



Consumer Cyber Protection Policy

«**ASPEN AMERICAN INSURANCE COMPANY**»
«**590 MADISON AVENUE, 7TH FLOOR**»
«**NEW YORK, NY 10022**»

« (A stock insurance company incorporated under the laws of Texas hereinafter called the “Company”) »

In consideration of the premium paid and in reliance upon the statements contained in the information and materials provided to the **Insurer** in connection with the underwriting and issuance of this Policy, and subject to all the provisions, terms and conditions contained herein, the **Insurer** agrees to provide coverage as follows:

I. INSURING AGREEMENTS

A. Stolen Identity and Remediation Coverage

The **Insurer** will reimburse the **Insured** for **Loss** or **Expense** resulting directly and solely from an **Identity Theft Event** or **Tax Filing Fraud** that first takes place on or after the **Inception Date** but prior to the **Expiration Date** of this Policy, and that is reported to the **Insurer** in accordance with the terms herein.

B. Transfer of Funds Coverage

The **Insurer** will reimburse the **Insured** for **Loss** resulting directly and solely from a **Funds Transfer Event** that first takes place on or after the **Inception Date** but prior to the **Expiration Date** of this Policy, and that is reported to the **Insurer** in accordance with the terms herein.

C. Compromised Device Replacement Coverage

The **Insurer** will reimburse the **Insured** for **Loss** resulting directly and solely from a **Device Impairment Event** that first takes place on or after the **Inception Date** but prior to the **Expiration Date** of this Policy, and that is reported to the **Insurer** in accordance with the terms herein.

D. Extortion Coverage

The **Insurer** will reimburse the **Insured** for **Loss** or **Expense** resulting directly and solely from a **Cyber Extortion Event** that first takes place on or after the **Inception Date** but prior to the **Expiration Date** of this Policy, and that is reported to the **Insurer** in accordance with the terms herein.

II. DEFINITIONS

- A. **Account** means any repository for money or other assets, and any credit facility; provided, however, that any such repository or facility is held in the **Insured's** name or for the **Insured's** benefit, and is managed by a **Financial Institution**.
- B. **Cancellation** means the termination of the Policy at a date other than the **Expiration Date**.
- C. **Cyber Extortion Event** means and includes blackmail or criminal threats, carried out by a third party to:
 - i. Prevent an **Insured** from gaining access to their **Accounts**, **Devices**, or personal data;
 - ii. Threaten to destroy or render unusable an **Insured's Device** or personal data; or
 - iii. Make public the **Insured's** personal data, without their voluntary, non-coerced consent.

D. **Cyberterrorism** means the premeditated use of disruptive activities which causes or results in a **Device Impairment Event**, a **Funds Transfer Event**, a **Tax Filing Fraud**, an **Identity Theft Event**, or a **Cyber Extortion Event**, by an individual or group of individuals, or the explicit threat by an individual or group of individuals to use such activities, with the intention to cause harm, further social, ideological, religious, or similar objectives, or to intimidate any person(s) in furtherance of such objectives. **Cyberterrorism** does not include any such activities that are part of or in support of any military action, war or warlike operation.

E. **Deceptive Funds Transfer** means the transfer of money or other assets from an **Account** to a third party individual or group, directly resulting from **Social Engineering Fraud** and from which no **Insured** receives, or expects to receive, undue financial gain.

Deceptive Funds Transfer does not include any transfer of money or other assets initiated by an **Insured**, or by an **Insured** acting in concert with a third party, where there is fraudulent intent on the part of the **Insured** or when the transfer is incentivized by undue financial gain for the **Insured**.

F. **Device** means a desktop, laptop, tablet, phone, peripherals or other computing technology owned or leased by, and under the control of, the **Insured**.

G. **Device Impairment Event** means the physical or functional degradation or destruction of an **Insured's Device**, or the corruption, deletion, or alteration of data thereon, such that the device is rendered unusable as a direct result of:

- i. Malware of any kind;
- ii. The exploitation of a vulnerability of the **Device's** software, firmware or hardware by an unauthorized third party; or
- iii. The unauthorized remote access of the device by a third party.

Device Impairment Event does not include any intentional or accidental physical damage to a **Device**, whether by an **Insured** or third party that is not a direct result of any of the conditions listed in Sections **II.G.i.**, **II.G.ii.**, **II.G.iii.**. Further, it does not include wear and tear, manufacturer or developer defect, or any other direct or indirect destruction, damage or impairment of a **Device** not specifically enumerated in Sections **II.G.i.**, **II.G.ii.**, and **II.G.iii.**.

H. **Expense** means the actual, necessary and reasonable amounts paid by the **Insured** solely for an **Identity Theft Event**, **Tax Filing Fraud**, or **Cyber Extortion Event** remediation, including the cost of:

- i. Document production, reproduction, restoration or replacement;
- ii. Forensic evaluation;
- iii. Public relations;
- iv. Communications;
- v. Shipping;
- vi. Travel;
- vii. Dependent care;
- viii. Legal expenses; or
- ix. Any other amounts paid by the **Insured** solely in response to an **Identity Theft Event**, **Tax Filing Fraud**, or **Cyber Extortion Event** with the advanced written consent of the **Insurer**.

Expense does not include **Loss** or amounts paid by any persons or entities not defined as an **Insured** within this Policy.

I. **Expiration Date** means the date in Item 2. of the Policy Declarations.

- J. Extension** means the **Insurer's** issuance of, or offer to issue, a notice extending the term of the Policy for a specified period beyond the Policy's **Expiration Date**.
- K. Financial Institution** means any U.S. regulated and domiciled entity that holds an **Account**, including but not limited to a bank, savings association, credit union, broker, or retirement account recordkeeper.
- L. Funds Transfer Event** means:
- i. A **Deceptive Funds Transfer**; or
 - ii. An **Unauthorized Funds Transfer**.
- M. Identity** means:
- i. Appearance or Likeness;
 - ii. Biometric Information;
 - iii. Date of birth;
 - iv. A Social Security Number (SSN) or other series of characters used by governmental organizations for unique association with an individual;
 - v. Account credentials such as user name or login, and passwords;
 - vi. License or passport;
 - vii. Access cards, badges, or devices; or
 - viii. Any other information or possessions which may be used to establish the authenticity of an individual.
- N. Identity Theft Event** means the fraudulent acquisition or use of an **Insured's Identity** by a third party for financial or other benefit.
- O. Inception Date** means the date in Item 2. of the Policy Declarations.
- P. Income Reduction** means the loss of an **Insured's** salary or wages, otherwise paid by a third party employer of the **Insured**, due to unpaid time off from work which is reasonably and necessarily required for the rectification of an **Identity Theft Event** provided such unpaid time off from work occurs with the advanced written consent of the **Insurer**. Such advanced written consent to unpaid time off from work shall not be unreasonably withheld by **Insurer**. In no event does this Policy provide coverage for salary or wages beyond forty hours of unpaid time off from work.
- Income Reduction** does not include the loss of any form of compensation from self-employment, paid time off, sick days, commissions, bonuses or overtime.
- Q. Insured** means the **Named Insured**, a spouse, domestic partner or party to a civil union thereof, and includes the **Named Insured's** children or dependents under 26 years of age.
- R. Insurer** means the insurance company identified in the Policy Declarations.
- S. Loss** means:
- i. A theft or reduction of an **Insured's** financial assets, resulting from a **Deceptive Funds Transfer** or an **Unauthorized Funds Transfer**;
 - ii. Subject to the **Insurer's** prior written approval, payment to a third party individual or group, resulting from a **Cyber Extortion Event**;
 - iii. Amounts paid to repair or replace a **Device** affected by a **Device Impairment Event**;
 - iv. An **Income Reduction**, the direct result of remediating an **Identity Theft Event**;

- v. The loss or reduction of a U.S. federal, state, county or municipal income tax refund due the **Insured**, resulting from **Tax Filing Fraud**;

Loss does not include the value of any software, firmware, programs, pictures, intellectual property, or other data stored on a **Device**.

T. Named Insured means the individual named in Item 1. of the Policy Declarations.

U. Nonpayment of Premium means the failure or inability of the **Insured** to discharge any obligation in connection with the payment of premiums on the Policy, whether payable directly to the **Insured** or an intermediary.

V. Nonrenewal means the termination of this Policy at its **Expiration Date**.

W. Social Engineering Fraud means the intentional misleading of an **Insured**, including the misrepresentation of facts, intent, or source of communications origin, perpetrated by a third party with the intent of eliciting credentials or other non-public information needed to execute the transfer of money or other assets.

X. Tax Filing Fraud means the filing of a fraudulent income tax return by a third party not authorized to do so on behalf of an **Insured**, whether or not an income tax refund is distributed or redirected to a third party without the **Insured's** authorization.

Tax Filing Fraud does not include a tax refund directed to a third party if the **Insured** receives undue benefit, financial or otherwise.

Y. Unauthorized Funds Transfer means the transfer of money or other assets from an **Account**, resulting from or as part of an **Identity Theft Event**. Such transfer must be initiated by a third party that does not have legitimate authority to do so, and the **Insured** must not receive any benefit, financial or otherwise.

Unauthorized Funds Transfer does not include a transfer of money or other assets:

- i. Initiated by a third party that was granted **Account** access or transaction authorization by the **Insured**, unless such access or authorization was revoked by the **Insured** via formal notification to the corresponding **Financial Institution** in advance of such transfer;
- ii. Initiated by or on behalf of a **Financial Institution**;
- iii. Initiated by the **Insured**; or
- iv. Initiated in association with fraudulent intent on the part of the **Insured**, or a third party acting in concert with the **Insured**.

III. EXCLUSIONS

This Policy does not cover any **Loss** or **Expense**, based upon, arising directly or indirectly out of, or relating to:

A. Any actual or alleged dishonesty, fraud, criminal conduct, or malicious acts by an **Insured**.

B. Any violation of the following:

- i. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- ii. The CAN-SPAM Act of 2003, including any amendment or addition to such law;
- iii. The Fair Credit Reporting Act (FCRA), and any amendment or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- iv. Any federal, state or local statute, ordinance, or regulation, other than the TCPA, CAN-SPAM Act of 2003, FCRA, or FACTA and their amendments and additions, that addresses, prohibits, or limits the

printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating, or distribution of material or information.

- C. Any physical injury, sickness, disease, disability, shock, mental anguish, or mental injury, including required care, loss of services or death at any time resulting therefrom; provided however that this Exclusion shall not apply to otherwise covered **Loss** or **Expense**.
- D. Any war, invasion, acts of foreign governments, hostilities or warlike operations (whether war is declared or not), strike, lockout, riot, civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, however, this exclusion will not apply to **Cyberterrorism**.
- E. Any interruption, confiscation, seizure or denial of access to an **Account** or **Device** by order of a court, government, or civil or public authority.
- F. Any failure to report a **Loss** or **Expense** to the **Insurer** in accordance with Section IV. **OBLIGATIONS OF THE INSURED**, and all other terms and conditions of this Policy.
- G. Negligence of an **Insured**. For purposes of this exclusion, "negligence" means the failure to exercise reasonable care with respect to the disclosure of information relating to an **Insured's Identity** or **Account**.
- H. Any business, employment, trade, profession, occupation, or professional services. However, for purposes of this exclusion, emails, text messages or other electronic communications conducted on an impacted or compromised device do not constitute business, employment, trade, profession, occupation or professional services.

IV. OBLIGATIONS OF THE INSURED

As a condition precedent to coverage under this Policy, the **Insured** must conform with the obligations set forth in this Section IV. of the Policy, at all times, including subsequent to the Expiration Date of this Policy.

A. Prompt notification to the **Insurer**

- i. The **Insured** must, as soon as practicable but in no event more than ninety (90) days after it is first discovered by an **Insured**, notify the **Insurer** of an **Identity Theft Event** or **Tax Filing Fraud**.
- ii. The **Insured** must, as soon as practicable but in no event more than five (5) business days after it is first discovered by an **Insured**, notify the **Insurer** of a **Funds Transfer Event** or **Cyber Extortion Event**.
- iii. The **Insured** must, as soon as practicable but in no event more than fifteen (15) business days after it is first discovered by an **Insured**, notify the **Insurer** of a **Device Impairment Event**.

B. Prompt notification to law enforcement and other third parties

- i. The **Insured** must, as soon as practicable but in no event more than ninety (90) days after it is first discovered by an **Insured**, notify law enforcement and file a police report relating to the **Identity Theft Event** or **Tax Filing Fraud**.
- ii. The **Insured** must, as soon as practicable but in no event more than five (5) days after it is first discovered by an **Insured**, notify law enforcement and file a police report relating to a **Funds Transfer Event** or **Cyber Extortion Event**.
- iii. The **Insured** must follow the **Insurer's** instruction, as soon as practicable but in no event more than ten (10) days after receiving such instruction, to notify any other law enforcement agencies deemed relevant by the **Insurer**, as well as any credit reporting agencies identified by the **Insurer**.

C. Prompt notification to **Financial Institutions**

- i. The **Insured** must, as soon as practicable but in no event more than five (5) days after it is first discovered by an **Insured**, notify the relevant **Financial Institutions** relating to an **Unauthorized Funds Transfer**, **Deceptive Funds Transfer**, or **Tax Filing Fraud**.

- ii. The **Insured** must strictly comply with all **Financial Institution** policies, terms and conditions, and standards covering fraud or the theft of money or other assets, to mitigate any **Loss**, and dispute any fraudulent charge, fraudulent use of credit, or fraudulent transfer of funds.

D. Cooperation with the **Insurer**

- i. The **Insured** must take all reasonable steps to mitigate **Loss** or **Expense**, including but not limited to:
 - 1. Participate in mediation calls with **Financial Institutions** and the **Insurer** or the **Insurer's** designated representative;
 - 2. Forward to the **Insurer** any notices, summons, legal papers or other materials received in connection with a **Loss, Expense, Identity Theft Event, Funds Transfer Event, Tax Filing Fraud, or Cyber Extortion Event**;
 - 3. Cooperate with and assist the **Insurer**, or any designated representative, with enforcing any rights or claims the **Insured** or **Insurer** may have against any individual or entity that may be liable to the **Insured** or **Insurer** in connection with a **Loss, Expense, Identity Theft Event, Funds Transfer Event, Tax Filing Fraud, or Cyber Extortion Event**;
 - 4. Attend depositions, hearings and trials in connection with a **Loss, Expense, Identity Theft Event, Funds Transfer Event, Tax Filing Fraud, or Cyber Extortion Event**;
 - 5. Make all reasonable efforts to obtain and provide relevant evidence, and secure the participation of witnesses in relation to any **Loss, Expense, Identity Theft Event, Funds Transfer Event, Tax Filing Fraud, or Cyber Extortion Event**;
 - 6. Make all reasonable efforts to prevent further **Loss** or **Expense** upon the **Insured's** first discovery of an **Identity Theft Event, Funds Transfer Event, Tax Filing Fraud, or Cyber Extortion Event**; or
 - 7. Make all reasonable efforts to obtain reimbursement for **Loss** from **Financial Institutions** or tax collections agencies.

E. Submission of relevant materials, including proof of **Loss** or **Expense**

- i. Upon request by the **Insurer** and as soon as practicable, the **Insured** must submit to the **Insurer**:
 - 1. Detailed information surrounding the transfer of money or other assets in relation to a **Loss**, including but not limited to **Financial Institution** statements, amounts, and dates;
 - 2. A signed and sworn affidavit detailing all relevant facts related to an **Identity Theft Event, Funds Transfer Event, Tax Filing Fraud, or Cyber Extortion Event**;
 - 3. Any other reasonable information or documentation that the **Insurer** requests in relation an **Identity Theft Event, Funds Transfer Event, Tax Filing Fraud, or Cyber Extortion Event**; or
 - 4. Any **Device** which was affected by a **Device Impairment Event**, and for which the **Insured** is seeking a resultant reimbursement.

V. CONDITIONS

A. Cancellation, Termination and Nonrenewal

- i. This Policy shall terminate on the **Expiration Date** specified in Item 2. of the Policy Declarations Page of this Policy or, in the event of **Cancellation** or **Nonrenewal** of this Policy, then the date specified in such notice of **Cancellation** or **Nonrenewal**. There shall be no coverage for an **Identity Fraud Event, Funds Transfer Event, Device Impairment Event, Cyber Extortion Event, or Tax Filing Fraud** occurring after the **Effective Date** and time of such expiration, **Cancellation** or **Nonrenewal**. Termination of this Policy shall not reduce any time period during which the **Insured** must report a **Loss** or **Expense** covered under this Policy or during which the **Named Insured** must send **Insurer** a signed, sworn proof of loss or affidavit containing the information requested to investigate a claim.

- ii. If this Policy has been in effect for sixty (60) days, or immediately upon **Extension**, the **Insurer** will only cancel the Policy in the following circumstances:

1. Nonpayment of Premium;

2. Fraud or misrepresentation by an **Insured** in obtaining this Policy or pursuing a claim hereunder; or

3. A determination by the director of insurance or other governing regulatory official or body having jurisdiction over the **Named Insured** that the continuation of the Policy would place the **Insurer** in violation of the insurance laws of a state or would jeopardize **Insurer** solvency.

- iii. No **Cancellation** shall be effective unless the **Insurer** delivers a copy of the notice of **Cancellation** to the **Named Insured** at the address shown in the Policy or to the last known address of the **Named Insured** or via email at least thirty (30) days before the effective date of the **Cancellation**, except that, if **Cancellation** is for **Nonpayment of Premium**, at least ten (10) days' notice of **Cancellation** will be given. The notice must state the specific facts that constitute the grounds for **Cancellation**.

- iv. There shall be no liability on the part of, and no cause of action of any nature shall be brought against, the **Insurer** or its authorized representatives, agents or employees, or any licensed insurance producer, for any statement made in connection with **Cancellation**, unless such statement is shown to have been made in bad faith with malice, in any of the following:

1. A written notice of **Cancellation** or in any other oral or written communication specifying the reasons for **Cancellation**;

2. A communication providing information pertaining to such **Cancellation**; or

3. Evidence submitted at any court proceeding or informal inquiry in which such **Cancellation** is an issue.

- v. The **Insurer** may elect to not renew this Policy by mailing a copy of the notice of **Nonrenewal** to the **Named Insured** by certified mail at the address shown in the Policy Declarations or to the last known address of **Named Insured** or via email, at least forty-five (45) days before the **Expiration**, of the **Insurer's** intention not to renew the Policy. Notice of intent to not renew the Policy is not required if:

1. The **Insurer** has offered to issue a renewal policy; or

2. The **Insured** has obtained replacement coverage or has agreed in writing to obtain replacement coverage.

If the **Insurer** provides notice of **Nonrenewal** and the **Insurer** subsequently extends the Policy for ninety (90) days at the request of the **Named Insured**, an additional notice of **Nonrenewal** is not required with respect to the extension of the Policy.

- vi. The **Insurer** shall mail or deliver to the **Named Insured** at the mailing address shown in the Policy Declarations, written notice of premium increase, change in deductible or reduction in limits or substantial reduction in coverage at least forty-five (45) days before the **Expiration Date** of this Policy. If the **Insurer** fails to provide the forty-five (45) days' notice, the coverage provided to the **Named Insured** remains in effect until notice is given or until the effective date of replacement coverage obtained by the **Named Insured**, whichever occurs first. If the **Named Insured** elects not to renew, any earned premium for the period of extension of the terminated Policy shall be calculated pro rata at the lower of the current or prior policy year's rate. If the **Named Insured** accepts the **Renewal**, the premium increase, if any, and other changes are effective the day following the prior policy's expiration or anniversary date. For purposes of this Section V. A. vi., notice shall be considered given if the **Insurer** delivers new Policy terms and conditions forty-five (45) days before the **Expiration Date** of the Policy.

- vii. Proof of mailing any notice of **Cancellation**, notice of **Nonrenewal**, or notice of premium or coverage changes to the **Named Insured** at the address shown in the Policy Declarations is sufficient proof of notice.

- viii. The **Named Insured** may cancel this Policy at any time by mailing or delivering advance written notice to **Insurer** stating the effective date of cancellation.

B. Limits

- i. The **Insurer's** maximum aggregate limit of coverage for all **Loss** or **Expense** covered by this Policy is stated in Item 3. of the Policy Declarations.
- ii. Any sub-limit of coverage for **Loss** or **Expense** covered by this Policy is part of, and not in addition to, the **Insurer's** maximum aggregate limit of coverage.

C. Changes

This Policy contains all the agreements between the **Insured** and the **Insurer** concerning the insurance afforded. This Policy's terms and conditions can be amended or waived only by an endorsement issued by the **Insurer** and made a part of this Policy.

D. Coverage Territory

This Policy provides coverage worldwide.

E. Legal Action

No legal action may be brought or made against the **Insurer** under this Policy unless:

- i. There has been full compliance with all the terms of this Policy by the **Insured**; and
- ii. The action is brought within two (2) years after the date on which a **Identity Theft Event, Tax Filing Fraud, Funds Transfer Event, Device Impairment Event, or Cyber Extortion Event** is first discovered by the **Insured**.

F. Other Insurance

Any coverage provided under this Policy will be excess over and will not contribute with any other valid and collectible insurance providing coverage that may be afforded under this Policy.

G. Recovery

If any payment is made under this Policy for **Loss** or **Expense**, and there is the ability to recover against any third party, it is agreed that the **Insured** tenders all rights of recovery to the **Insurer**. The **Insured** also agrees to assist the **Insurer** in exercising such rights. Any recovery will first be paid to the **Insurer** toward any incurred subrogation costs, **Loss** or **Expense**, and any remaining amounts will be paid to the **Insured**.

H. Bankruptcy

Bankruptcy of the **Insured** shall not relieve **Insurer** of any obligations under this Policy.

I. Sanctions

Payment for **Loss** or **Expense** under this Policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control.