

# COMMERCIAL INSURANCE POLICY

## Commercial BusinessAssure®

**Designed For:** EDEN PRAIRIE SOCCER CLUB  
6484 CARLSON DR  
EDEN PRAIRIE, MN 55346-1729



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A Grange Enterprise Company

P.O. Box 25195  
Lehigh Valley PA 18002-5195



<b>Policy Number</b>	<b>BP 2043713-13</b>	<b>Agent</b>	THE ZACHARY GROUP INC 2626 E 82ND ST., SUITE 240 BLOOMINGTON MN 55425
<b>Policy Type</b>	BusinessOwners		
<b>Effective</b>	7/1/2025 12:01 AM		(952) 938-2694
<b>Expiration</b>	7/1/2026 12:01 AM	<b>Agent No.</b>	0022716
		<b>Issued by</b>	<b>Integrity Insurance Company</b> P.O. Box 25195 Lehigh Valley PA 18002-5195
<b>Named Insured</b>	<b>EDEN PRAIRIE SOCCER CLUB</b>		
<b>Address</b>	6484 CARLSON DR EDEN PRAIRIE MN 55346-1729		
<b>Entity Type</b>	Corporation		
<b>Business Type</b>	SOCCER ASSOCIATION		

**This policy is in force from the Effective Date to the Expiration Date shown, at 12:01 a.m. standard time at the address of the named insured as shown.**

These declarations together with the applications, common policy conditions, coverage part declarations, coverage part coverage form(s) and forms and endorsements, if any, issued to form a part thereof, complete the numbered policy shown. In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

## Coverage Parts and Premiums

**This policy consists of the following coverage parts. The premium indicated may be subject to adjustment.**

<b>Coverage</b>	<b>Premium</b>
Commercial Businessowners Coverage Part	\$1,195.00
Certified Acts of Terrorism	\$2.00
Minnesota Fire Safety Surcharge	\$3.61
Cyber Coverage - Third Party Administration Fee	\$17.50
<b>Your Estimated Total Policy Premium</b> (does not include service charges)	<b>\$1,218.11</b>

**THIS IS NOT A BILL.** Any outstanding balance due will be billed at a later date.

## Schedule of Named Insureds

		Entity Type
EDEN PRAIRIE SOCCER CLUB (Primary Named Insured)		Corporation

## Schedule Of Business Locations

Loc.	Address	City	State	Zip
1	6484 Carlson Dr	Eden Prairie	MN	55346 -1729

## Mortgagee and Additional Interests

Loc.	Bldg.	Type	Name and Address	Description of Property/Interest
1		Additional Insured - Managers Or Lessors Of Premises BP 04 02	EDEN PRAIRIE FINANCIAL SERVICES BUILDING LLC Eden Prairie MN 55347	

## Coverages Applying To All Business Locations

### BUSINESSOWNERS SECTION I PROPERTY DEDUCTIBLES

Basic Deductible **\$500**

Optional Coverage/Glass Deductible **\$500**

### BUSINESSOWNERS SECTION II LIABILITY COVERAGE

Except for Damage to Premises Rented to You, each paid claim under SECTION II, LIABILITY of the Businessowner Coverage Form reduces the amount of insurance we provide during the applicable annual period. Refer to SECTION II, D. Liability And Medical Expenses Limits of Insurance and limits shown below.

Coverage	Limit Of Insurance	Premium
Liability And Medical Expenses	\$2,000,000 Per Occurrence	
Medical Expenses	\$5,000 Per Person	
Personal & Advertising Injury	Excluded From Policy Refer to BP 04 37	
Damage to Premises Rented to You	\$100,000 Any One Premises	
Other Than Products/Completed Operations Aggregate Limit	\$4,000,000 Aggregate	
Products/Completed Operations Aggregate Limit	\$4,000,000 Aggregate	
Hired Auto And Non-Owned Auto Liability (BP 04 04)		\$141.00
Employee Benefits Liability (BP 04 98)	Refer to endorsement	\$170.00
Office Choice Endorsement (BP 93)	Refer to endorsement	\$102.00
Water Back-up and Sump Overflow	\$10,000	Included
Cyber Coverage (CC 22)	Refer To Endorsement	\$221.00
Employment Practices Liability - Incl. Third Party (BP 181)	\$100,000 Each Claim	\$79.00
Deductible: \$2,500 Each Claim	\$100,000 Aggregate	
Retroactive Date: 07/01/2013		
Adjustment to Meet Policy Writing Minimum Premium		\$141.00

## Coverages Applying To Location 1

Coverage	Limit Of Insurance	Premium
Additional Insured - Managers Or Lessors Of Premises		\$28.00
<b>Building 1</b> BRICK BUILDING 500SQ FT OFFICE		
Business Personal Property Replacement Cost	\$32,000	\$57.00
Liability And Medical Expenses		
65122Q Telephone Answering Service (Total Insured Value) \$32,000		\$2.00
Business Income And Extra Expense (BP 00 03) (Per \$1,000 Sales) \$588,200	Actual Loss Sustained	\$249.00
Period of Indemnity (BP 00 03)	Up to 12 Months	
Waiting Period (BP 00 03)	72 Hours	Included

Coverages Applying To Location 1

Coverage	Limit Of Insurance	Premium
<b><u>Building 1</u></b> BRICK BUILDING 500SQ FT OFFICE		
Equipment Breakdown (BP 173)		
Business Personal Property	Incl. In BPP Limit	\$5.00

## Policy Forms and Endorsements

Form or Endorsement Name	Number	Edition
<b><u>Policy Level</u></b>		
Lead Exclusion	IL 15	06 15
Mutual Conditions	MU 01	01 19
<b><u>Businessowners Coverage Part</u></b>		
Additional Insured - Managers Or Lessors Of Premises	BP 04 02	07 13
Automatic Coverage Enhancements	BP 72	06 20
Businessowners Coverage Form	BP 00 03	07 13
Businessowners Office Choice Endorsement	BP 93	06 20
Cannabis Liability Exclusion	* BP 15 32	09 19
Cannabis Property Exclusion	* BP 15 30	09 19
Cap On Losses From Certified Acts Of Terrorism	BP 05 23	01 15
Coverage For Injury To Leased Workers	BP 04 40	07 02
Disclosure Pursuant To Terrorism Risk Insurance Act	BP 05 15	12 20
Employee Benefits Liability Coverage	BP 04 98	07 13
Employment Practices Liability Endorsement Including 3rd Party Coverage	BP 181	06 18
Equipment Breakdown Coverage	BP 173	09 17
Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability - With Limited Bodily Injury Exception	BP 15 04	05 14
Exclusion - Personal And Advertising Injury	BP 04 37	07 02
Hired Auto And Non-Owned Auto Liability	BP 04 04	01 10
Identity Fraud Expense Coverage	BP 14 01	01 10
Loss Of Refrigeration Coverage	BP 43	02 21
Medical Expenses And Common Policy Conditions Changes	BP 158	05 11
Minnesota Changes	* BP 01 25	12 24
Ordinance Or Law Coverage	BP 04 46	07 13
Professional Liability Exclusion - Computer Software	BP 53	12 03
Professional Liability Exclusion - Electronic Data Processing Services And Computer Consulting Or Programming Services	BP 156	09 11
Utility Services - Time Element	BP 04 57	07 13
Cyber Coverage Form	* CC 22	06 21
Cap On Losses From Certified Acts Of Terrorism	CC 18	06 20
Protective Safeguards	BP 04 30	07 13
Exclusion - Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)	* BP 15 91	12 23
Cyber Incident Exclusion	BP 15 60	02 21
Exclusion - Confidential or Personal Information(EPL)	* BP 207	04 23
Asbestos, Silica Or Mixed Dust Exclusion	CG 09	06 15

\* indicates added form

**Date** May 28, 2025

**Named Insured** EDEN PRAIRIE SOCCER CLUB

**Policy Number** 2043713

**Integrity Insurance Company**  
**P.O. Box 25195**  
**Lehigh Valley PA 18002-5195**

Dear Policyholder:

Thank you for choosing Integrity Insurance Companies for your commercial insurance needs. We understand that you have many insurance options available to you. We value and appreciate your insurance decision.

To provide you with a more accurate price for your insurance needs, we have revised the rating algorithms used by our proprietary BusinessAssure® product effective with this renewal. For certain inherent coverages (Business Liability, Business Income), the improved algorithms for most types of businesses will now leverage new rating variables like annual sales (receipts) and total payroll, per location.

This notice is to inform you of how we arrived at the estimated annual sales (receipts) and payroll values on your renewal policy.

For policies written since the approximate post-Covid era, your renewal premium is based on the total annual sales figure provided by your agent at the time the policy was originally written, or \$150,000, whichever is higher. The total payroll amount being used for rating purposes is 25-30% of the total sales (receipts) amount.

For policies written during and prior to the approximate Covid era, our estimated annual sales (receipts) amounts are outdated. To address this, we have partnered with a third-party vendor to attempt to secure more recent annual sales for each of the business location(s) on your renewal.

If we were able to obtain total sales data for your business location, that is the value that is being used to rate your renewal policy. The total payroll amount being used for rating purposes is 25-30% of the total sales (receipts) amount.

If we were unable to obtain total sales data for your business location, your renewal premium is based on the total annual sales figure provided by your agent at the time the policy was originally written, or \$150,000, whichever is higher. The total payroll amount being used for rating purposes is 25-30% of the total sales (receipts) amount.

If you have questions regarding the estimated annual sales (receipts) amount for any location on your policy, please contact your agent. They will be happy to update your policy to reflect updated (estimated) total sales and payroll information.





A Grange Enterprise Company

P.O. Box 25195  
Lehigh Valley PA 18002-5195  
(920) 734-4511 or (800) 348-1741

**Policy Number:** BP 2043713-13  
**PIN:** 6043

Dear Policyholder:

At Integrity, we know you have a lot of choices when it comes to buying insurance, so thank you for renewing your policy with us. We're committed to Ease of Doing Business® (EODB) and providing the ultimate customer experience - from how you pay your bill to how you report a claim.

If you haven't already done so, you can visit **IntegrityInsurance.com** and use the **PIN** listed at the top of this letter to sign up for an Integrity account. Once you register, you can pay your bill online, view and print your policy documents, and get in touch with your agent. Plus, if you ever have a claim, you can check its status by logging into your account.

We hope that IntegrityInsurance.com makes your life a little easier. And as always, if you have any questions about your policy or if anything in your life changes, remember to let your agent know. He or she can answer your questions and make sure you have enough of the right coverages to protect your most valuable assets.

Thank you again for your business.

Sincerely,

A handwritten signature in black ink, appearing to read "John Ammendola", written over a horizontal line.

**John Ammendola**  
*President & CEO*

**Integrity Insurance Company**  
671 South High Street  
Columbus OH 43206-1066

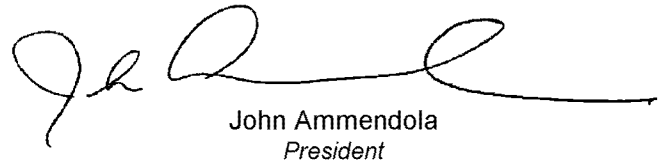
**Officers' Signatures**

**Policy Number:** BP 2043713

*This endorsement should be attached to the policy as it constitutes an important part of the contract.*

IN WITNESS WHEREOF, we, have caused this policy to be signed by **our** President and attested by **our** Secretary, and, if required by state law, this policy shall not be binding upon **us** unless countersigned by **our** authorized representative.

  
Beth W. Murphy  
Secretary

  
John Ammendola  
President

## Notice - Offer of Terrorism Coverage

### Notice - Disclosure of Premium

Coverage for Certified Acts of Terrorism is included in your **existing policy**.

The purpose of this notice is to give you the option to either **1)** continue to accept coverage for Certified Acts of Terrorism **2)** reject Certified Acts of Terrorism and accept a limited coverage (if available for your line of business) or **3)** reject all Certified Acts of Terrorism coverage and limited coverage options for your renewal policy.

The Terrorism Risk Insurance Act establishes a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. The Act requires us to notify you that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term "act of Terrorism" means any act or acts that is certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security and 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 certain air carriers or vessels 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.

In accordance with the Terrorism Risk Insurance Act, we are required to offer you coverage for losses resulting from an act of terrorism that is certified under the federal program. The policy's other provisions will still apply to such an act. You should read your policy and review your declaration page for complete information.

You may choose to reject this offer by signing the REJECTION STATEMENT and returning it to us or your agent within 90 days of the effective date of your policy. If you reject, there are limited coverage options you may select from (if available for your line of business). These limited options are not required and are described in the **OPTIONAL LIMITED COVERAGES** section.

See the section of this Notice titled **DISCLOSURE OF PREMIUM**. Your policy will be endorsed to include Terrorism coverage unless you choose to reject Terrorism coverage by signing this form and returning it to your agent within 90 days of the policy effective date.

If you sign the rejection statement and return to your agent, your policy will be endorsed to exclude Terrorism coverage.

In **Georgia, Illinois, Iowa, Wisconsin, and Virginia**, for first party property coverage, the terrorism exclusion makes an exception for (and thereby provides coverage for) fire losses resulting from an act of terrorism. The additional premium for fire coverage only is stated in the **DISCLOSURE OF PREMIUM**.

In **Virginia**, you may also choose to reject the exception for fire losses resulting from Certified Acts of Terrorism.

If you choose to reject Certified Acts of Terrorism coverage, you will need to check the appropriate box in the **REJECTION STATEMENT** section and indicate your selection for limited coverage and/or for resulting fire loss coverage (in applicable states).

## DISCLOSURE OF PREMIUM

### All States:

If you accept this offer for Certified Acts of Terrorism coverage, the premium for terrorism coverage is \$ 2.00

### Georgia, Illinois, Iowa, Wisconsin, and Virginia:

If you reject this offer for Certified Acts of Terrorism coverage, the premium for terrorism (fire only) coverage is

### OPTIONAL LIMITED COVERAGES (\*\*not available for Inland Marine policies\*\*)

Upon rejection of Certified Acts of Terrorism coverage, the Company offers two limited coverage options. The first excludes coverage for Certified Acts of Terrorism only when such acts qualify as a nuclear, biological, chemical or radiological terrorism event, and covers other acts of terrorism subject to underlying policy exclusions. Coverage for Certified Acts of Terrorism under this endorsement is subject to the statutory cap on liability for losses provided by the Act. The second provides coverage based on a sub-limit (a lower limit than the limit that applies to other perils). The sub-limit applies on an annual aggregate basis. Coverage for acts of terrorism that are not certified (for example, acts which do not exceed the dollar threshold for federal certification or acts which occur outside the jurisdictional boundary of the federal Program) remains subject to full underlying limits. If you choose to reject Certified Acts of Terrorism and wish to accept either of these coverages you will need to indicate your selection and return this signed form.

If you reject this offer for Certified Acts of Terrorism coverage, you have the option to select one of the following limited coverages. Contact your insurance agent if you wish to obtain limited coverage for a certified act of terrorism and the associated premium.

Exclusion of Certified Acts of Terrorism Involving Nuclear, Biological, Chemical or Radiological Terrorism; Cap On Covered Certified Acts Losses

Limitation of Coverage for Certified Acts of Terrorism (Sub-Limits Apply)

## DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

You should know that where coverage is provided by this policy for losses resulting from Certified Acts of Terrorism, such losses may be partially reimbursed by the United States Government under a formula established by Federal Law. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion of nuclear events. Under the formula, the United States Government generally reimburses 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is provided above under **DISCLOSURE OF PREMIUM** and does not include any charges for the portion of loss that may be covered by the Federal Government under the Act.

### LIMITATION ON PAYMENT OF TERRORISM LOSSES

The Terrorism Risk Insurance Act contains a \$100 Billion cap that limits U.S. Government reimbursement as well as insurer's liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 Billion. If the aggregate insured losses for all insurers exceed \$100 Billion, your coverage may be reduced.

**REJECTION STATEMENT (Sign and return this rejection ONLY if you wish to reject certified acts of terrorism.)**

- ☐ I hereby reject the offer of terrorism coverage. In Georgia, Illinois, Iowa, Wisconsin, and Virginia, fire losses resulting from an act of terrorism will continue to be covered.
- ☐ **Virginia only:** I hereby reject the offer of terrorism coverage, including rejection of fire losses resulting from an act of terrorism.  
Note: Fire losses only apply to first party property coverage.

**OPTIONAL LIMITED COVERAGES (\*\*not available for Inland Marine policies\*\*)**

Upon rejection of Certified Acts of Terrorism coverage, the Company offers one of the following limited coverages for Certified Acts of Terrorism.

- ☐ Exclusion of Certified Acts of Terrorism Involving Nuclear, Biological, Chemical or Radiological Terrorism; Cap On Covered Certified Acts Losses
- ☐ Limitation of Coverage for Certified Acts of Terrorism (Sub-Limits Apply)

**I understand that an exclusion of certain terrorism losses will be made part of this policy.**

EDEN PRAIRIE SOCCER CLUB

Print Name of Insured or Applicant

Signature of Insured or Applicant

BP 2043713

Policy Number

7/1/2025

Policy Effective Date

Date Signed

Integrity Insurance Company

Insurance Company

Return the signed and dated form to your agent or:

**Integrity Insurance Companies  
ATTN: Commercial Lines Business Unit  
P.O. Box 25195  
Lehigh Valley PA 18002-5195**

**Grange Insurance Company  
Grange Indemnity Insurance Company  
Grange Insurance Company of Michigan  
Trustgard Insurance Company  
Integrity Insurance Company  
Integrity Property & Casualty Insurance Company  
Integrity Select Insurance Company**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

### **SCHEDULE**

<b>Designation Of Premises (Part Leased To You):</b> 6484 Carlson Dr, Eden Prairie, MN 55346-1729
<b>Name Of Person(s) Or Organization(s) (Additional Insured):</b> EDEN PRAIRIE FINANCIAL
<b>Additional Premium:</b> \$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**Section II – Liability** is amended as follows:

**A. The following is added to Paragraph C. Who Is An Insured:**

3. The person(s) or organization(s) shown in the Schedule is also an additional insured, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule.

However:

- a. The insurance afforded to such additional insured only applies to the extent permitted by law; and
- b. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B. With respect to the insurance afforded to these additional insureds the following additional exclusions apply:**

This insurance does not apply to:

1. Any "occurrence" that takes place after you cease to be a tenant in the premises described in the Schedule.

2. Structural alterations, new construction or demolition operations performed by or for the person(s) or organization(s) designated in the Schedule.

**C. With respect to the insurance afforded to these additional insureds, the following is added to Paragraph D. Liability And Medical Expenses Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits Of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits Of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYEE BENEFITS LIABILITY COVERAGE**

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.  
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

### **SCHEDULE**

<b>Employee Benefits Program:</b>			
<b>Limit Of Insurance</b>		<b>Deductible (Each Employee)</b>	<b>Premium</b>
<b>Each Employee</b>	<b>Aggregate</b>		
\$ 300,000	\$ 900,000	\$ 1,000	\$
<b>Retroactive Date:</b> 09/13/2017			
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

**A. Section II – Liability** is amended as follows:

1. The following is added to Paragraph **A. Coverages:**

**Coverage – Employee Benefits Liability**

**a. Insuring Agreement**

- (1) We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

- (a) The amount we will pay for damages is limited as described in Paragraph 4. of this endorsement; and

- (b) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- (2) This insurance applies to damages only if:
- (a) The act, error or omission is negligently committed in the "administration" of your "employee benefit program";
- (b) The act, error or omission did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and

(c) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph **a.(3)** below, during the policy period or an Extended Reporting Period we provide under Paragraph **6.** of this endorsement.

(3) A "claim" seeking damages will be deemed to have been made at the earlier of the following times:

(a) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or

(b) When we make settlement in accordance with Paragraph **a.(1)** above.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the "claim".

(4) All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

#### **b. Exclusions**

This insurance does not apply to:

**(1) Dishonest, Fraudulent, Criminal Or Malicious Act**

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission committed by any insured, including the willful or reckless violation of any statute.

**(2) Bodily Injury, Property Damage Or Personal And Advertising Injury**

"Bodily injury", "property damage" or "personal and advertising injury".

**(3) Failure To Perform A Contract**

Damages arising out of failure of performance of contract by any insurer.

**(4) Insufficiency Of Funds**

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

**(5) Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation**

Any "claim" based upon:

(a) Failure of any investment to perform;

(b) Errors in providing information on past performance of investment vehicles; or

(c) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

**(6) Workers' Compensation And Similar Laws**

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

**(7) ERISA**

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

**(8) Available Benefits**

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

**(9) Taxes, Fines Or Penalties**

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

**(10) Employment-related Practices**

Damages arising out of wrongful termination of employment, discrimination or other employment-related practices.



2. For the purposes of the coverage provided by this endorsement:

- a. All references to Supplementary Payments are replaced by Supplementary Payments and Employee Benefits Liability.
- b. Paragraphs **f.(1)(b)**, **f.(2)** and **f.(3)** Coverage Extension – Supplementary Payments do not apply.

3. For the purposes of the coverage provided by this endorsement, Paragraph **C.2. Who Is An Insured** is replaced by the following:

2. Each of the following is also an insured:

- a. Each of your "employees" who is or was authorized to administer your "employee benefit program".
- b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.
- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this endorsement.

4. For the purposes of the coverage provided by this endorsement, Paragraph **D. Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

**a. Limits Of Insurance**

- (1) The Limits Of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
  - (a) Insureds;
  - (b) "Claims" made or "suits" brought;
  - (c) Persons or organizations making "claims" or bringing "suits";
  - (d) Acts, errors or omissions; or
  - (e) Benefits included in your "employee benefit program".
- (2) The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

(3) Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:

- (a) An act, error or omission; or
- (b) A series of related acts, errors or omissions;

negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations of the policy to which this endorsement is attached, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

**b. Deductible**

- (1) Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The Limits of Insurance shall not be reduced by the amount of this deductible.
- (2) The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.

(3) The terms of this insurance, including those with respect to:

- (a) Our right and duty to defend any "suits" seeking those damages; and
- (b) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim";

apply irrespective of the application of the deductible amount.

(4) We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.

5. For the purposes of the coverage provided by this endorsement, Paragraph **E.2. Duties In The Event Of Occurrence, Offense, Claim Or Suit** is replaced by the following:

**2. Duties In The Event Of An Act, Error Or Omission, Or Claim Or Suit**

a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:

- (1) What the act, error or omission was and when it occurred; and
- (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

b. If a "claim" is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must also see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.

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

6. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added:

**Extended Reporting Period**

a. You will have the right to purchase an Extended Reporting Period, as described below, if:

- (1) This endorsement is canceled or not renewed; or
- (2) We renew or replace this endorsement with insurance that:
  - (a) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
  - (b) Does not apply to an act, error or omission on a claims-made basis.

b. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.

c. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- (1) The "employee benefit programs" insured;
- (2) Previous types and amounts of insurance;

(3) Limits of Insurance available under this endorsement for future payment of damages; and

(4) Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period.

d. If the Extended Reporting Period is in effect, we will provide an Extended Reporting Period Aggregate Limit of Insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The Extended Reporting Period Aggregate Limit of Insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.

Paragraph 4.a.(2) of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph 4.a.(3).

7. For the purposes of the coverage provided by this endorsement, the following definitions are added to Paragraph F. **Liability And Medical Expenses Definitions:**

a. "Administration" means:

- (1) Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
- (2) Handling records in connection with the "employee benefit program"; or
- (3) Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.

b. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pretax dollars.

c. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.

d. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:

(1) Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;

(2) Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;

(3) Unemployment insurance, social security benefits, workers' compensation and disability benefits;

(4) Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family and civil leave; tuition assistance plans; transportation and health club subsidies; and

(5) Any other similar benefits designated in the Schedule or added thereto by endorsement.

8. For the purposes of the coverage provided by this endorsement, Paragraphs F.5. and F.18. **Liability And Medical Expenses Definitions** are replaced by the following:

5. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

18. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**B. Section III – Common Policy Conditions** is amended as follows:

For the purposes of the coverage provided by this endorsement, Paragraph 2. under **H. Other Insurance** is replaced by the following:

- 2. This Employee Benefits Liability insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

That is effective prior to the beginning of the policy period shown in the Declarations of the policy to which this endorsement is attached and that applies to an act, error or omission on other than a claims-made basis, if:

- a. No Retroactive Date is shown in the Schedule of this endorsement; or
- b. The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this endorsement.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## UTILITY SERVICES – TIME ELEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

### SCHEDULE

Premises Number	Building Number	Utility Services Limit Of Insurance	Water Supply Property ("X" If Applies)	Waste- water Removal Property	Communication Supply Property	Power Supply Property
					Overhead Transmission Lines Enter Either "Included" Or "Not Included" (If Applicable)	
		\$				
		\$				
		\$				

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The coverage provided by this endorsement is subject to the provisions of Section I – Property, except as provided below.

**A. The following is added to Paragraph A. Coverage:**

We will pay for loss of Business Income or Extra Expense at the described premises caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the property described in Paragraph C. of this endorsement if such property is indicated by an "X" in the Schedule.

**B. Exception**

Coverage under this endorsement does not apply to Business Income loss or Extra Expense related to interruption in utility service which causes loss or damage to "electronic data", including destruction or corruption of "electronic data".

**C. Utility Services**

1. Water Supply Property, meaning the following types of property supplying water to the described premises:
  - a. Pumping stations; and
  - b. Water mains.
2. Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities.

Coverage under this endorsement does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

3. Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

- a. Communication transmission lines, including optic fiber transmission lines;
- b. Coaxial cables; and
- c. Microwave radio relays except satellites.

It does not include overhead transmission lines unless indicated in the Schedule.

4. Power Supply Property, meaning the following types of property supplying electricity, steam or gas to the described premises:

- a. Utility generating plants;
- b. Switching stations;

- c. Substations;
- d. Transformers; and
- e. Transmission lines.

It does not include overhead transmission lines unless indicated in the Schedule.

D. As used in this endorsement, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

E. Paragraph C. **Limits Of Insurance** is replaced by the following:

**C. Limits Of Insurance**

The most we will pay for loss or damage in any one occurrence is the Limit Of Insurance shown in the Schedule as applicable to the Covered Property.

**COMMERCIAL CYBER COVERAGE FORM**

THIS ENDORSEMENT'S AGGREGATE LIMIT OF INSURANCE WILL BE REDUCED AND MAY BE EXHAUSTED BY PAYMENT OF THE COVERAGE PROVIDED BY THIS ENDORSEMENT, INCLUDING WITHOUT LIMITATION, PAYMENTS FOR DAMAGES, CLAIMS, CLAIM EXPENSES, REGULATORY FINES, LOSSES, PRIVACY BREACH EXPENSES, DATA REPLACEMENT EXPENSES, COMPUTER SYSTEM RESTORATION EXPENSES, EXTORTION THREAT LOSSES, DEFRAUDED FUNDS, PCI FINES, AND BUSINESS INCOME LOSS.

FOR THE AVOIDANCE OF DOUBT, CLAIM EXPENSES ARE INCLUDED WITHIN, REDUCE, AND MAY EXHAUST THE APPLICABLE LIMITS OF LIABILITY.

THIS ENDORSEMENT PROVIDES INDEPENDENT COVERAGES, TERMS, AND DEFINITIONS.

**PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY**

Various provisions in this **Endorsement** restrict coverage, and coverage is subject to certain conditions precedent set forth in this Endorsement. Read the entire **Endorsement** carefully to determine what is and what is not covered, and the rights and duties of the **Named Insured** and the **Company**.

**Schedule of insurance**

Coverage	Limits of Insurance / Sublimits of Insurance
<b>ENDORSEMENT AGGREGATE COVERAGE LIMIT OF INSURANCE</b>	<b>\$ 100,000</b>
<b>A. LIABILITY COVERAGE LIMIT (Inclusive of the following Insuring Agreements):</b>	<b>\$ 50,000</b>
1. Media	
2. Network Security	
3. Data Compromise	
a. Privacy	
b. Regulatory Coverage	
Regulatory Fines (Sublimit)	<b>\$10,000 each Regulatory Proceeding Claim</b>
<b>B. FIRST PARTY COVERAGE LIMIT (Inclusive of the following Insuring Agreements):</b>	<b>\$ 50,000</b>
1. Privacy Breach	
2. System Compromise	
3. Extortion Threat (Sublimit)	<b>\$10,000 each Extortion Threat Event</b>
4. Funds Transfer Fraud (Sublimit)	<b>\$10,000 each Funds Transfer Fraud Event</b>
5. Payment Card Industry (Sublimit)	<b>\$10,000 each PCI Security Violation Event</b>
6. Business Interruption (Sublimit Subject to the ENDORSEMENT AGGREGATE COVERAGE Limit at the top of this schedule)	<b>\$ 25,000 each Business Interruption Event</b>
<b>C. PER EVENT DEDUCTIBLE</b>	<b>\$ 2,500</b>
<b>D. PER EVENT BUSINESS INTERRUPTION WAITING PERIOD</b>	<b>24 Hours HOURS</b>
<b>E. ENDORSEMENT PREMIUM</b>	<b>\$</b>

**ENDORSEMENT PERIOD** From 07/01/2025 to 07/01/2026

At 12:01 A.M. Standard Time at the address of the **Named Insured** as stated herein.

In consideration of the payment of the premium, in reliance on all information provided to the **Company**, and subject to all provisions of this **Endorsement**, the **Named Insured** and **Company** agree as follows:

## **SECTION I: INSURING AGREEMENTS**

This Section lists the coverages that apply if indicated in the Schedule of Insurance and have a Limit of Insurance on the Schedule. If no Limit of Insurance is set forth for an Insuring Agreement in the Schedule, coverage has not been purchased for such Insuring Agreement. For coverage under this **Endorsement**, the applicable **Event** must be first **Discovered** during the **Endorsement Period** and reported to the **Company** in accordance with Section IV.A.

### **A. LIABILITY COVERAGE**

#### **1. MEDIA**

The **Company** will pay on the **Insured's** behalf the **Damages** resulting from a **Claim** directly arising from a **Media Wrongful Event**, provided the **Media Wrongful Event** is first **Discovered** during the **Endorsement Period**.

#### **2. NETWORK SECURITY**

The **Company** will pay on the **Insured's** behalf the **Damages** resulting from a **Claim** directly arising from a **Network Security Event**, provided the **Network Security Event** is first **Discovered** during the **Endorsement Period**.

#### **3. DATA COMPROMISE**

##### **a. PRIVACY**

The **Company** will pay on the **Insured's** behalf the **Damages** resulting from a **Claim** directly arising from a **Privacy Breach Event**, provided the **Privacy Breach Event** is first **Discovered** during the **Endorsement Period**.

##### **b. REGULATORY**

The **Company** will pay on the **Insured's** behalf the **Regulatory Fines** and **Claim Expenses** resulting from a **Regulatory Proceeding Claim** directly arising from a **Privacy Breach Event**, provided the **Privacy Breach Event** is first **Discovered** during the **Endorsement Period**.

### **B. FIRST PARTY COVERAGE**

#### **1. PRIVACY BREACH**

The **Company** will pay the **Named Insured** for **Privacy Breach Expenses** directly arising from a **Privacy Breach Event**, provided the **Privacy Breach Event** is first **Discovered** during the **Endorsement Period**.

#### **2. SYSTEM COMPROMISE**

The **Company** will pay the **Named Insured** for **Data Replacement Expenses** and **Computer System Restoration Expenses** directly arising from a **System Compromise Event**, provided the **System Compromise Event** is first **Discovered** during the **Endorsement Period**.

#### **3. EXTORTION THREAT**

The **Company** will pay the **Named Insured** for **Extortion Threat Losses** directly arising from an **Extortion Threat Event**, provided the **Extortion Threat Event** is first **Discovered** during the **Endorsement Period**.

#### **4. FUNDS TRANSFER FRAUD**

The **Company** will pay the **Named Insured** for **Defrauded Funds** first transferred during the **Endorsement Period** and directly arising from a **Funds Transfer Fraud Event**, provided the **Funds Transfer Fraud Event** is first **Discovered** during the **Endorsement Period**.



5. PAYMENT CARD INDUSTRY

The **Company** will pay the **Named Insured** for **PCI Fines** resulting from a **PCI Claim** directly arising from a **PCI Security Violation Event**, provided the **PCI Security Violation Event** is first **Discovered** during the **Endorsement Period**.

6. BUSINESS INTERRUPTION

The **Company** will pay the **Named Insured** for the **Business Income Loss** incurred during a **Reconstruction Period** and directly arising from a **Business Interruption Event**, provided the **Business Interruption Event** is first **Discovered** during the **Endorsement Period**.

## **SECTION II: LIMITS OF INSURANCE AND DEDUCTIBLE**

### **A. LIMITS OF INSURANCE**

1. ENDORSEMENT AGGREGATE COVERAGE LIMIT OF INSURANCE

The Endorsement Aggregate Coverage Limit of Insurance for the **Endorsement Period** set forth in the Schedule is the maximum aggregate limit of the **Company's** liability under all Insuring Agreements in this **Endorsement** combined, regardless of the number of **Claims**, the number of **Losses**, the number of claimants, and the number of Insuring Agreements triggered.

The Liability Coverage Limits, including sublimits, and the First Party Coverage Limits, including sublimits, listed in the Schedule are all part of, and not in addition to, the Endorsement Aggregate Coverage Limit of Insurance set forth in the Schedule.

2. LIABILITY LIMIT OF INSURANCE

If a Limit of Insurance is set forth in the Schedule under the heading "Liability Coverage Limit" for an Insuring Agreement in Section **I.A.** of this Endorsement, then such Limit of Insurance is the maximum limit of the **Company's** liability for all **Damages** from all **Claims** and **Related Claims** in the aggregate under that Insuring Agreement, which amount is part of, and not in addition to, the Liability Coverage Limit and the Endorsement Aggregate Coverage Limit of Insurance for the **Endorsement Period** set forth in the Schedule.

3. FIRST PARTY COVERAGE LIMIT OF INSURANCE

If a Limit of Insurance is set forth in the Schedule under the heading "First Party Coverage Limit" for an Insuring Agreement in Section **I.B.** of this Endorsement, then such Limit of Insurance is the maximum limit of the **Company's** liability for each **Loss** and **Related Losses** in the aggregate under that Insuring Agreement, which amount is part of, and not in addition to, the First Party Coverage Limit and the Endorsement Aggregate Coverage Limit of Insurance for the **Endorsement Period** set forth in the Schedule.

### **B. DEDUCTIBLE**

1. The **Company** shall only be liable for the amount of **Damages** or **Loss** which is in excess of the applicable Deductible set forth in the Schedule. Such Deductible shall solely be the obligation of the **Named Insured**. The **Company** has no obligation to the **Named Insured** or to any other person or entity to pay all or any portion of any Deductible amount for or on behalf of the **Named Insured**.
2. For the purpose of applying the Deductible, the **Named Insured** shall pay one single Deductible amount for **Damages** and **Loss** arising from the same **Event** or **Related Events**, regardless of whether there is more than one **Claim** or **Loss** arising from the same **Event** or **Related Events**.

### **C. RELATED EVENTS, RELATED CLAIMS, RELATED LOSS**

1. Each **Event** and all its **Related Events** shall be treated as a single **Event**.
2. Each **Claim** and all its **Related Claims** shall be treated as a single **Claim**.
3. Each **Loss** and all its **Related Losses** shall be treated as a single **Loss**.

#### D. ENDORSEMENT PERIODS

In no event will any **Event** or **Related Event**, **Claim** or **Related Claim**, or **Loss** or **Related Loss** constitute an **Event**, **Claim**, or **Loss** (as applicable) in more than one **Endorsement Period**.

### **SECTION III: DEFENSE AND SETTLEMENT**

#### A. DUTY TO DEFEND

##### 1. Duty to Defend

The **Company** has the right and duty to defend any **Claim** against the **Insured** seeking **Damages** under this **Endorsement**, even if any of the allegations are groundless, false, or fraudulent. The **Company** has no duty to defend any **Claim** or pay any **Damages** for a **Claim**:

- a. Arising from an **Event** not first **Discovered** during the **Endorsement Period**;
- b. Which is not covered by this **Endorsement**; or
- c. Seeking relief not covered by this **Endorsement**.

##### 2. Termination of Duty to Defend

- a. The **Company's** right and duty to defend ends when the Endorsement Aggregate Coverage Limit of Insurance or applicable Limit of Insurance is exhausted by the **Company's** payments or the **Company** deposits the remaining portion of the Endorsement Aggregate Coverage Limit of Insurance or applicable Limit of Insurance with a court of competent jurisdiction.
- b. The **Company's** right and duty to defend ends when the **Company** makes any of the following determinations: (i) the **Claim** arises from an **Event** not first **Discovered** during the **Endorsement Period**, (ii) the **Claim** is not covered by this **Endorsement**, or (iii) the **Claim** seeks relief that is not covered by this **Endorsement**.

##### 3. Selection of Counsel

The **Company** shall have the right to select and appoint counsel to defend any **Claim**. The **Insured** shall not appoint counsel to defend any **Claim** without **Approval** in advance. Any costs incurred by an **Insured** for work performed by counsel, when that counsel was not **Approved**, shall be borne by the **Insured** and shall not erode the applicable Deductible set forth in the Schedule or be recoverable under this **Endorsement**. The **Company** shall have the right to substitute its chosen counsel for any counsel previously selected by the **Insured** without **Approval** unless otherwise prohibited by applicable law.

#### B. SETTLEMENT

The **Company** has the right to investigate, direct the defense of, and/or settle any **Claim** as the **Company** deems expedient.

#### C. COMPANY'S APPROVAL REQUIRED

It is a condition precedent for coverage under this **Endorsement** that the **Insured** shall not admit any liability, make any payment, assume any obligation, incur any expense, enter into or negotiate any settlement, stipulate to any judgment or award, or dispose of any **Claim** without **Approval**.

## **SECTION IV: REPORTING REQUIREMENTS**

### **A. INSURED'S DUTY TO REPORT**

#### **1. NOTICE IS A CONDITION PRECEDENT TO COVERAGE**

It is a condition precedent to coverage under this **Endorsement** that if a **Knowledge Group Member** first **Discovers** during the **Endorsement Period** any **Event** (including each **Related Event**, if any), **Claim** (including each **Related Claim**, if any), **Loss** (including each **Related Loss**, if any), or **Circumstances**, an **Insured** must provide written notice to the **Company** of such **Event, Claim, Loss** or **Circumstances**, such notice to include the information set forth in Section IV. A. 2 below, and to be provided as soon as practicable, but in all cases no later than thirty (30) days after first **Discovered**.

It is a condition precedent to coverage under this **Endorsement** that if the **Company** sends written notice to the **Named Insured** that this **Endorsement** is being cancelled for non-payment of premium, the **Named Insured** must provide written notice to the **Company** of any **Event, Claim, Loss** or **Circumstances** in accordance with the prior paragraph, but in any event no later than the earlier of: (i) thirty (30) days after such **Event, Claim, Loss** or **Circumstances** is first **Discovered**, and (ii) prior to the effective date of the cancellation.

Such notices must be sent to the **Company**. Notice to any **Vendor** (including lawyers, experts, and litigation support staff) does not constitute notice to the **Company** of an **Event, Claim, Loss** or **Circumstances** under this **Endorsement**.

#### **2. INFORMATION TO BE INCLUDED IN NOTICES**

In providing the notice under **A.1**, of this Section **IV**, each notice must include a written report with the following information:

- a. If notice is of an **Event**, then a description of the **Event**, when and how the **Knowledge Group Member** first **Discovered** the **Event**, the **Circumstances** giving rise to the **Event**, and any **Claim** or **Loss** reasonably expected to arise from that **Event**.
- b. If notice is of a **Claim**, or of an **Event** or **Circumstances** reasonably likely to give rise to a **Claim**, then a description of the **Claim**; when and how the **Knowledge Group Member** first **Discovered** the **Claim**; the names of the claimant or potential claimant, the **Impacted Individuals**, the **Impacted Entities**, and any other persons or entities involved; the specific **Third Party Liability Event** or regulatory proceeding which may form the basis of the **Claim**; all pleadings and other documents setting forth the **Claim** or notifying an **Insured** of the **Claim**; the **Circumstances** giving rise to the **Claim**; and the nature and extent of any potential **Damages**.
- c. If notice is of a **Loss**, or of an **Event** or **Circumstances** reasonably likely to give rise to a **Loss**, then a description of the **Loss**, when and how the **Knowledge Group Member** first **Discovered** the **Loss**, the **Circumstances** giving rise to the **Loss**, and the nature and extent of any potential **Loss**.
- d. If the notice is of **Circumstances**, then, in addition to the information in A.2.a., b., and c. above, a description of the **Circumstances**, when and how the **Knowledge Group Member** first **Discovered** the **Circumstances**, the reason the **Knowledge Group Member** believes such **Circumstances** are reasonably likely to result in an **Event, Claim** or **Loss**, and the nature and extent of any potential **Damages** or **Loss**.

#### **3. REPORTS OF MALICIOUS CODES AND EXPLOITS**

For **Network Security Events, System Compromise Events**, and **Extortion Threat Events** based upon, arising out of, attributable to, caused by or resulting from **Malicious Code** or **Exploit**, the **Named Insured** must provide the **Company** as soon as possible with (a) any identifying characteristics, markers, or other information which may identify the **Malicious Code** or **Exploit** involved in the **Event**, and (b) a written report by a forensic **Vendor** which identifies the **Malicious Code** or **Exploit** involved in the **Event**, such report be provided to the **Company** no later than thirty (30) days after the first **Discovery** of such **Event**.

For all other **Events**, such a report must be provided at the **Company's** request.

## B. NO COVERAGE

1. No coverage under this **Endorsement** will be provided for:
  - a. Any **Damages** incurred or paid prior to the time the **Company** is notified of the **Claim** or any **Related Claim** pursuant to Section **IV.A.**; or
  - b. Any **Loss** incurred or paid prior to the time the **Company** is notified of a **Loss** or any **Related Loss** pursuant to Section **IV.A.** However, this prior notice requirement does not apply to (i) **Defrauded Funds** if notice of the **Funds Transfer Fraud Event** is provided in compliance with Section **IV. A.**, or to (ii) **Business Income Loss**, if notice of the **Business Interruption Event** is provided in compliance with Section **IV. A.**
2. No coverage under this **Endorsement** will be provided if any **Insured** reports any matter knowing or having reason to know it to be false or fraudulent.

## C. DETERMINATION OF FIRST DISCOVERY

1. Each **Claim** and all its **Related Claims**, whenever made, will be deemed a single **Claim** first **Discovered** on the earlier of the following:
  - a. When the **Event** giving rise to the **Claim** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence; and
  - b. When the earliest of the **Related Claims** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence.

This Section **IV.C.1.** applies regardless of the following:

- a. The number of **Related Claims**;
  - b. The number or identity of **Impacted Individuals**, **Impacted Entities**, or any other persons, entities, or claimants involved;
  - c. Whether the **Related Claims** are asserted in a class action or otherwise; or
  - d. The timing of the **Related Claims**, even if the **Related Claims** were received or **Discovered** in more than one **Endorsement Period**.
2. **Loss** and all its **Related Losses**, whenever occurring, will be deemed a single **Loss** first **Discovered** on the earlier of the following:
    - a. When the **Event** giving rise to the **Loss** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence; and
    - b. When the earliest of the **Related Losses** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence.

This Section **IV.C.2.** applies regardless of the following:

- a. The number of **Related Losses**;
  - b. The number or identity of **Impacted Individuals**, **Impacted Entities**, or any other persons or entities involved; or
  - c. The timing of the **Related Losses**, even if the **Related Losses** occurred or were **Discovered** in more than one **Endorsement Period**.
3. Each **Event** and all its **Related Events**, whenever occurring, will be deemed a single **Event** first **Discovered** on the earliest of the following:
    - a. When the **Event** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence;

- b. When the earliest of the **Related Events** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence; and
- c. When the earliest **Circumstances** were first **Discovered**, or could have been **Discovered** through the exercise of due diligence.

This Section **IV.C.3.** applies regardless of the following:

- a. The number of **Related Events** or **Circumstances**;
- b. The number or identity of **Impacted Individuals**, **Impacted Entities**, or any other persons, entities, or claimants involved; or
- c. The timing of the **Related Events** or **Circumstances**, even if the **Related Events** or **Circumstances** occurred or were **Discovered** in more than one **Endorsement Period**.

For purposes of this Section **IV.C.**, due diligence includes but is not limited to compliance with Section **V**.

## **SECTION V: DUE DILIGENCE AND COOPERATION**

### **A. DUE DILIGENCE REQUIREMENTS**

1. It is a condition precedent to coverage under this **Endorsement** that the **Named Insured** must, at its sole cost and expense, use due diligence to prevent and mitigate against any **Damages** or **Loss**, and to protect and monitor the security of **Protected Information** and its **Computer System**. This includes, but is not limited to:
  - a. Providing and maintaining appropriate physical security for the **Named Insured's** premises and the **Computer System**;
  - b. Performing and installing all available software updates and patches as soon as practicable but in no event later than thirty (30) days from the time the update or patch becomes available;
  - c. Installing, maintaining, monitoring, and updating firewalls, virus scans and anti-virus software, and ensuring that the foregoing are active and in use for the **Computer System**;
  - d. Providing and running a data backup system at appropriate intervals, including without limitation performing a full backup of the **Computer System** at least once every thirty (30) days;
  - e. Providing and maintaining password protection and encryption for all **IOT Devices**, **Portable Devices** and **Peripheral Hardwired Devices**;
  - f. Providing and maintaining encryption for **Protected Information** and financial transactions such as credit card, debit card, and check processing; and
  - g. Providing and maintaining secure disposal procedures for files containing **Protected Information** no longer needed for use.
2. It is a condition precedent to coverage under this **Endorsement** for any **Funds Transfer Fraud Event** that the **Named Insured** must have a written policy in place which requires a **Knowledge Group Member** to contact the party identified as requesting the funds transfer to confirm the requested amount and the payment instructions (payee name, address and account number, and routing number, if applicable) either in person or by phone, using a phone number obtained from a source other than the funds transfer request communication, when the funds transfer request is for a new payee or when the request includes or has been recently preceded by any change in payment instructions from previous requests.

### **B. COOPERATION**

The **Insured** agrees not to take any action, or fail to take any requested action, that prejudices the **Insured's** rights or the **Company's** rights with respect to a **Claim** or **Loss**. In the event of a **Claim** or a **Loss**, the **Insured** must do the following upon the **Company's** request:

1. Fully assist and cooperate with the **Company** in the conduct, defense, investigation, negotiation, and settlement of a **Loss** or **Claim** or investigation of coverage of a **Loss** or **Claim**;

2. Submit to an examination under oath; provide the **Company** with written statements; attend meetings and negotiations; produce and make available all information, books, records, documents, and other materials which the **Company** deems relevant; and authorize the **Company** to obtain records and other information;
3. Take additional steps to protect the **Computer System** and **Protected Information** from further loss or damage and keep a record of the expenses necessary to do so;
4. Attend hearings, depositions, proceedings, trials, and appeals;
5. Assist the **Company** in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and pursuing or enforcing any right of contribution or indemnity against a person or entity who may be liable to the **Insured**;
6. Accept the **Company's** assignment of counsel unless otherwise prohibited by applicable law; and
7. Provide reports of forensic **Vendors** that identify the **Malicious Code** or **Exploit** involved in the **Event** as soon as possible; provided that this provision supplements, and does not replace, the reporting requirements set forth in Section **IV.A**.

## **SECTION VI: EXCLUSIONS**

**A.** The **Company** shall not be liable to pay, indemnify or reimburse for any **Claim, Damages** or **Losses** based upon, arising out of, attributable to, caused by or resulting from, whether actual or alleged:

1. Any of the following:
  - a. Intentional creation or distribution of **Malicious Code** or **Exploit** by any **Insured**;
  - b. Unauthorized tampering with any **Computer System** by any **Insured**; or
  - c. Any dishonest, fraudulent, criminal, malicious, or willful act, error, or omission by any **Insured**.
2. Any **Mass Event**.
3. Any of the following:
  - a. Failure, interruption of service, or defect by third parties;
  - b. Misconfiguration of information technology systems, including but not limited to domain name system configuration changes and domain name hijacking, by third parties;
  - c. Unauthorized access or unauthorized use of a third party's computer system;
  - d. Malicious insider activity of or by third parties; or
  - e. Distribution of **Malicious Code** or **Exploit** by third parties,

in each case that impact the **Computer System** and cause **Claims, Losses** or **Damages**. For the purposes of this exclusion third parties shall refer to (i) any cloud service provider; (ii) any other entity providing to an **Insured**, or servicing for an **Insured**, any hardware or software over the internet; or (iii) any other entity providing software as a service, infrastructure as a service, managed security as a service, platform as a service, or any form of cloud data storage as a service to an **Insured**.

4. Any mechanical or service failure, interruption of service, or defect of:
  - a. Telephone, communications or data transmission lines, equipment or infrastructure;
  - b. Internet system, internet service provider or cloud service provider, device or computer system (other than a **Computer System**, or an internet system owned or leased by and operated under the control of the **Named Insured**); or
  - c. Electricity (including but not limited to power interruption, surge, brownout or blackout), gas, water or other utilities or their equipment or infrastructure (including, but not limited to power lines).
5. Shortcomings, errors or mistakes in any set of instructions (oral, written or electronic), scripts, program, code or software that is executed, run or installed on the **Computer System** either (a) during the course of a legitimate and authorized upgrade, update or maintenance process of any software, firmware or hardware on or part of a **Computer System**, or (b) that are present within the firmware or hardware of a **Computer System** as a result

of the manufacturing process, in each case for (a) and (b), for the purposes of this exclusion, that directly causes **Claims, Losses or Damages**.

6. Any of the following:

- a. Bodily injury, sickness, or disease sustained by a person, including death resulting from any of these at any time;
- b. Physical injury to tangible property, including all resulting loss of use of that property; or
- c. Loss of use of tangible property that is not physically injured.

This exclusion shall not apply to a **Claim** for mental injury, mental anguish, or emotional distress directly resulting from a **Privacy Breach Event** or a **Media Wrongful Event**. For purposes of this exclusion, electronic data is not considered tangible property.

7. Any of the following:

- a. Nuclear reaction, nuclear radiation, radioactive contamination, radioactive substance, electromagnetic field, electromagnetic radiation, or electromagnetism;
- b. Pathogenic or poisonous biological or chemical materials, whether or not man-made, including communicable disease events;
- c. War, invasion, acts of foreign enemies, hostilities (whether war is declared or not), riot, civil unrest, rebellion, revolution, insurrection, war-like action, coup, usurped powers or military power, including but not limited to those by state-sponsored actors, and action taken by government authority in hindering or defending against any of these; or
- d. Fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event.

8. Any unlawful or unauthorized obtaining, gathering, collecting, acquiring, sharing, using, distribution or sale by an **Insured** of any **Protected Information**. Provided, however, this exclusion shall not apply to **Privacy Breach Expenses, Regulatory Proceedings Claims, or PCI Claims**, in each case directly arising from a **Privacy Breach Event**, and which are otherwise covered under this **Endorsement**.

9. The unsolicited dissemination of any communication to actual or prospective customers of the **Named Insured**, or to any other third party.

10. Any violation of the Telecommunications Act, the CAN-SPAM Act, or any other federal, state or local legislation, regulation or law or common law, either: (a) protecting a person's or entity's right of seclusion or privacy (other than a **Privacy Law**), or (b) addressing the unsolicited distribution, transmission or dissemination of any communication.

11. Any gaining of any profit or advantage to which the **Insured** is not legally entitled.

12. Any patent infringement or theft, copying, display, or publication of any patent, process, or trade secret.

13. Any breach of contract, agreement, understanding, warranty (including but not limited to product warranty), or other guarantee or promise. This exclusion shall not apply to the following:

- a. Solely with respect to actual or alleged breach of contract, liability that would have attached to the **Named Insured** in the absence of such contract; or
- b. **PCI Fines**.

14. Any liability or obligation the **Named Insured**, or anyone acting on behalf of the **Named Insured**, assumes under any contract, agreement, understanding, warranty (including but not limited to product warranty), or other guarantee or promise. This exclusion shall not apply to the following:

- a. Liability that would have attached to the **Named Insured** in the absence of any such contract, agreement, understanding, warranty or other guarantee or promise; or
- b. **PCI Fines**.

15. Any seizure, nationalization, confiscation, destruction, deletion or expropriation of any **Protected Information** or any **Computer System** held or used by an **Insured** by order of any governmental authority.

16. Any of the following:
    - a. Violation of any federal, state, local, foreign legislation, regulation, or law prohibiting any restraint of trade or antitrust activity;
    - b. Any price fixing, price discrimination, monopoly or monopolization, predatory pricing, unfair competition, collusion, or conspiracy;
    - c. Any unfair, false, misleading, or deceptive trade or business practice; or
    - d. Any false, misleading, deceptive, or fraudulent statement or representation in advertising or promoting the products, services, or business of the **Named Insured**; provided, however, that this exclusion will not apply to a **Claim** directly arising from a **Media Wrongful Event**.
  17. Any of the following:
    - a. Discrimination of any kind; or
    - b. Wrongful employment practice of any kind.
  18. Any **Circumstances, Claim, Event, or Loss**:
    - a. That was the subject of notice to another insurer or potential indemnitor prior to the Effective Date of this **Endorsement**; or
    - b. **Discovered** prior to the Effective Date of this **Endorsement**, or could have been **Discovered** through the exercise of due diligence prior to the Effective Date of this **Endorsement**.
  19. The presence, discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, oil or other petroleum substances or derivatives, waste materials or other irritants, contaminants, pollutants or any other substances, including asbestos, fungus, mold and lead, which are or may be injurious to public health, property or the environment ("hazardous substances"), including but not limited to:
    - a. The cost of cleanup or removal of hazardous substances;
    - b. The cost of such actions as may be necessary to monitor, assess and evaluate, the presence, discharge, dispersal, escape, release, or threat of same, of hazardous substances;
    - c. The cost of disposal of hazardous substances or the taking of such other action as may be necessary to temporarily or permanently prevent, minimize, or mitigate damage to the public health or welfare or to property or the environment, which may otherwise result; or
    - d. Any cost, based upon, arising out of, attributable to, caused by or resulting from, or involving in any way any government direction or request that the **Named Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize hazardous substances.
- B. The **Company** shall not be liable to pay for any **Claim** or **Damages** based upon, arising out of, attributable to, caused by or resulting from any **Claim** or **Damages**, whether actual or alleged, by any of the following:
1. Any **Insured** against another **Insured**, except for an otherwise covered **Claim** by an **Insured** under Section I.A.3.a.;
  2. Solely in the case of a **Privacy Breach Event**, by any person or entity other than an **Impacted Individual**, an **Impacted Entity**, or (solely in the case of a **Regulatory Proceeding Claim**) a federal or state regulatory body or regulator;
  3. Any entity owned or controlled by, or which is under common ownership or control with, the **Named Insured**;
  4. Any person or entity which owns or controls the **Named Insured**; or
  5. Any independent contractor of the **Named Insured**.



## **SECTION VII: GENERAL CONDITIONS**

### **A. TERMINATION**

The cancellation and nonrenewal provisions of the policy to which this **Endorsement** is attached shall apply to this **Endorsement**. This **Endorsement** shall remain in effect until the expiration of the **Endorsement Period** unless:

1. The policy to which this **Endorsement** is attached is cancelled or non-renewed prior to the expiration of the **Endorsement Period**; or
2. This **Endorsement** is removed at the request of the **Named Insured**, such removal to be confirmed by further endorsement to the policy.

### **B. CHANGE IN CONTROL**

1. For purposes of this **Endorsement**, a "Sale Transaction" means either of the following that occurs during the **Endorsement Period**:
  - a. The **Named Insured** consolidates or merges with or into, or sells more than 50% of its assets to, any other person or entity or group of persons or entities acting in concert, such that the **Named Insured** is not the surviving entity; or
  - b. Any person or entity or group of persons or entities acting in concert acquire more than 50% of the issued and outstanding voting equity securities of the **Named Insured** or control voting rights representing the right to vote for election of or to appoint more than 50% of the directors or trustees of the **Named Insured**.

In the event of a Sale Transaction, this **Endorsement** shall continue in full force and effect as to any **Event** first **Discovered** prior to the Sale Transaction. There shall be no coverage under this **Endorsement** for any **Event** first **Discovered** after the Sale Transaction. The **Named Insured** shall give the **Company** written notice of the Sale Transaction as soon as practicable but not later than thirty (30) days after the Sale Transaction.

2. For purposes of this **Endorsement**, an "Acquisition Transaction" means any of the following that occurs during the **Endorsement Period**:
  - a. The **Named Insured** consolidates or merges with any other person or entity or group of persons or entities acting in concert such that the **Named Insured** is the surviving entity;
  - b. The **Named Insured** acquires the assets of any other person or entity or group of persons or entities acting in concert, where such assets represent a market value, as of the date of such acquisition, of 10% or greater of the **Named Insured's** market value;
  - c. The **Named Insured** acquires or creates a new entity or subsidiary such that the **Named Insured** holds more than 50% of the issued and outstanding voting equity securities or controls voting rights representing the right to vote for election of or to appoint more than 50% of the directors or trustees of such entity or subsidiary; or
  - d. The subsequent addition of another entity or person as a **Named Insured** in addition to the entity or person listed at the time of the commencement of the **Endorsement Period** as the **Named Insured** on the Policy Declarations to which this **Endorsement** is attached.

In the event of an Acquisition Transaction, then there is coverage under this **Endorsement** for such additional entity, subsidiary or person for any **Claim**, **Loss**, **Event**, or **Circumstances** first **Discovered** within the sixty (60) day period immediately following the Acquisition Transaction or until the end of the **Endorsement Period**, whichever occurs first. There is no coverage for such additional entity, subsidiary or person after that time period unless (i) as soon as practicable but no later than thirty (30) days after the Acquisition Transaction, the **Named Insured** provides the **Company** with notice and the particulars of such Acquisition Transaction; (ii) the **Company** agrees to extend the coverage of this **Endorsement** to such surviving **Named Insured**, newly acquired or created entity or subsidiary, or additional entity or person, as applicable, and the **Company** amends the terms of this **Endorsement** accordingly; and (iii) the **Named Insured** pays any additional premium when due. Such extended coverage does not apply to any **Claim**, **Loss**, **Event**, or **Circumstances** first **Discovered** or that could have been first **Discovered** (either by a **Knowledge Group Member** or equivalent in such

additional entity or subsidiary) through the exercise of due diligence (including but not limited to in compliance with Section V) before the Acquisition Transaction.

#### C. BANKRUPTCY

Bankruptcy or insolvency of the **Named Insured** will not relieve any **Insured** or the **Company** of any obligations nor deprive the **Company** of its rights and defenses under this **Endorsement** unless such obligations are in violation of applicable law.

#### D. EXCESS COVERAGE

This insurance shall be excess of any other insurance that applies to any **Claim, Event, Loss, Circumstances** or **Damages** covered hereunder and shall not contribute with any or all other insurance, including any deductible or retention, whether collectible or not. For avoidance of doubt, this insurance is specifically on an excess basis of any or all crime insurance policies that may be available with respect to any **Funds Transfer Fraud Event**.

#### E. ASSIGNMENT

This **Endorsement** and any and all interests and rights hereunder are not assignable without **Approval**.

#### F. TERMS TO CONFORM TO APPLICABLE LAW

Where necessary, the **Company** shall amend the terms and conditions of this **Endorsement** to conform to applicable law.

#### G. TERRITORY

This **Endorsement** applies to acts committed or **Losses** occurring anywhere in the world except as set forth under "Sanctions" in Section VII.H.; provided, however, that any **Claim** must be brought in the United States.

#### H. SANCTIONS

This Endorsement does not apply, and the **Company** shall not be liable to provide coverage or provide any benefit hereunder, to the extent that the provision of such coverage, payment of such claim or provision of such benefit would be in violation of any trade or economic sanctions law or regulation applicable to the **Company's** jurisdiction of domicile or those of another jurisdiction with which the **Company** is legally obligated to comply, including without limitation any trade or economic sanctions or embargo by the United States.

#### I. LEGAL ACTION AGAINST THE COMPANY

1. No legal action or claim may be brought against the **Company** based upon, arising out of, attributable to, caused by or resulting from this Endorsement unless the following criteria are met:
  - a. There has been full compliance by the **Insureds** with all the terms and conditions of this **Endorsement**; and
  - b. The action is brought within the limit of time provided under applicable law, but in no event later than sixty (60) months from the date the **Knowledge Group Member** first **Discovers** the earliest of any **Circumstances, Claim, Event** or **Loss** pertaining to such action.
2. In the event that the requirements set forth in Section VII.I.1. have been complied with, with respect to a legal action or claim against the **Company**, the amount of damages and losses shall be limited to the following:
  - a. The amount of a non-appealable order of a court or other tribunal (e.g., arbitral panel) resolving such dispute on the merits; or
  - b. The amount for which the legal action or claim was settled, provided that the settlement was agreed to in accordance with the terms and conditions of this **Endorsement**.

#### J. NO JOINDER

No individual or entity shall have any right under this **Endorsement** to join the **Company** as a party to any **Claim** to determine the liability of the **Insured**, nor shall the **Company** be impleaded by the **Insured** or the **Insured's** legal representative in any such **Claim**.

#### K. SUBROGATION

In the event of any payment under this **Endorsement**, the **Company** shall be subrogated to the extent of such payment to all the **Insured's** rights of recovery thereof, and the **Insured** shall execute all papers required and shall do everything that may be necessary to preserve and secure such rights, including the execution of such documents necessary to enable the **Company** to effectively bring suit in the name of the **Insured**.

The **Company** assumes no duty to recover any amounts paid under this **Endorsement**; however, any amounts as may be recovered pursuant to the exercise of the **Company's** rights of subrogation shall be applied as follows: (i) to the repayment of expenses incurred by the **Company** in exercising any rights of subrogation; (ii) to **Damages** and **Losses** incurred by the **Named Insured** in excess of the Limits of Liability hereunder; and (iii) to **Damages** and **Losses** paid by the **Company**.

#### L. HEADINGS

The titles of paragraphs, sections, provisions, or endorsements of or to this **Endorsement** are intended solely for convenience and reference, and are not deemed in any way to limit or expand the provisions to which they relate and are not part of the **Endorsement**.

### **SECTION VIII: DEFINITIONS**

Except where this Endorsement expressly or by implication indicates otherwise, the plural of any term includes the singular, and the singular of any term includes the plural. To the extent of any conflict between defined terms in this **Endorsement** and the policy to which this **Endorsement** is attached, then the definitions set forth in this **Endorsement** shall prevail.

- A. **Approval** and **Approved** means the **Company's** written approval, including in response to a written request for approval by the **Named Insured**. Where **Approval** is required in this **Endorsement** the **Named Insured** must promptly submit such written request for **Approval** to the **Company**.
- B. **Business Income Loss** means the aggregate of **Extra Expenses** and **Reconstruction Period Net Income**.
- C. **Business Interruption Event** means a total or partial disruption in the **Named Insured's** business operation directly arising from a **System Compromise Event**.
- D. **Business Interruption Waiting Period** means the **Business Interruption Waiting Period** specified in the Schedule. The **Business Interruption Waiting Period** begins at the time each and every **Business Interruption Event** is first **Discovered**.
- E. **Circumstances** means facts, subjects, situations, decisions, causes, persons, transactions, events, acts, errors or omissions, or class of persons or events, in each case which could reasonably be likely to give rise to a **Claim**, **Loss**, or **Event**, as applicable.
- F. **Claim** means each of the following:
  - 1. For the purposes of **Third Party Liability Events**, a **Third Party Claim**; and
  - 2. For the purposes of Section I. A. 3. "b.", the REGULATORY INSURING AGREEMENT, a **Regulatory Proceeding Claim**.
- G. **Claim Expenses** means each of the following, with respect to any **Claim**:
  - 1. Reasonable and necessary fees, costs and expenses charged by any **Vendor** and **Approved**, such **Vendor Approved** in advance (including lawyers, experts, and litigation support staff) for the investigation, adjustment, settlement and/or defense of such **Claim**;
  - 2. Post-judgment interest which accrues after a **Final Judgment**; and
  - 3. The premiums for appeal, attachment, or similar bonds, but only for bond amounts **Approved** and within the remaining applicable Limits of Insurance. The **Company** does not have any obligation to furnish these bonds.

**Claim Expenses** do not include the following:

- 1. Salaries, wages, fees, remuneration, overhead, benefits, or expenses of the **Company** or the **Insureds**;

2. Fees, costs, and expenses incurred prior to the time that a **Claim** was reported to the **Company**;
3. Fees, costs, and expenses incurred without **Approval**;
4. Fees, costs, and expenses incurred to improve or upgrade the **Computer System** beyond what it was prior to the **Claim**; or
5. Fees, costs, and expenses to comply with any injunctive or other non-monetary equitable, declaratory, regulatory, or administrative relief.

H. **Company** means the Insurer as titled on the Schedule page of this **Endorsement**.

I. **Computer System** means a computer or series of interconnected computers owned or leased by and operated under the control of the **Named Insured**. **Computer System** also includes the following, but only if owned or leased by and operated under the control of the **Named Insured**:

1. **Electronic Media**;
2. **Portable Devices**;
3. **IOT Devices**; and
4. **Peripheral Hardwired Devices**.

**Computer System** does not include a computer system the **Named Insured** operates for others.

J. **Computer System Restoration Expenses** means the reasonable and necessary fees, costs and expenses charged by a **Vendor** designated in writing or **Approved** in advance to restore the software in the **Computer System**, if damaged by a **System Compromise Event**, to its operating performance immediately before the **System Compromise Event**, including costs to reinstall, or replace the software, or the configuration or correction of the configuration of the **Computer System**. If such software cannot reasonably be restored, the term **Computer System Restoration Expenses** means the reasonable and necessary costs and expenses incurred by the **Vendor** to reach this determination.

**Computer System Restoration Expenses** does not include any of the following:

1. The cost of new or replacement hardware;
2. Salaries, wages, fees, remuneration, overhead, benefits, or expenses of the **Company** or the **Insureds**;
3. Fees, costs or expenses to enhance, upgrade or otherwise modify, or improve the **Computer System** beyond the level that existed immediately prior to the occurrence of a **System Compromise Event**, including but not limited to costs and expense to replace, remediate or improve the **Computer System**, or identify or remove software programs errors, malware, computer viruses or vulnerabilities or create or develop software or trade secrets; or
4. Any costs in excess of the cash value of the **Computer System** as of the date of the **System Compromise Event**.

K. **Corporate Information** means any business information of a third party, which is not available to the general public and is provided to an **Insured** subject to a mutually executed written confidentiality agreement with the **Named Insured**, or which the **Named Insured** is legally required to maintain in confidence. The **Corporate Information** must be in the direct care, custody or control of the **Named Insured** in the ordinary course and scope of its business operations. The term **Corporate Information** does not include **Personally Identifiable Information**.

L. **Crypto currency** means a digital or virtual currency that uses crypto currency for security and uses encryption techniques to regulate the generation of units of currency and verify the transfer of funds, operating independently of a central bank.

M. **Damages** means each of the following:

1. With respect to a **Third Party Claim**, **Claim Expenses** and the following monetary amounts the **Insured** becomes legally obligated to pay resulting from a **Final Judgment** or settlement:
  - a. Compensatory damages,
  - b. Attorney's fees and other litigation costs included in any **Final Judgment**, and
  - c. Pre-Judgment interest included in any **Final Judgment**.
2. With respect to a **Regulatory Proceeding Claim**, **Claim Expenses** and only the **Regulatory Fines** the **Insured** becomes legally obligated to pay.

**Damages** does not include any of the following:

- i. Any monetary amount which the **Insured** is not legally obligated to pay;
- ii. Any monetary amount which is not insurable under the applicable law or jurisdiction pursuant to which the **Endorsement** is construed;
- iii. Past, present and future earned and unearned royalties, profits, fees, costs, expenses, or commissions, or the return of royalties, profits, fees, costs, expenses, commissions, and profits unjustly held or obtained;
- iv. Consideration charged by, paid to or owed to the **Insured**, including but not limited to restitution, disgorgement, reduction, or return of any consideration;
- v. Fees, costs, and expenses required to comply with any injunctive or other non-monetary equitable, declaratory, regulatory, or administrative relief;
- vi. Discounts, prizes, awards, coupons, or other incentives offered to the **Insured's** clients, **Impacted Individuals**, or **Impacted Entities**;
- vii. Civil or criminal fines or penalties imposed by law, except **Regulatory Fines**;
- viii. Punitive and exemplary damages;
- ix. The multiple portion of any multiplied damages; or
- x. Taxes, loss of tax benefit or fines, tax penalties or sanctions imposed against the **Named Insured**.

**N. Data Replacement Expenses** means the reasonable and necessary fees, costs and expenses charged by a **Vendor** designated in writing or **Approved** in advance to research, re-create or replace electronic data on the **Computer System** that is damaged by a **System Compromise Event**, provided that such research, re-creation or replacement must be from written records or electronic backup of such electronic data. If such electronic data cannot reasonably be researched, recreated or replaced, the term **Data Replacement Expenses** means the reasonable and necessary costs and expenses incurred by such **Vendor** to reach this determination.

**Data Replacement Expenses** does not include any of the following:

1. Salaries, wages, fees, remuneration, overhead, benefits, or expenses of the **Company** or the **Insureds**;
2. Fees, costs or expenses to enhance, upgrade or otherwise modify, or improve the **Computer System** beyond the level that existed immediately prior to the occurrence of a **System Compromise Event**, including but not limited to updating, upgrading or enhancing electronic data or replacing, remediating or improving any **Computer System**, or improving networks and data security practices, procedures or policies;
3. Re-creation or replacement of software programs or operating systems that are not commercially available; or
4. Re-creation or replacement of data that is obsolete, unnecessary or useless to the **Named Insured**.

**O. Defrauded Funds** means the value of funds that are transferred by the **Named Insured** (with the approval of a **Knowledge Group Member**) to a third party directly in response to a **Funds Transfer Fraud Event**, that are in the form of check, wire transfer, credit card payment, debit card payment or **Crypto currency**. **Defrauded Funds** excludes cash payments.

**P. Discovers or Discovered** means the time a **Knowledge Group Member** receives, receives notice of, or becomes aware of any of the following: (i) any **Event**; (ii) any **Circumstances**; or (iii) any **Claim** or **Loss** or potential **Claim** or **Loss**, regardless of the potential amount of the **Claim** or **Loss**.

**Q. Electronic Media** means any electronic data which is unique to the **Named Insured**, including audio or visual information, ready-for-use applications, programs, and other content in machine-readable format.

**R. Electronic Media Advertising** means **Electronic Media** which advertises or promotes the **Named Insured's** products or services.

**S. Endorsement** means this Endorsement issued by the **Company**.

**T. Endorsement Period** means the **Endorsement Period** set forth in the Schedule.

**U. Event** means a **Media Wrongful Event**, a **Network Security Event**, a **Privacy Breach Event**, a **System Compromise Event**, an **Extortion Threat Event**, a **Funds Transfer Fraud Event**, a **PCI Security Violation Event**, or a **Business Interruption Event**.

**V. Exploit** means a vulnerability in a **Computer System** or software through which **Malicious Code**, or software designed to find, create, or take advantage of such vulnerability, can enter such **Computer System**.

- W. Extortion Threat Event** means a credible threat, or a series of credible threats, by a third party, to cause or continue to cause one or more (i) **System Compromise Events** or (ii) the **Unauthorized Access or Unauthorized Use of Protected Information**, in each case accompanied by a demand by such third party for money (including **Crypto Currency**) from the **Named Insured** or a **Knowledge Group Member** where the payment of such money is a condition of mitigation or removal of such threat or series of threats.
- X. Extortion Threat Losses** means the **Funds Paid** by the **Named Insured** (with the approval of a **Knowledge Group Member**) in response to an **Extortion Threat Event** to the party that made the **Extortion Threat Event**, and the reasonable and necessary fees, costs, and expenses charged by a **Vendor** (including lawyers, experts, and litigation support staff) to respond to, confirm, negotiate or pay an **Extortion Threat Event**.
- Y. Extra Expenses** means the amount of (i) reasonable and necessary expenses that the **Named Insured** directly incurs during a **Reconstruction Period**, with **Approval** in advance, to reduce or avoid **Reconstruction Period Net Income** as a result of a **Business Interruption Event**, in excess of (ii) its actual normal operating expenses that the **Named Insured** would have incurred during the same period had no **Business Interruption Event** occurred.
- Extra Expenses** do not include any of the following:
1. Any contractual penalties; or
  2. Any costs to update or upgrade the **Computer System** beyond the level that existed prior to the occurrence of the **Business Interruption Event**.
- Z. Final Judgment** means a non-appealable order of a court or other tribunal (e.g., arbitral panel) resolving, on the merits, a dispute between an **Insured** and a third party (including government agencies), as to which either no further appeal is possible or a decision is made with **Approval** not to appeal further.
- AA. Funds Transfer Fraud Event** means the intentional deception of an **Insured** by a third party intended to cause an **Insured** to transfer funds under the **Named Insured's** control (with the approval of a **Knowledge Group Member**) to a third party not authorized to receive such funds.
- BB. Funds Paid** means the value of the funds paid that are in the form of check, wire transfer, credit card payment, debit card payment or **Crypto currency**. **Funds Paid** excludes cash payments. For **Funds Paid** in **Crypto currency**, the value of the **Funds Paid** shall be the value of the **Crypto currency**, in U.S. dollars, at the time of payment.
- CC. Impacted Entities** means any business, entity or organization whose **Corporate Information** is lost, stolen, unintentionally or unknowingly disseminated, or accidentally published by a **Privacy Breach Event** covered under this **Endorsement**. This definition is subject to all of the following provisions:
1. **Impacted Entity** does not include any **Impacted Individual**; and
  2. **Impacted Entity** may be domiciled anywhere in the world.
- DD. Impacted Individuals** means any person whose **Personally Identifiable Information** is lost, stolen, unintentionally or unknowingly disseminated, or accidentally published by a **Privacy Breach Event** covered under this **Endorsement**. This definition is subject to all of the following provisions:
1. **Impacted Individual** does not include any **Impacted Entity**. Only an individual person may be an **Impacted Individual**; and
  2. **Impacted Individual** may reside anywhere in the world.
- EE. IOT Device** means any electronic device (other than a **Portable Device**) or hardwire connected device, that connects to the **Computer System** directly or through a **VPN**. **IOT Devices** include, but are not limited to, smart printers, industrial control systems, security systems, smart speakers, smart televisions and smart appliances.
- FF. Insured** means the **Named Insured**, **Knowledge Group Members**, and the **Named Insured's** employees but only while such employees are acting within their capacity as such for the **Named Insured**.
- GG. Knowledge Group Member(s)** mean the **Named Insured's** principals, officers, directors, and risk managers, but only while acting in their capacity as such for the **Named Insured**.
- HH. Loss(es)** means **Privacy Breach Expenses**, **Data Replacement Expenses**, **Computer System Restoration**

**Expenses, Extortion Threat Losses, PCI Fines, Defrauded Funds, and Business Income Loss.**

**Loss(es)** do not include:

1. Costs and expenses required to comply with any injunctive or other non-monetary equitable, declaratory, regulatory, or administrative relief, including but not limited to costs to remove electronic data from a website or social media site;
2. Any monetary amount which is not insurable under the applicable law or jurisdiction pursuant to which the **Endorsement** is construed;
3. Discounts, prizes, awards, coupons, or other incentives offered to the **Insured's** clients, **Impacted Individuals**, or **Impacted Entities**;
4. Consideration charged by, paid to or owed to the **Insured**, including but not limited to restitution, disgorgement, reduction, royalties or licensing fees, or return of any consideration;
5. Any costs, fees or expenses incurred or paid by the **Insured** in establishing the existence of or amount of **Loss**, other than to a **Vendor** (including lawyers, experts, and litigation support staff) designated in writing or **Approved** in advance;
6. Fines, taxes, penalties, loss of tax benefits or sanctions, except for **PCI Fines**; or
7. Indirect or consequential losses.

**II. Malicious Code** means an unauthorized or harmful program, code, or script, including but not limited to any virus, Trojan horse, worm, time, logic bomb, spyware, ransomware, or malware.

**JJ. Mass Event** means the original and any variant of a **Malicious Code** or **Exploit** that is both:

1. The subject of an alert by, or is identified by a name or designation that is assigned by, any (i) United States (federal or state) government entity or agency or (ii) computer security, forensics, threat intelligence, or anti-virus entity, service provider or vendor (including but not limited to CrowdStrike, Juniper Networks, Mandiant/FireEye, Norton, Malwarebytes, McAfee, Kaspersky, Digital Shadows, RiskIQ, Recorded Future, Flashpoint, Anomali, Mimecast, Proofpoint, Palo Alto Networks, RSA, Seculert/Radware, Symantec, or Verizon); and
2. Publicized (meaning reported on in two or more news or technology media or publications, including but not limited to The New York Times, Washington Post, Los Angeles Times, Financial Times, FOX Corporation, CNN, The Wall Street Journal, NBC News, ABC News, CBS News, VICE Motherboard, Data Breach Today, Krebs on Security, Dark Reading, ZD NET, Wired, PC World, The Register, or CSO Online);

in each case, prior to an **Insured** providing notice of an **Event**, **Loss**, **Claim** or **Circumstances**, whichever is earliest, pursuant to Section IV. A.

**KK. Media Wrongful Event** means any or all of the following that is unintentionally or unknowingly caused by **Electronic Media Advertising** first published or disseminated during the **Endorsement Period**:

1. Libel, slander or other defamation; or
2. Infringement of copyright, trademark, title, slogan, trade name, trade dress, service mark, service name, or misappropriation of ideas.

**LL. Named Insured** means the person(s) and/or entity(ies) listed on the Policy Declarations, to which this Endorsement is attached.

**MM. Network Disruption Event** means an interruption, disruption, failure, suspension, or delay in the performance of the **Computer System** directly caused by **Unauthorized Access** or **Unauthorized Use** of, or the introduction of **Malicious Code** or **Exploit** into, the **Computer System**.

**NN. Network Security Event** means any one or more of the following directly caused by a **Network Disruption Event**:

1. The inability of an **Insured** or authorized third party user to access the **Computer System**;
2. An **Insured's** transmittal or distribution of **Malicious Code** or **Exploit** to, or the failure or corruption of, a third party's computer system or network; or
3. The perpetuation of a denial of service attack on a third party's computer system or network.

- OO. Payment Card Services Agreement** means an agreement between the **Named Insured** and a financial institution, credit card or debit card company or credit or debit card processor, enabling the **Named Insured** to accept credit card, debit card, prepaid card or other payment cards for payments.
- PP. PCI Claim** means the notification of the **Named Insured's** failure to comply with or violation of any Payment Card Industry Data Security Standards established by the PCI Security Standards Council, which notification is by a party who has entered into a **Payment Card Services Agreement** with the **Named Insured**.
- QQ. PCI Fines** means the fines paid which are explicitly defined as a "fine" in, and which the **Named Insured** is contractually obligated to pay pursuant to, a **Payment Card Services Agreement** due to a breach of a **Payment Card Services Agreement** caused by a **PCI Security Violation Event**. **PCI Fines** do not include (i) subsequent fines arising out of continued noncompliance or the same breach, (ii) any increased transaction costs, or (iii) any chargebacks.
- RR. PCI Security Violation Event** means the act or omission of the **Named Insured** that violated the Payment Card Industry Data Security Standards as determined in accordance with the terms of the **Payment Card Services Agreement**.
- SS. Peripheral Hardwired Devices** means non-portable devices connected by hardwire to the **Computer System**, including but not limited to printers, scanners, and routers.
- TT. Personally Identifiable Information** means any non-public information about a person that allows such person to be uniquely and reliably identified, or allows access to the person's financial account or medical records information, and for which notification of unauthorized access is required by a **Privacy Law**. The term **Personally Identifiable Information** does not include publicly available information that is lawfully made available to the general public (including, without limitation, being made available by such person on social media or other public sites), or **Corporate Information**. The **Personally Identifiable Information** must be in the direct care, custody or control of the **Named Insured** in the ordinary course and scope of its business operations.
- UU. Portable Device** means an electronic portable device such as a computer, smart phone, smart wearable or other similar device that connects to the **Computer System** either directly or through a **VPN**.
- VV. Privacy Breach Event** means the following actual or alleged events:
1. Theft, loss, unintentional or unknowing dissemination, or accidental publication of **Protected Information**;
  2. **Unauthorized Access or Unauthorized Use of Protected Information**; or
  3. The **Named Insured's** violation of a **Privacy Law**.
- WW. Privacy Breach Expenses** means the following reasonable and necessary fees, costs and expenses directly incurred for or by the **Named Insured**, and **Approved** in advance, in responding to a **Privacy Breach Event**:
1. **Notification Expenses:**  
Notification fees and expenses charged by a **Vendor** (including lawyers, experts, and litigation support staff) to notify an **Impacted Individual** and any regulator required to be notified by applicable law that: (i) a **Privacy Breach Event** occurred, and (ii) there was, may have been or may be **Unauthorized Access or Unauthorized Use** of the **Personally Identifiable Information**.
  2. **Monitoring Expenses:**  
Fees and expenses charged by a **Vendor** (including lawyers, experts, and litigation support staff) to provide credit monitoring, identity theft, or fraud resolution services to an **Impacted Individual** affected by a **Privacy Breach Event**.
  3. **Cyber Investigation Expenses:**  
Fees and expenses charged by a **Vendor** (including lawyers, experts, and litigation support staff) to investigate any or all of the following:
    - a. Whether **Protected Information** has been accessed; or
    - b. Whether the **Named Insured** has an obligation to provide notice under a **Privacy Law**.
  4. **Crisis Management Expenses:**



- a. Fees and expenses charged by an **Approved** public relations firm, law firm or crisis management firm to perform crisis management services to minimize the potential harm to the **Named Insured's** business from a **Privacy Breach Event**; and
- b. Fees and expenses charged by a call center designated in writing or **Approved** in advance to assist in managing incoming calls during and concerning a **Privacy Beach Event**.

**Privacy Breach Expenses** shall not include the following:

- i. Salaries, wages, fees, remuneration, overhead, benefits, or expenses of the **Company** or the **Insureds**; or
- ii. Fees, costs or expenses to enhance, upgrade or otherwise modify, or improve the **Computer System** beyond the level that existed immediately prior to the occurrence of a **Privacy Breach Event**.

**XX. Privacy Law** means any law or regulation governing the protection of **Personally Identifiable Information**, provided that the text of the law or regulation expressly requires one or more of the following:

1. Posting privacy policies;
2. Adopting specific privacy or security controls for **Personally Identifiable Information**; or
3. Notifying **Impacted Individuals** if their **Personally Identifiable Information** has potentially been accessed or disclosed without authorization.

**YY. Protected Information** means **Personally Identifiable Information** or **Corporate Information**.

**ZZ. Reconstruction Period** means the period of time that begins at the conclusion of the **Business Interruption Waiting Period** and ends at the earliest of:

1. 60 days;
2. The date that data restoration, data re-creation and system restoration directly related to the **Business Interruption Event** has been completed in order to permit the **Named Insured** to resume business operations; and
3. The date on which such data restoration, data re-creation and system restoration could have been completed with the exercise of due diligence and prompt good faith effort.

**AAA. Reconstruction Period Net Income** means the measurable difference between (1) the actual net income (net profit or loss) before taxes, calculated on an hourly basis and based on actual historical financial numbers (specifically the twenty-four (24) months prior to the **Business Interruption Event**) that the **Named Insured** would have earned or incurred during the **Reconstruction Period** had no **Business Interruption Event** occurred, minus (2) the actual net income (net profit or loss) before taxes, earned or incurred by the **Named Insured** during the **Reconstruction Period**; provided that **Reconstruction Period Net Income** shall not be based on, shall not include, and no coverage shall be provided for (a) any net profit that could have or likely would have been earned as a result of an increase in the volume of the **Named Insured's** business during the **Reconstruction Period** (other than increases consistent with actual historical financial numbers (specifically the twenty-four (24) months prior to the **Business Interruption Event**)), or (b) any instances where the measurable difference calculated in this paragraph is less than \$0.00.

**BBB. Regulatory Fines** means the civil or administrative fines or penalties assessed against a **Named Insured** in a **Regulatory Proceeding Claim**, if such fines and penalties are insurable under the applicable law and the **Named Insured** is legally obligated to pay such fines and penalties, in all cases arising from a **Privacy Breach Event**.

**CCC. Regulatory Proceeding Claim** means each of the following that alleges the failure to comply with a U.S. federal or state **Privacy Law**:

1. A written demand to the **Named Insured** for documentation or information commenced by service of a complaint or similar pleading brought by a federal or state regulatory body or regulator; or
2. An investigation or civil proceeding brought against the **Named Insured** by a federal or state regulatory body or regulator.

**DDD. Related Claims** mean all **Claims** that are based upon, arising from, in consequence of, directly or indirectly resulting from, or involving the same, continuous, repeated, related, or substantially similar **Circumstances**, or a same, continuous, repeated, related, or substantially similar series of **Circumstances**.

- EEE. Related Events** means all **Events** that are based upon, arising from, in consequence of, directly or indirectly resulting from, or involving the same, continuous, repeated, related, or substantially similar **Circumstances**, or a same, continuous, repeated, related, or substantially similar series of **Circumstances**.
- FFF. Related Losses** mean all **Losses** that are based upon, arising from, in consequence of, directly or indirectly resulting from, or involving the same, continuous, repeated, related, or substantially similar **Circumstances**, or a same, continuous, repeated, related, or substantially similar series of **Circumstances**.
- GGG. System Compromise Event** means the **Unauthorized Access or Unauthorized Use** of the **Computer System**, or the introduction of **Malicious Code** or **Exploit** into the **Computer System**, that materially degrades or damages the performance of the **Computer System** or corrupts or destroys any **Electronic Media** in the **Computer System**.
- HHH. Third Party Claims** means a written demand or assertion of a legal right for monetary damages or services, including the service of a civil complaint or similar proceeding, or request for arbitration or mediation, brought against an **Insured**, in each case directly arising from a **Third Party Liability Event**. For the avoidance of doubt, **Third Party Claims** do not include **Regulatory Proceeding Claims**.
- III. Third Party Liability Event** means any or all of the following:
1. **Media Wrongful Event**;
  2. **Network Security Event**; or
  3. **Privacy Breach Event**.
- JJJ. Unauthorized Access or Unauthorized Use** means the access to or use of the **Computer System** or **Protected Information** by a person or entity not authorized to do so, or the access to or use of the **Computer System** or **Protected Information** by an authorized person or entity in an unauthorized manner.
- KKK. Vendor** means a third party person or entity that provides services to the **Named Insured** that the **Company** has either (i) designated in writing, or (ii) **Approved**. Where indicated, the term **Vendor** may include lawyers, experts, and litigation support staff.
- LLL. VPN** means a virtual private network.

**Policy Number:** BP 2043713

*This endorsement should be attached to **your** policy as it constitutes an important part of the contract.*

By acceptance of this policy and payment of the premium, **you** become a member of Grange Mutual Holding Company, and shall be entitled to vote at all member meetings of the Grange Mutual Holding Company, but upon cancellation or other termination of this policy, **you** shall cease to be a member.

**Policy Non-Assessable**

This policy is non-assessable.

**Notice of Members' Annual Meeting**

**You**, by virtue of this policy, are a member of Grange Mutual Holding Company while this policy is in force and are entitled to one vote at all meetings of the members. The annual meeting of the members is held at 10:00 A.M. on the fourth Thursday of February of each year at **our** Home Office, Columbus, Ohio, for the election of directors and for the transaction of such other business as may properly come before the meeting.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CANNABIS LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM  
ELECTRONIC DATA LIABILITY – BROAD COVERAGE ENDORSEMENT

**A. The following exclusion is added to Section II – Liability:**

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of:
  - a. The design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis"; or
  - b. The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "cannabis"; or
2. "Property damage" to "cannabis".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved that which is described in Paragraph **A.1.** or **A.2.** above.

However, Paragraph **A.1.b.** does not apply to "bodily injury" or "property damage" arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with, "cannabis" by:

- (1) An insured; or
- (2) Any other person for whom you are legally responsible;

but only if the "bodily injury" or "property damage" does not arise out of your selling, serving or furnishing of "cannabis" to any person described above.

**B. The exclusion in Paragraph A. does not apply to "personal and advertising injury" arising out of the following offenses:**

1. False arrest, detention or imprisonment; or
2. The wrongful eviction from, wrongful entry into, or invasion of the right or private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor.

**C. The following changes apply only to Electronic Data Liability – Broad Coverage Endorsement BP 05 96 if it is attached to this Policy:**

The following exclusion is added to **Section II – Liability:**

This insurance does not apply to:

"Loss of electronic data":

1. Arising out of:
  - a. The design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis"; or
  - b. The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "cannabis"; or
2. With respect to any "electronic data" that is used in the design, manufacture, distribution, sale, serving, furnishing, use or possession of "cannabis".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "electronic data incident" which caused the "loss of electronic data" involved that which is described in Paragraph **C.1.** or **C.2.** above.

However, Paragraph **C.1.b.** does not apply to "loss of electronic data" arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with, "cannabis" by:

(1) An insured; or

(2) Any other person for whom you are legally responsible;

but only if the "loss of electronic data" does not arise out of your selling, serving or furnishing of "cannabis" to any person described above.

**D.** For the purpose of this endorsement, the following definition is added:

"Cannabis":

**1.** Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

**2.** Paragraph **D.1.** above includes, but is not limited to, any of the following containing such THC or cannabinoid:

**a.** Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or

**b.** Any compound, byproduct, extract, derivative, mixture or combination, such as:

(1) Resin, oil or wax;

(2) Hash or hemp; or

(3) Infused liquid or edible cannabis;

whether or not derived from any plant or part of any plant set forth in Paragraph **D.2.a.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CANNABIS PROPERTY EXCLUSION**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

**Section I – Property** is amended as follows:

**A.** The following is added to Paragraph **A.2. Property Not Covered:**

**a.** "Cannabis".

**B.** For the purpose of this endorsement, the following applies to Business Income and Extra Expense:

Coverage under this Policy does not apply to that part of Business Income loss or Extra Expense incurred, due to a suspension of your "operations", which is attributable to the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis".

**C.** For the purpose of this endorsement, the following definition is added:

"Cannabis":

**1.** Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

**2.** Paragraph **C.1.** above includes, but is not limited to, any of the following containing such THC or cannabinoid:

**a.** Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or

**b.** Any compound, byproduct, extract, derivative, mixture or combination, such as:

**(1)** Resin, oil or wax;

**(2)** Hash or hemp; or

**(3)** Infused liquid or edible cannabis;

whether or not derived from any plant or part of any plant set forth in Paragraph **C.2.a.**

**THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.**

## **DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT**

### **SCHEDULE**

<b>SCHEDULE – PART I</b>
<b>Terrorism Premium (Certified Acts)    \$</b>  <b>Additional information, if any, concerning the terrorism premium:</b>       
<b>SCHEDULE – PART II</b>
<b>Federal share of terrorism losses      80    %</b> (Refer to Paragraph <b>B.</b> in this endorsement.)
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

#### **A. Disclosure Of Premium**

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

#### **B. Disclosure Of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

**C. Cap On Insurer Participation In Payment Of Terrorism Losses**

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MINNESOTA CHANGES**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM  
INFORMATION SECURITY PROTECTION ENDORSEMENT**

- A.** The following is added to Paragraph **E.3. Duties In The Event Of Loss Or Damage** Property Loss Conditions in **Section I – Property** and Paragraph **E.2. Duties In The Event Of Occurrence, Offense, Claim Or Suit** Liability And Medical Expenses General Conditions in **Section II – Liability** of the Businessowners Coverage Form and similar conditions in any endorsement attached to this Policy:

The requirement to notify us can be satisfied by notifying our agent. Notice can be by any means of communication.

- B. Section I – Property** is amended as follows:

- 1.** The following is added to Paragraph **A.3. Covered Causes Of Loss**:

We insure for all loss or damage caused by fire or any damage caused by lightning.

- 2.** Paragraph **A.5.I.(8)** of the **Increased Cost Of Construction** Additional Coverages is replaced by the following:

- (8)** This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such exclusion would conflict with the provisions of this Additional Coverage. The coverage afforded under this Additional Coverage does not reduce coverage provided under exceptions to the Ordinance Or Law Exclusion as presented in this Endorsement.

- 3.** Paragraph **A.5.I.(9)** of the **Increased Cost Of Construction** Additional Coverages does not apply.

- 4.** Paragraph **B.1.a. Ordinance Or Law** Exclusions is replaced by the following:

**a. Ordinance Or Law**

- (1)** The enforcement of or compliance with any ordinance or law:

- (a)** Regulating the construction, use or repair of any property; or

- (b)** Requiring the tearing down of any property, including the cost of removing its debris.

- (2)** This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a)** An ordinance or law that is enforced even if the property has not been damaged; or

- (b)** The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

- (3)** But if loss or damage is solely a result of one or more Covered Causes of Loss, we will pay for your compliance with such ordinance or law, subject to all other provisions of this Policy, including those listed below, as follows:

- (a)** In the event of a partial loss, if the building is insured on a replacement cost basis, we will pay for your compliance but only with respect to the damaged portion of the building.

- (b)** In the event of a total or constructive total loss, we will pay for your compliance with respect to the entire building.

- (c)** We will not pay under this provision for the costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

- (d) Any valuation provision (including Replacement Cost) or loss payment condition which excludes the increased cost attributable to an ordinance or law is hereby revised to include such cost to the extent that coverage is provided above in this item, 4. But in no event will we pay more than the applicable Limit of Insurance.

- 5. The following is added to Paragraph **D.1. Deductibles** and applies with respect to any deductible applicable to the Businessowners Property Coverage, including a deductible provided by endorsement for a particular cause of loss or coverage:

The Deductible will not apply to total loss of a building.

- 6. Paragraph **E.3. Duties In The Event Of Loss Or Damage** Property Loss Conditions is amended as follows:

- a. Paragraph **a.(3)** is deleted.

- b. Paragraphs **a.(6)** and **a.(7)** are replaced by the following:

- (6) As often as we reasonably require:

- (a) Permit us to inspect the property. Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis;

- (b) Provide us with records and documents reasonably related to the loss, or certified copies if the originals are lost, and permit us to make copies.

- (7) Send us, within 60 days after our request, a signed, sworn proof of loss containing the following information we require to investigate the claim:

- (a) A description of how and when the loss or damage occurred;

- (b) The value of the property, except in the case of a total loss of an insured building;

- (c) The interest of the insured and all others in the property; and

- (d) Other insurance which may cover the loss or damage.

We will supply you with the necessary forms.

- c. The following is added to Paragraph **a.:**

- (10) Send to us, within a reasonable time after our request, the following:

- (a) Changes in title or occupancy of the property during the term of the Policy; and

- (b) Specifications of damaged buildings and detailed repair estimates.

- d. Paragraph **b.** is replaced by the following:

- b. After we inform an insured:

- (1) Of the right to counsel; and

- (2) That an insured's answers may be used against the insured in later civil or criminal proceedings;

we may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim. In the event of an examination, an insured's answers must be signed.

- 7. Paragraph **E.5. Loss Payment** Property Loss Conditions is amended as follows:

- a. Paragraph **g.** is replaced by the following:

- g. Provided you have complied with all the terms of this Policy, we will pay for covered loss or damage within five business days after:

- (1) We have received the proof of loss; and

- (2) We have reached an agreement with you; or, in the event we use an independent claims adjuster, we have received the agreement and you have satisfied the conditions of the agreement, if any, or an appraisal award has been made.

However, we will not pay you any interest, other than the interest that accrues between the time that it is determined that a loss shall be payable in accordance with (1) or (2) above, and before we pay, tender or deposit in court payment for the loss.

- b. The following paragraph is added and supersedes any provision to the contrary:

**i. Replacement Cost – Business Personal Property**

- (1) We will not pay more for loss or damage on a replacement cost basis than the least of:
- (a) The Limit of Insurance applicable to the lost or damaged property;
  - (b) The applicable Special Limit of Insurance shown in **i.(2)(a), i.(2)(b), i.(2)(c) and i.(2)(d)** below;
  - (c) The cost to replace, on the same premises, the lost or damaged property with other property of comparable material and quality and used for the same purpose; or
  - (d) The amount you actually spend that is necessary to repair or replace the lost or damaged property.
- (2) The following Special Limits of Insurance apply to any category of property listed below, unless higher Special Limits Of Insurance are shown in the Declarations. These Special Limits are part of, not in addition to, any Limit Of Insurance shown in the Declarations, and apply in excess of any applicable deductible. The Special Limit of Insurance shown for any category listed below is the most we will pay for loss or damage to all property in that category in any one occurrence.
- (a) \$1,000 on used or secondhand merchandise held in storage or for sale;
  - (b) \$1,000 on property of others;
  - (c) \$1,000 on household contents, except personal property in apartments or rooms furnished by you as landlord;
  - (d) \$5,000 on manuscripts, works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.

With respect to the articles described in **(a), (b), (c) and (d)** above, in no event will we pay you less than we would have paid you if this Endorsement were not attached to the Policy.

- c. The following paragraph is added:

- j. We agree that, in the event of a total loss, the Limit of Insurance (or the limit shown in the total loss schedule of values) for a building which is Covered Property represents its value.

8. Paragraphs **a. and d. under F.2. Mortgageholders** Property General Conditions are replaced by the following:

- a. The term "mortgageholder" includes trustees and contract-for-deed vendors.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays premium due under the Policy at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so.

All of the terms of this Policy will then apply directly to the mortgageholder.

9. The following paragraph is added to Paragraph **F.2.:**

- h. We will notify the mortgageholder of changes to this Policy that result in a substantial reduction of coverage to the mortgaged property.

**C. Section II – Liability** is amended as follows:

1. Paragraph **A.1.f. Coverage Extension – Supplementary Payments** is replaced by the following:

**f. Coverage Extension – Supplementary Payments**

- (1) We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
  - (a) All expenses we incur.

- (b) Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- (c) The cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.
- (d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- (e) All costs taxed against the insured in the "suit".
- (f) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (g) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.

These payments will not reduce the Limits of Insurance.

- (2) If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
  - (a) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - (b) This insurance applies to such liability assumed by the insured;
  - (c) The obligation to defend, or the cost of the defense of, that indemnitee has also been assumed by the insured in the same "insured contract";

- (d) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- (e) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- (f) The indemnitee:
  - (i) Agrees in writing to:
    - i. Cooperate with us in the investigation, settlement or defense of the "suit";
    - ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
    - iii. Notify any other insurer whose coverage is available to the indemnitee; and
    - iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
  - (ii) Provides us with written authorization to:
    - i. Obtain records and other information related to the "suit"; and
    - ii. Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- (a) We have used up the applicable Limit of Insurance in the payment of judgments or settlements; or

- (b) The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

2. Paragraph **b.** under Exclusion **B.1. Applicable To Business Liability Coverage** is replaced by the following:

**b. Contractual Liability**

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement.

3. Paragraph **E.1. Bankruptcy** Liability And Medical Expenses General Conditions is replaced by the following:

**1. Bankruptcy**

Bankruptcy, insolvency or dissolution of the insured or of the insured's estate will not relieve us of our obligations under this Policy and in case an execution against the insured on a final judgment is returned unsatisfied, then such judgment creditor shall have a right of action on this Policy against the company to the same extent that the insured would have, had the insured paid the final judgment.

**D. Section III – Common Policy Conditions** is amended as follows:

1. Paragraph **A. Cancellation** is replaced by the following:

**A. Cancellation**

- 1. The first Named Insured shown in the Declarations may cancel this Policy by mailing or delivering to us advance written notice of cancellation.
- 2. We may cancel this Policy, subject to the provisions of 3. below, by first-class mailing, or by delivery, of a written notice of cancellation to the first Named Insured and any agent, to their last mailing addresses known to us. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

3. If this Policy has been in effect for:

a. Fewer than 90 days and is a new policy, we may cancel for any reason by giving notice at least:

- (1) 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
- (2) 60 days before the effective date of cancellation, if we cancel for any other reason.

b. 90 days or more, or if it is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Misrepresentation or fraud made by you or with your knowledge in obtaining the Policy or in pursuing a claim under the Policy;
- (3) An act or omission by you that substantially increases or changes the risk insured;
- (4) Refusal by you to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed;
- (5) Substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the contract;
- (6) Loss of reinsurance by us which provided coverage to us for a significant amount of the underlying risk insured. Any notice of cancellation pursuant to this item shall advise the policyholder that he or she has 10 days from the date of receipt of the notice to appeal the cancellation to the commissioner of commerce and that the commissioner will render a decision as to whether the cancellation is justified because of the loss of reinsurance within 30 business days after receipt of the appeal;

(7) A determination by the commissioner that the continuation of the Policy could place us in violation of the Minnesota insurance laws; or

(8) Nonpayment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to obtaining or continuing such insurance. This provision for cancellation for failure to pay dues shall not be applicable to persons who are retired at 62 years of age or older or who are disabled according to social security standards.

Under this Paragraph **A.3.b.**, we will give notice at least:

(1) 10 days before the effective date of cancellation, if we cancel for nonpayment of premium. The cancellation notice shall contain the information regarding the amount of premium due and the due date, and shall state the effect of nonpayment by the due date. Cancellation shall not be effective if payment of the amount due is made prior to the effective date of cancellation; or

(2) 60 days before the effective date, if we cancel for a reason described in **3.b.(2)** through **(8)** above. The notice of cancellation will state the reason for cancellation.

4. If this Policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

5. If this Policy includes liquor liability coverage with respect to "injury" arising out of the selling, serving or furnishing of alcoholic beverages, then the following provisions shall apply:

If this Policy is cancelled by us, we will notify, in writing, the governmental authority in the state of Minnesota that issued the current liquor license to the Named Insured that the Policy is being cancelled at the same time that the cancellation notice is sent to the first Named Insured.

If the first Named Insured cancels, we will notify, in writing, the governmental authority in the state of Minnesota that issued the current liquor license to the Named Insured that the Policy is being cancelled upon receiving the written notice of cancellation from the first Named Insured.

6. Unless otherwise specifically required, proof of mailing of any notice shall be sufficient proof of notice.

2. Paragraph **C. Concealment, Misrepresentation Or Fraud** is replaced by the following with respect to loss or damage caused by fire:

**C. Concealment, Misrepresentation Or Fraud**

We do not provide coverage to the insured who has:

1. Before a loss, willfully; or
2. After a loss, willfully and with intent to defraud;

concealed or misrepresented any material fact or circumstances concerning:

- a. This Policy;
- b. The Covered Property;
- c. That insured's interest in the Covered Property; or
- d. A claim under this Policy.

3. Paragraph **C. Concealment, Misrepresentation Or Fraud** is replaced by the following with respect to loss or damage caused by a Covered Cause of Loss other than fire:

**C. Concealment, Misrepresentation Or Fraud**

We will not pay for any loss or damage if any insured has:

1. Before a loss, willfully; or
2. After a loss, willfully and with intent to defraud;

concealed or misrepresented any material fact or circumstances concerning:

- a. This Policy;
- b. The Covered Property;
- c. That insured's interest in the Covered Property; or
- d. A claim under this Policy.

4. Paragraph **D. Examination Of Your Books And Records** is replaced by the following:

**D. Examination Of Your Books And Records**

We may examine and audit your books and records as they relate to this Policy at any time during the policy period and up to one year afterward.

5. Paragraph **K. Transfer Of Rights Of Recovery Against Others To Us** is replaced by the following:

**K. Transfer Of Rights Of Recovery Against Others To Us**

1. Applicable to Businessowners Property Coverage:

If any person or organization to or for whom we make payment under this Policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. However, our rights do not apply against:

- a. An insured; or
- b. Any person or organization insured under another policy which was issued by us and responds to the same loss;

provided the loss was not intentionally caused by such insureds.

2. You may waive your rights against another party in writing:

- a. Prior to a loss to your Covered Property.

- b. After a loss to your Covered Property only if, at the time of loss, that party is one of the following:

- (1) Someone insured by this insurance, unless the loss was caused intentionally by such insured;

- (2) A business firm:

- (a) Owned or controlled by you; or

- (b) That owns or controls you; or

- (3) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

3. Applicable to Businessowners Liability Coverage:

If the insured has rights to recover all or part of any payment we have made under this Policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

Our rights do not apply against any person or organization insured under this or any other policy we issue with respect to the same "occurrence", provided the "occurrence" was not intentionally caused by such insureds.

6. Paragraph **L. Transfer Of Your Rights And Duties Under This Policy** is replaced by the following:

**L. Transfer Of Your Rights And Duties Under This Policy**

Your rights and duties under this Policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to:

1. Your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.
2. The person designated as the grantee beneficiary under a transfer on death deed, which we have been notified of the existence of, which conveys real property insured under this Policy. That person will have your rights and duties under this Policy, but only with respect to the insured real property transferred under the transfer on death deed, and only for the period from the date of the grantor's death until the first of the following occurs:
  - a. A period of 30 days from the date of the grantor's death;
  - b. The date that alternative coverage is obtained on such real property; or
  - c. The expiration date of this Policy.

Coverage during the period of time after the death of the grantor is subject to all provisions of this Policy.

7. The following is added:

**M. Nonrenewal**

If we decide not to renew this Policy, we may do so by giving the first Named Insured and any agent written notice of our intent not to renew at least 60 days before the expiration date of this Policy. Such notice will be delivered or mailed by first-class mail to their last mailing addresses known to us.

We need not mail or deliver this notice if you have:

1. Insured elsewhere;
2. Accepted replacement coverage; or
3. Agreed not to renew this Policy.

Unless otherwise specifically required, proof of mailing of any notice shall be sufficient proof of notice.

**E. The following changes apply only to Information Security Protection Endorsement BP 15 07 if it is attached to this Policy:**

**1. Paragraph (2) of Insuring Agreement d. Security Breach Liability is replaced by the following:**

- (2) We will pay for "defense expenses" as a result of a "claim" in the form of a "regulatory proceeding" first made against the insured during the "policy period" or during the applicable Extended Reporting Period, in response to a "wrongful act" or a series of "interrelated wrongful acts" covered under Paragraph d.(1).

**2. The following is added to the Limits Of Insurance Provision under Paragraph K.:**

In addition to the Information Security Protection Aggregate Limit of Insurance, we will pay prejudgment interest awarded against the insured on the part of the judgment we pay. If we make an offer to pay the Information Security Protection Aggregate Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.

**3. The Duties In The Event Of Claim Or Loss Condition under Paragraph M. is replaced by the following:**

**Duties In The Event Of Claim Or Loss**

In the event of either an occurrence or offense that may result in a "claim" against an insured or a "loss" or situation that may result in a "loss" covered under this Endorsement, you must see to it that we or our agent is notified orally or in writing as soon as practicable, but not to exceed 30 days, and cooperate with us in the investigation and settlement of the "claim" or "loss" as set forth below:

- a. For "claims" covered under Insuring Agreements d. Security Breach Liability and g. Web Site Publishing Liability, you must:
  - (1) Immediately record the specifics of the "claim" and the date received;
  - (2) Immediately send us or our agent copies of any demands, notices, summonses or legal papers received in connection with the "claim";



- (3) Authorize us to obtain records and other information; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of an occurrence or offense to which this Endorsement may also apply.

You will not, except at your own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

A "claim" brought by a person or organization seeking damages will be deemed to have been made when the "claim" is received by an insured.

- b. Under Insuring Agreement **a.** Replacement Or Restoration Of Electronic Data and Insuring Agreement **e.** Extortion Threats, you must:
  - (1) Notify local law enforcement officials;
  - (2) Submit to examination under oath at our request and give us a signed statement of your answers; and
  - (3) Give us a detailed, sworn proof of loss within 120 days.
  - (4) In addition, under Insuring Agreement **e.** Extortion Threats, you must:
    - (a) Determine that the "extortion threat" has actually occurred;

- (b) Make every reasonable effort to immediately notify an associate and the security firm, if any, before making any "ransom payment" based upon the "extortion threat";
- (c) With respect to "ransomware", make a reasonable effort to access your "electronic data" from backup; and
- (d) Approve any "ransom payment" based upon the "extortion threat".

4. Paragraph **d.** of the definition of "loss" in Paragraph **V.** is replaced by the following:

- d.** With respect to Insuring Agreements **d.** Security Breach Liability and **g.** Web Site Publishing Liability:

Compensatory damages, settlement amounts and costs awarded pursuant to judgments or settlements.

"Loss" does not include:

- (1) Civil or criminal fines or penalties imposed by law;
- (2) Punitive or exemplary damages;
- (3) The multiplied portion of multiplied damages;
- (4) Taxes;
- (5) Royalties;
- (6) The amount of any disgorged profits; or
- (7) Matters that are uninsurable pursuant to law.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS)**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

**Section II – Liability** is amended as follows:

- A.** The following is added to Paragraph **B. Exclusions:**

This insurance does not apply to:

#### **Perfluoroalkyl And Polyfluoroalkyl Substances**

- a.** "Bodily injury" or "property damage" which would not have occurred, or "personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged, threatened or suspected inhalation, ingestion, absorption, consumption, discharge, dispersal, seepage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any "perfluoroalkyl or polyfluoroalkyl substances".
- b.** Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "perfluoroalkyl or polyfluoroalkyl substances", by any insured or by any other person or entity.

- B.** The following is added to Paragraph **F. Liability And Medical Expenses Definitions:**

"Perfluoroalkyl or polyfluoroalkyl substances" means any:

- 1.** Chemical or substance that contains one or more alkyl carbons on which hydrogen atoms have been partially or completely replaced by fluorine atoms, including but not limited to:
  - a.** Polymer, oligomer, monomer or nonpolymer chemicals and their homologues, isomers, telomers, salts, derivatives, precursor chemicals, degradation products or by-products;
  - b.** Perfluoroalkyl acids (PFAA), such as perfluorooctanoic acid (PFOA) and its salts, or perfluorooctane sulfonic acid (PFOS) and its salts;
  - c.** Perfluoropolyethers (PFPE);
  - d.** Fluorotelomer-based substances; or
  - e.** Side-chain fluorinated polymers; or
- 2.** Good or product, including containers, materials, parts or equipment furnished in connection with such goods or products, that consists of or contains any chemical or substance described in Paragraph **B.1.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – CONFIDENTIAL OR PERSONAL INFORMATION (EPL)**

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY ENDORSEMENT  
EMPLOYMENT PRACTICES LIABILITY ENDORSEMENT INCLUDING 3<sup>RD</sup> PARTY  
ILLINOIS EMPLOYMENT PRACTICES LIABILITY ENDORSEMENT  
ILLINOIS EMPLOYMENT PRACTICES LIABILITY ENDORSEMENT INCLUDING 3<sup>RD</sup> PARTY  
OHIO EMPLOYMENT PRACTICES LIABILITY ENDORSEMENT  
OHIO EMPLOYMENT PRACTICES LIABILITY ENDORSEMENT INCLUDING 3<sup>RD</sup> PARTY  
PENNSYLVANIA EMPLOYMENT PRACTICES LIABILITY ENDORSEMENT  
PENNSYLVANIA EMPLOYMENT PRACTICES LIABILITY ENDORSEMENT INCLUDING 3<sup>RD</sup> PARTY  
VIRGINIA EMPLOYMENT PRACTICES LIABILITY ENDORSEMENT  
VIRGINIA EMPLOYMENT PRACTICES LIABILITY ENDORSEMENT INCLUDING 3<sup>RD</sup> PARTY

With respect to coverage provided by this endorsement, the provisions of the Employment Practices Liability Endorsement apply unless modified by the endorsement.

Paragraph **B. 1.** is deleted and replaced by the following:

1. Confidential or personal information, including financial, health, genetic, biometric, employment or any other type of nonpublic information in any form. This exclusion applies to:
  - (1) Access to or disclosure of such information; or
  - (2) Collection, acquisition, maintenance, or retention of confidential or personal information, including but not limited to, the failure to:
    - (i) comply with a legal requirement to correct or delete such information;
    - (ii) provide individuals with the ability to consent to the collection, acquisition, maintenance, or retention of such information; or
    - (iii) provide individuals with the ability to opt out of collection, acquisition, maintenance or retention of such information.

However, this exclusion shall not apply to allegations of “employment practices” as described in subparagraphs (1) - (7) of the definition of “employment practices”.