then the Company 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 Company, and lastly to the **deductible**. 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 Company's obligations are limited as follows:

- a. For any **claim** covered under any First Party Coverage Agreement (Coverage Agreements F through M) 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 Coverage Agreement (Coverage Agreements A through E) 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 Company 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 Company 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 Company.

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 Company, and by mailing or delivering to the Company 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 Company will not be a condition precedent to the effectiveness of cancellation.

19. Cancellation by the Company

- 19.1. The Company 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 Company 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 Company cancel this Policy other than as set forth in paragraph 19.1, the Company 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 Company 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 **claims** for **wrongful acts** or **first party insured events** that occur after the creation or acquisition of such **Subsidiary**. The **Named Insured** must give the Company 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 in order 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 Company.

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 **claims** 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 Company written notice 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 Company 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 Company within sixty (60) 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 Coverage 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 Company during the change of **control extended reporting period**; and
 - d. With respect to the First Party Coverage Agreements, any **claim** reported to the Company during the change of control **extended reporting period**, but only if 1) the **first party insured event** giving rise to such **claim** occurs on or after the **retroactive date** (if applicable)

and 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 Insurance for the change of control **extended reporting period** are part of, and not in addition to, the Limits of Insurance 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 Company.
- 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 Company 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 Company 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 Company.
- 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 Company as a party to an action or other proceeding against any **Insured** to determine the **Insured's** liability, nor may the Company 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 Company of their obligations hereunder.

- 25.3. Mediation. If any dispute arises between any **Insured** and the Company involving this Policy or a **claim** hereunder, the **Named Insured** and the Company 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 **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 Company involving this Policy or a **claim** or circumstance hereunder, the **Named Insured** and the Company 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. Warranty by the Named Insured

- 26.1. 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 Company, and that this Policy is issued in reliance upon the truth thereof.
- 26.2. 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 Company will render the Policy null and void and will relieve the Company of all liability under this Policy.
- 26.3. The **application** and any supplemental materials submitted to the Company are considered incorporated into and made a part of this Policy.

27. Forfeiture

Any action or failure to act by the **Named Insured** with the intent to defraud the Company, 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 Company, will render this Policy null and void, and all coverage hereunder will be forfeited.