Midwest Family Mutual Insurance Company

Insuring Midwest Values Since 1891

MIDWEST FAMILY MUTUAL INSURANCE COMPANY
P.O. BOX 3930 Urbandale,IA 50323-3930

Renewal Coverage Summary

Policy Number	Policy Period From	Policy Period To		Agent #
CPCO0560143652	08/12/26	08/12/27	12:01 AM Standard Time	14660

Named Insured and Address	Agent
STONEBRIDGE AT DEERCREEK VILLAGE HOMEOWNERS ASSOCIATION 607 S 7TH ST C/O HOA SERVICES GRAND JUNCTION, CO 81501	MOUNTAIN WEST INSURANCE & FINANCIAL SERVICES LLC-GLENWOOD SPRINGS 100 E VICTORY WAY 201 CENTENNIAL ST. 4TH FL GLENWOOD SPRINGS, C CRAIG, CO 81625 Phone: (970)945-9111

Commercial Portfolio Policy Summary

Coverage Part/Policy Attached	Effective Date	Annual Premium	Prorated Premium
This policy consists of the following coverage parts/policies for which a premium is indicated. This premium may be subject to adjustment or final audit.			
Businessowners Policy Coverages	08/12/2026 - 08/12/2027	$32,072.00	$32,072.00
	Policy Fees/Taxes	$.00	$.00
	Estimated Total Premium	$32,072.00	$32,072.00

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Midwest Family Mutual Insurance Company

Insuring Midwest Values Since 1891

MIDWEST FAMILY MUTUAL INSURANCE COMPANY
P.O. BOX 3930 Urbandale,IA 50323-3930

Businessowner's Policy

Renewal Coverage Summary

Policy Number	Policy Period From	To		Agent #
CPCO0560143652	08/12/26	08/12/27	12:01 AM Standard Time	14660

Named Insured and Address	Agent
STONEBRIDGE AT DEERCREEK VILLAGE HOMEOWNERS ASSOCIATION 607 S 7TH ST C/O HOA SERVICES GRAND JUNCTION, CO 81501	MOUNTAIN WEST INSURANCE & FINANCIAL SERVICES LLC-GLENWOOD SPRINGS 100 E VICTORY WAY 201 CENTENNIAL ST. 4TH FL GLENWOOD SPRINGS, C CRAIG, CO 81625 Phone: (970)945-9111

Policy Summary

'X' IF SUPPLEMENTAL DECLARATION **X** SUPPLEMENTAL DECLARATION

Business Description:	Form of Business:
Apartments and Condominiums	**Other**

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.

DESCRIBED PREMISES — Forms Applicable: Special

Premises No.	Bldg. No.	Location	Mortgage Holder Name and Address
SEE ATTACHED SUPPLEMENTAL DECLARATIONS			**SEE ATTACHED SCHEDULE**

PROPERTY

PREM NO.	BLDG NO.	PREM NO.	BLDG NO.	PREM NO.	BLDG NO.

SEE ATTACHED SUPPLEMENTAL DECLARATIONS

Business Income/Extra Expense ACTUAL LOSS SUSTAINED subject to a maximum limit of $793,000.

Premium: **$483.00**

Deductible $ **SEE ATTACHED SUPPLEMENTAL DECLARATIONS**

OPTIONAL COVERAGES

SEE ATTACHED SUPPLEMENTAL DECLARATIONS

LIABILITY AND MEDICAL PAYMENTS

Except for Damage to Premises Rented to You, each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to paragraph D.4 of the Businessowners Coverage Form.

	Limits of Insurance
Liability and Medical Expenses	$1,000,000 Per Occurrence
Medical Expense	$1,000 Per Person

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Damage to Premises Rented to You	$50,000 Any One Premises
Other Than Products/Completed Operations Aggregate	$2,000,000
Products/Completed Operations Aggregate	$2,000,000
Personal/Advertising Injury	$1,000,000

TOTAL PREMIUM **$32,072.00**

FORMS AND ENDORSEMENTS: SEE ATTACHED SCHEDULE

During the past three years no insurer has canceled any insurance issued to the name insured, similar to that afforded hereunder, unless otherwise stated herein.

THESE DECLARATIONS, TOGETHER WITH THE COVERAGE FORM(S), COMMON POLICY CONDITIONS AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

Location Address(es)

Prems. No.	Bldg. No.	Address
1	1	1235 1245 1255 SE Stonebridge Dr, Cedaredge, CO, 8
2	1	1285 1295 SE Stonebridge Dr, Cedaredge, CO, 81413
3	1	1315 1325 SE Stonebridge Dr, Cedaredge, CO, 81413
4	1	1335 1345 SE Stonebridge Dr, Cedaredge, CO, 81413
5	1	400 410 SE Old Goat Trail, Cedaredge, CO, 81413
6	1	420 430 440 SE Old Goat Trail, Cedaredge, CO, 8141
7	1	450 460 SE Old Goat Trail, Cedaredge, CO, 81413
8	1	470 480 SE Old Goat Trail, Cedaredge, CO, 81413
9	1	490 SE Old Goat Trail 1650 SE Village Ave, Cedared
10	1	425 435 445 SE Jay Ave, Cedaredge, CO, 81413
11	1	455 465 SE Jay Ave, Cedaredge, CO, 81413
12	1	475 485 SE Jay Ave, Cedaredge, CO, 81413
13	1	1615 1625 1635 SE Village Ave, Cedaredge, CO, 8141
14	1	500 SE Old Goat Trl 164516551665 SE Village Ave, C

Description of Premises

Prems. No.	Bldg. No.	Occupancy	Construction
1	1	Apartments and Condominiums	Frame
2	1	Apartments and Condominiums	Masonry Non-Com
3	1	Apartments and Condominiums	Frame
4	1	Apartments and Condominiums	Masonry Non-Com
5	1	Apartments and Condominiums	Frame
6	1	Apartments and Condominiums	Frame
7	1	Apartments and Condominiums	Frame
8	1	Apartments and Condominiums	Frame
9	1	Apartments and Condominiums	Frame
10	1	Apartments and Condominiums	Frame
11	1	Apartments and Condominiums	Frame
12	1	Apartments and Condominiums	Frame
13	1	Apartments and Condominiums	Frame
14	1	Apartments and Condominiums	Frame

Coverages

Prems. No.	Bldg. No.	Coverages	Limit of Insurance	Automatic increase in Insurance	Ded	Wind/Hail Ded
1	1	Building - RC	$619,600	6%	$10,000	5%
2	1	Building - RC	$468,700	6%	$10,000	5%
3	1	Building - RC	$451,900	6%	$10,000	5%
4	1	Building - RC	$460,200	6%	$10,000	5%
5	1	Building - RC	$468,700	6%	$10,000	5%
6	1	Building - RC	$672,700	6%	$10,000	5%
7	1	Building - RC	$484,700	6%	$10,000	5%
8	1	Building - RC	$468,700	6%	$10,000	5%
9	1	Building - RC	$468,700	6%	$10,000	5%
10	1	Building - RC	$634,900	6%	$10,000	5%
11	1	Building - RC	$564,800	6%	$10,000	5%
12	1	Building - RC	$460,300	6%	$10,000	5%
13	1	Building - RC	$733,100	6%	$10,000	5%
14	1	Building - RC	$969,400	6%	$10,000	5%

Optional Coverages

Prems. No.	Bldg. No.	Coverages	Limit	Ded
1	1	Equipment Breakdown deductible ---- total sublimit on: $619,600 expediating expenses perishable good computer equipment hazardous substances	$619,600	$10,000
1	1	Ultimate Property Advantage		
1	1	Ultimate Liability Advantage		
1	1	Hired & Non-owned Auto Liability-Combined	$1,000,000	
2	1	Equipment Breakdown deductible ---- total sublimit on: $468,700 expediating expenses perishable good computer equipment hazardous substances	$468,700	$10,000
2	1	Ultimate Property Advantage		
3	1	Equipment Breakdown deductible ---- total sublimit on: $451,900 expediating expenses perishable good computer equipment hazardous substances	$451,900	$10,000
3	1	Ultimate Property Advantage		
4	1	Equipment Breakdown deductible ---- total sublimit on: $460,200 expediating expenses perishable good	$460,200	$10,000

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Prems. No.	Bldg. No.	Coverages	Limit	Ded
		computer equipment hazardous substances		
4	1	Ultimate Property Advantage		
5	1	Equipment Breakdown deductible ---- total sublimit on: $468,700 expediating expenses perishable good computer equipment hazardous substances	$468,700	$10,000
5	1	Ultimate Property Advantage		
6	1	Equipment Breakdown deductible ---- total sublimit on: $672,700 expediating expenses perishable good computer equipment hazardous substances	$672,700	$10,000
6	1	Ultimate Property Advantage		
7	1	Equipment Breakdown deductible ---- total sublimit on: $484,700 expediating expenses perishable good computer equipment hazardous substances	$484,700	$10,000
7	1	Ultimate Property Advantage		
8	1	Equipment Breakdown deductible ---- total sublimit on: $468,700 expediating expenses perishable good computer equipment hazardous substances	$468,700	$10,000
8	1	Ultimate Property Advantage		
9	1	Equipment Breakdown deductible ---- total sublimit on: $468,700 expediating expenses perishable good computer equipment hazardous substances	$468,700	$10,000
9	1	Ultimate Property Advantage		
10	1	Equipment Breakdown deductible ---- total sublimit on: $634,900 expediating expenses perishable good computer equipment hazardous substances	$634,900	$10,000

Prems. No.	Bldg. No.	Coverages	Limit	Ded
10	1	Ultimate Property Advantage		
11	1	Equipment Breakdown deductible ---- total sublimit on: $564,800 expediating expenses perishable good computer equipment hazardous substances	$564,800	$10,000
11	1	Ultimate Property Advantage		
12	1	Equipment Breakdown deductible ---- total sublimit on: $460,300 expediating expenses perishable good computer equipment hazardous substances	$460,300	$10,000
12	1	Ultimate Property Advantage		
13	1	Equipment Breakdown deductible ---- total sublimit on: $733,100 expediating expenses perishable good computer equipment hazardous substances	$733,100	$10,000
13	1	Ultimate Property Advantage		
14	1	Equipment Breakdown deductible ---- total sublimit on: $969,400 expediating expenses perishable good computer equipment hazardous substances	$969,400	$10,000
14	1	Ultimate Property Advantage		

Form Schedule

Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue:

FORMS APPLICABLE TO ALL PREMISES AND COVERAGES

Form	Edition	Description	Prems-Bldg	Ded	Limit	Premium
MFM ML1	04-05	Amendatory Endorsement #1				
000-BOP	07-15	Businessowners Forms	ALL			
BOP0882	11-01	Bodily Injury Property Damage Due to Mold Exc	ALL			
BOP0996	05-00	Deductible Clause	ALL			
BP0417	01-10	Employment-Related Practices Exclusion	ALL CO			
BP0517	01-06	Exclusion - Silica or Silica-Related Dust	ALL			
BP 00 03	02-22	Businessowners Coverage Form	ALL CO			
BP 01 81	07-02	Colorado Changes	ALL CO			

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Form	Edition	Description	Prems-Bldg	Ded	Limit	Premium
BP 05 01	07-02	Calculation of Premium	ALL			
BP 05 15	12-20	Disclosure Pursuant to TRIA	ALL			
BP 05 23	01-15	Cap Losses from Certified Acts of Terrorism	ALL			
BP 14 86	07-13	Communicable Disease Exclusion	ALL CO			
BP 15 04	12-23	Excl - Access/Disclosure of Confidential Info	ALL CO			
BP 15 60	02-21	Cyber Incident Exclusion	ALL			
BP 15 91	12-23	Exclusion - PFAS	ALL			
BP0526M	01-16	Excl of Certified Acts of Terrorism Inv N/B/C	ALL CO			
MFM 001	05-25	Policyholder Notice	ALL			
MFM 001A	03-20	Midwest Family Mutual Service Fee Schedule	ALL			
MFMBP037	07-19	Medical Expense at Your Request End	ALL CO			
MFMBP038	12-22	Wind/Hail Loss Settlement Provisions	ALL CO			
MFMBP041	04-23	War and Cyber War Exclusion	ALL CO			
MFMBP043	02-25	Exclusion - PFAS Policyholders Notice	ALL			
MFMBP-02	09-15	Asbestos Exclusion	ALL			
MWILP001	01-04	US Treasury Dept OFAC Advisory Notice	ALL			
PRIV NTC	08-25	Privacy Policy Notice	ALL			
BOP0026	01-16	Equipment Breakdown Coverage	1-1			
BP0404	01-10	Hired Auto & Non-Owned Auto Liability	ALL CO			
BP-14-81	07-13	Limitations on Coverage for Roof Surfacing	1-1			
MFM CL00	10-25	Cyber Liability - MFM NetGuard Plus	ALL		100,000	$112.00
MFMBP015	01-16	Condominium Additional Provisions	1-1			
MFMBP019	11-13	Windstorm or Hail Percentage Deductibles 5%	1-1			
MFMBP035	10-19	Ultimate Property Advantage Endorsement	1-1			
MFMBP036	09-18	Ultimate Liability Advantage Endorsement	1-1			
MFMIL005	09-15	Business Income/Extra Expense Limit	ALL			
IR 08 84	03-18	Commercial (BOP/Garage) Identity Recovery Cov	ALL	$500	25,000	$27.00
BOP0026	01-16	Equipment Breakdown Coverage	2-1			
BP-14-81	07-13	Limitations on Coverage for Roof Surfacing	2-1			
MFMBP015	01-16	Condominium Additional Provisions	2-1			
MFMBP019	11-13	Windstorm or Hail Percentage Deductibles 5%	2-1			

Form	Edition	Description	Prems-Bldg	Ded	Limit	Premium
MFMBP035	10-19	Ultimate Property Advantage Endorsement	2-1			
BOP0026	01-16	Equipment Breakdown Coverage	3-1			
BP-14-81	07-13	Limitations on Coverage for Roof Surfacing	3-1			
MFMBP015	01-16	Condominium Additional Provisions	3-1			
MFMBP019	11-13	Windstorm or Hail Percentage Deductibles 5%	3-1			
MFMBP035	10-19	Ultimate Property Advantage Endorsement	3-1			
BOP0026	01-16	Equipment Breakdown Coverage	4-1			
BP-14-81	07-13	Limitations on Coverage for Roof Surfacing	4-1			
MFMBP015	01-16	Condominium Additional Provisions	4-1			
MFMBP019	11-13	Windstorm or Hail Percentage Deductibles 5%	4-1			
MFMBP035	10-19	Ultimate Property Advantage Endorsement	4-1			
BOP0026	01-16	Equipment Breakdown Coverage	5-1			
BP-14-81	07-13	Limitations on Coverage for Roof Surfacing	5-1			
MFMBP015	01-16	Condominium Additional Provisions	5-1			
MFMBP019	11-13	Windstorm or Hail Percentage Deductibles 5%	5-1			
MFMBP035	10-19	Ultimate Property Advantage Endorsement	5-1			
BOP0026	01-16	Equipment Breakdown Coverage	6-1			
BP-14-81	07-13	Limitations on Coverage for Roof Surfacing	6-1			
MFMBP015	01-16	Condominium Additional Provisions	6-1			
MFMBP019	11-13	Windstorm or Hail Percentage Deductibles 5%	6-1			
MFMBP035	10-19	Ultimate Property Advantage Endorsement	6-1			
BOP0026	01-16	Equipment Breakdown Coverage	7-1			
BP-14-81	07-13	Limitations on Coverage for Roof Surfacing	7-1			
MFMBP015	01-16	Condominium Additional Provisions	7-1			
MFMBP019	11-13	Windstorm or Hail Percentage Deductibles 5%	7-1			
MFMBP035	10-19	Ultimate Property Advantage Endorsement	7-1			
BOP0026	01-16	Equipment Breakdown Coverage	8-1			
BP-14-81	07-13	Limitations on Coverage for Roof Surfacing	8-1			
MFMBP015	01-16	Condominium Additional Provisions	8-1			

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Form	Edition	Description	Prems-Bldg	Ded	Limit	Premium
MFMBP019	11-13	Windstorm or Hail Percentage Deductibles 5%	8-1			
MFMBP035	10-19	Ultimate Property Advantage Endorsement	8-1			
BOP0026	01-16	Equipment Breakdown Coverage	9-1			
BP-14-81	07-13	Limitations on Coverage for Roof Surfacing	9-1			
MFMBP015	01-16	Condominium Additional Provisions	9-1			
MFMBP019	11-13	Windstorm or Hail Percentage Deductibles 5%	9-1			
MFMBP035	10-19	Ultimate Property Advantage Endorsement	9-1			
BOP0026	01-16	Equipment Breakdown Coverage	10-1			
BP-14-81	07-13	Limitations on Coverage for Roof Surfacing	10-1			
MFMBP015	01-16	Condominium Additional Provisions	10-1			
MFMBP019	11-13	Windstorm or Hail Percentage Deductibles 5%	10-1			
MFMBP035	10-19	Ultimate Property Advantage Endorsement	10-1			
BOP0026	01-16	Equipment Breakdown Coverage	11-1			
BP-14-81	07-13	Limitations on Coverage for Roof Surfacing	11-1			
MFMBP015	01-16	Condominium Additional Provisions	11-1			
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MFMBP035	10-19	Ultimate Property Advantage Endorsement	11-1			
BOP0026	01-16	Equipment Breakdown Coverage	12-1			
BP-14-81	07-13	Limitations on Coverage for Roof Surfacing	12-1			
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MFMBP019	11-13	Windstorm or Hail Percentage Deductibles 5%	12-1			
MFMBP035	10-19	Ultimate Property Advantage Endorsement	12-1			
BOP0026	01-16	Equipment Breakdown Coverage	13-1			
BP-14-81	07-13	Limitations on Coverage for Roof Surfacing	13-1			
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MFMBP035	10-19	Ultimate Property Advantage Endorsement	13-1			
BOP0026	01-16	Equipment Breakdown Coverage	14-1			
BP-14-81	07-13	Limitations on Coverage for Roof Surfacing	14-1			

Form	Edition	Description	Prems-Bldg	Ded	Limit	Premium
MFMBP015	01-16	Condominium Additional Provisions	14-1			
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MFMBP035	10-19	Ultimate Property Advantage Endorsement	14-1			

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Amendatory Endorsement #1

MIDWEST FAMILY MUTUAL INSURANCE COMPANY
NAMED INSURED: STONEBRIDGE AT DEERCREEK VILLAGE HOMEOWNERS ASSOCIATION
POLICY NUMBER: CPCO0560143652
LINE OF BUSINESS: BUSINESSOWNERS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FORM BOP0996 DEDUCTIBLE CLAUSE

IT IS HEREBY AGREED AND UNDERSTOOD THAT THE DEDUCTIBLE CLAUSE AS DEFINED IN FORM BOP0996 DOES NOT APPLY TO THIS POLICY.

INSTEAD THE DEDUCTIBLE SHOWN ON THE DECLARATIONS PAGE APPLIES PER OCCURRENCE AND PER BUILDING/STRUCTURE.

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Annual Meeting of the Members Notice

Midwest Family Mutual Insurance Company (Company) is a "Mutual" form of insurance company. As a Policyholder, you are a "Member" of the Company and have the right to influence the business of the Company. Each Policyholder "member" is entitled to one vote regarding any Company business conducted at this Annual Meeting of the Members.

The Company's Annual Meeting of the Members will be held on the first Monday in May at 10:00 a.m. CST at its Home Office located at 12130 Meredith Drive, Suite 230W, Urbandale, Iowa 50323.

	Becky Szymczak
President	Secretary

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Privacy Policy Notice

This notice is being provided for informational purposes and requires no additional action from you.

Midwest Family Mutual and Midwest Family Advantage value you as a customer and have always safeguarded the information that is collected in order to provide you with the best possible products and services. Federal and state laws require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

We may collect non-personal information and personal information. Non-personal information is information that could not be used to identify you. Personal information is information that could be used to identify you including (but not limited to) your name, address, telephone number, email address, and/or Social Security number. This information is only collected when you voluntarily provide it to us. Personal information is collected from you for business purposes only. You provide us with most of the information about you that we use in evaluating your application and servicing your insurance policy.

We collect non-public personal information about you from the following sources:

- Information we receive from you on applications or other forms;
- Information we receive from our agents; and
- Information we receive from consumer reporting agencies.

Depending on the nature of your coverage, we may collect information about you from third parties, such as other persons proposed for coverage under your policy or the State Motor Vehicle Department concerning your driving record.

We may disclose the following kinds of non-public personal information about you:

- Information we receive from you on applications or other forms, such as your name, address, Social Security number, and driver's license number;
- Information about your transactions with us, our affiliates or others, such as your policy coverage, premiums, and payment history; and
- Information we receive from a consumer reporting agency, such as your creditworthiness and credit history.

We do not disclose any non-public personal information about our customers or former customers to anyone, except as permitted by law. In some cases, this may mean information can be disclosed to third parties without your authorization. This is only done within the law and with parties that facilitate the underwriting of risk, settlement of claims, reinsurance of these functions or to comply with regulatory requirements. We do not release information for any marketing purpose.

We restrict access to non-public personal information about you to employees or agents to allow them to provide you with products or to provide you benefits or services under them. We maintain strict physical, electronic, and procedural safeguards that comply with state and federal regulations to guard your non-public personal information.

You have the right to obtain access to certain items of information we have collected about you, and you have the further right to request correction of information if you feel it is inaccurate. To correct information about you, send a written request, explaining your desired correction. Within 30 days, we will either make the requested correction or tell you why we will not. We cannot correct Consumer Report Information. To do this, you must contact the consumer reporting agency that provided it.

We would also be pleased to tell you about our policies and procedures for the privacy of your information. For additional information or to access your information, please contact us in one of the following ways:

Midwest Family Mutual Insurance Company
Midwest Family Advantage Insurance Company
12130 Meredith Drive Suite 230W
Urbandale, IA 50323
Tel: 515-842-0010
Toll Free: 1-800-225-5636
Fax: 515-902-0193
Email: service@midwestfamily.com

NETGUARD® PLUS ENDORSEMENT
(Claims-Made and Reported Coverage)

IMPORTANT NOTICE

In consideration of the premium charged and notwithstanding anything contained in the Policy to the contrary, it is understood and agreed that this Endorsement modifies insurance provided under the Businessowners Coverage Form (BP 00 03), referred to hereinafter as the "Policy", issued by Midwest Family Mutual Insurance Company ("the Company"). This Endorsement takes effect as of the effective date of the Policy. The Third Party Liability Insuring Agreements (Insuring Agreements A through E) provide claims-made and reported coverage. The First Party Liability Insuring Agreements (Insuring Agreements F through M) provide first party coverage on an event-discovered and reported basis.

The Cyber Liability limits of insurance are specified in the ***Cyber Liability Declarations*** shown below. Such limits of insurance are in addition to, and will not erode, the limits of insurance provided elsewhere in the Policy. **Defense costs** paid under this Endorsement will reduce, and may completely exhaust, the Cyber Liability limits of insurance. Only those Insuring Agreements with a limit of insurance shown in the ***Cyber Liability Declarations*** are included in this Endorsement.

The terms, conditions, exclusions, and limits of insurance set forth in this Endorsement apply only to Cyber Liability insurance. Various provisions in this Endorsement restrict coverage. Read the entire Endorsement carefully to determine **your** rights and duties and what is and is not covered. Any conditions contained elsewhere in the Policy, including the cancellation and renewal/nonrenewal provisions, remain unchanged and shall apply to this endorsement, unless this endorsement states otherwise.

Throughout this Endorsement, the words "we", "us", and "our" refer to the Company providing this insurance. Other words and phrases that appear in bold face type have special meaning as described in ***Section V. Cyber Liability Definitions*** of this Endorsement. To the extent any words or phrases used in this Endorsement are also defined elsewhere in the Policy, such definitions do not apply to the words or phrases used in this Endorsement.

Cyber Liability Declarations

Item 1. **Limits of Liability per Insuring Agreement**:

A.	Multimedia Liability:	$100,000 per **claim** and in the aggregate
B.	Security and Privacy Liability:	$100,000 per **claim** and in the aggregate
C.	Privacy Regulatory Defense and Penalties:	$100,000 per **claim** and in the aggregate
D.	PCI DSS Liability:	$100,000 per **claim** and in the aggregate
E.	TCPA Defense:	$10,000 per **claim** and in the aggregate
F.	Breach Event Costs:	$100,000 per **claim** and in the aggregate
G.	Post Breach Remediation Costs:	$10,000 per **claim** and in the aggregate
H.	BrandGuard®:	$100,000 per **claim** and in the aggregate
I.	System Failure:	$100,000 per **claim** and in the aggregate
J.	Cyber Extortion:	$100,000 per **claim** and in the aggregate
K.	Reward Expenses:	$10,000 per **claim** and in the aggregate
L.	Court Attendance Costs:	$10,000 per **claim** and in the aggregate
M.	Cyber Crime	Not Included

Item 2. **Maximum Aggregate Limit of Liability**: $100,000

CYBER LIABILITY TERMS AND CONDITIONS

Section I. Third Party Liability Insuring Agreements

The Company agrees with the **Named Insured** to provide coverage as follows:

A. Multimedia Liability

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

B. Security and Privacy Liability

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

C. Privacy Regulatory Defense and Penalties

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

D. PCI DSS Liability

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

E. TCPA Defense

Subject to the Limits of Liability, the Company will pay on behalf of an **Insured** the **defense costs** incurred to defend against a **TCPA claim** made against the **Insured** for an actual or alleged **TCPA violation**, but only if: 1) the **TCPA claim** is first made against the **Insured** during the **policy period**, 2) the **claim** is reported to the Company in writing in accordance with ***Section VI. Cyber Liability Notice***

Provisions of this Endorsement, and 3) the **TCPA violation** occurs on or after the **retroactive date**. The Company will have no obligation to pay **damages** or any amounts, other than **defense costs**, under this Insuring Agreement.

Section II. First Party Liability Insuring Agreements

F. Breach Event Costs

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

G. Post Breach Remediation Costs

Subject to the Limits of Liability, the Company will pay on **your** behalf the **post breach remediation costs** that **you** incur with the Company's prior written consent, after a **security breach** or **privacy breach**, but only if: 1) such **security breach** or **privacy breach** is covered under Insuring Agreement F of this Endorsement, and 2) a written request for indemnification under this Insuring Agreement is made by an **executive** to the Company in accordance with ***Section VI. Cyber Liability Notice Provisions***.

H. BrandGuard®

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

I. System Failure

Subject to the Limits of Liability and **waiting period** applicable to Insuring Agreement I, the Company agrees to provide System Failure coverage as follows:

1. *Data Recovery*

The Company will indemnify **you** for **digital assets loss** and **special expenses** that **you** incur because of damage, alteration, corruption, distortion, theft, misuse, or destruction of **digital assets** resulting from **system failure**, but only if: 1) the **system failure** is first discovered by an **executive** during the **policy period**, 2) the **system failure** is reported to the Company in writing in accordance with ***Section VI. Cyber Liability Notice Provisions*** of this Endorsement, and 3) **you** provide clear evidence that the **digital assets loss** directly results from a **system failure**.

Digital assets loss and **special expenses** will be reimbursed for a period of up to twelve (12) months following the discovery of the **system failure**.

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<u>2. Non-Physical Business Interruption</u>

The Company will indemnify **you** for **income loss**, **interruption expenses**, and **special expenses** that **you** incur during the **period of restoration** but after the **waiting period** because of a **system failure**, but only if: 1) the **system failure** is first discovered by an **executive** during the **policy period**, 2) the **system failure** is reported to the Company in writing in accordance with ***Section VI. Cyber Liability Notice Provisions*** of this Endorsement, and 3) **you** provide clear evidence that the **income loss**, **interruption expenses**, and **special expenses** directly result from a **system failure**.

J. Cyber Extortion

Subject to the Limits of Liability, the Company will indemnify **you** for **cyber extortion expenses** and **cyber extortion monies** that **you** pay as a direct result of a **cyber extortion threat**, but only if: 1) the **cyber extortion threat** is made against **you** during the **policy period**, and 2) the **cyber extortion threat** is reported to the Company in writing in accordance with ***Section VI. Cyber Liability Notice Provisions*** of this Endorsement.

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

K. Reward Expenses

Subject to the Limits of Liability, the Company will pay for the **reward expenses** that **you** incur with the Company's prior written consent, but only if a written request for indemnification under this Insuring Agreement is made by an **executive** to the Company in accordance with ***Section VI. Cyber Liability Notice Provisions*** of this Endorsement.

L. Court Attendance Costs

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

M. Cyber Crime

Subject to the Limits of Liability and deductible applicable to Insuring Agreement M, the Company agrees to provide Cyber Crime coverage as follows:

<u>A. Financial Fraud Coverage</u>

The Company will indemnity **you** for **financial fraud loss** that **you** sustain because of **financial fraud**, but only if: 1) the **financial fraud** occurs on or after the **retroactive date**, 2) the **financial fraud** is first discovered by an **executive** during the **policy period**, 3) the **financial fraud** is reported to the Company in writing in accordance with ***Section VI. Cyber Liability Notice Provisions*** of this Endorsement, and 4) **your** bank or credit card company has refused to reverse or prevent a payment transaction or to indemnify or reimburse **you** for the **financial fraud loss**, and **you** provide written confirmation to the Company of such refusal.

B. Telecommunications Fraud Coverage

The Company will indemnify **you** for **telecommunications fraud loss** that **you** sustain because of **telecommunications fraud**, but only if: 1) the **telecommunications fraud** occurs on or after the **retroactive date**, 2) the **telecommunications fraud** is first discovered by an **executive** during the **policy period**, and 3) the **telecommunications fraud** is reported to the Company in writing in accordance with ***Section VI. Cyber Liability Notice Provisions*** of this Endorsement.

C. Phishing Fraud Coverage

The Company will indemnify **you** for:

1. **Your phishing fraud loss** that **you** sustain because of **phishing fraud**, but only if: 1) the **phishing fraud** occurs on or after the **retroactive date**, 2) the **phishing fraud** is first discovered by an **executive** during the **policy period**, and 3) the **phishing fraud** is reported to the Company in writing in accordance with ***Section VI. Cyber Liability Notice Provisions*** of this Endorsement; and
2. **Client phishing fraud loss** that **you** sustain because of **client phishing fraud**, but only if: 1) the **client phishing fraud** occurs on or after the **retroactive date**, 2) the **client phishing fraud** directly results from a **hacking attack**; 3) the **client phishing fraud** is first discovered by an **executive** during the **policy period**, and 4) the **client phishing fraud** is reported to the Company in writing in accordance with ***Section VI. Cyber Liability Notice Provisions*** of this Endorsement.

D. Cyber Crime Deductible

1. A deductible of $2,500 applies to each **claim** under Insuring Agreement M (Cyber Crime). The deductible must be satisfied by **your** actual payment of **financial fraud loss, telecommunications fraud loss** or **phishing fraud loss**, whichever applies.

2. **Your** payment of the deductible is a condition precedent to payment by the Company of any sums covered under Insuring Agreement M, and the Company will only be liable for sums that exceed such deductible, up to the applicable Limits of Liability.

Section III. Cyber Liability Defense and Settlement Provisions

The following defense and settlement provisions will apply only to the coverage provided under this Endorsement and will supersede any other defense and settlement provisions contained elsewhere in the Policy.

1. We have the right and duty to defend an **Insured** against any **claim** covered under Insuring Agreement A, Insuring Agreement B, Insuring Agreement C, or Insuring Agreement D, even if the allegations are groundless, false or fraudulent. We have the right to appoint an attorney to defend any such **claim**. However, the Company will have no duty to defend any **Insured** against any **claim** seeking amounts or relief to which this insurance does not apply.

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2. The Limits of Liability available to pay **damages** will be reduced, and may be completely exhausted, by payment of **defense costs** or any other amounts covered under this Endorsement.

3. The **Insured** shall not pay any **damages, defense costs**, or other amounts covered under this Endorsement, or settle or offer to settle any **claim**, assume any contractual obligation, admit liability, voluntarily make any payment, or confess or otherwise consent to any **damages** or judgments without our prior written consent, which consent will not be unreasonably withheld. We will not be liable for any **damages**, **defense costs**, settlement, judgment, assumed obligation, admitted liability, voluntary payment or confessed **damages** to which we have not consented.

4. We have the right to make any investigation we deem necessary, including, without limitation, any investigation with respect to coverage.

5. With respect to Insuring Agreements A, Insuring Agreement B, Insuring Agreement C, and Insuring Agreement D only, we will not settle any **claim** or pay any **damages, regulatory compensatory award, regulatory fines and penalties**, or **PCI DSS fines and assessments**, whichever applies, without the **Insured's** consent. If an **Insured** refuses to consent to any settlement or compromise recommended by us or our representatives that is acceptable to the claimant, and the **Insured** elects to contest the **claim** or continue any legal proceedings in connection with such **claim**, then our liability for **damages, defense costs**, **regulatory compensatory award**, **regulatory fines and penalties**, or **PCI DSS fines and assessments**, whichever applies, will not exceed the following amount, subject to the Limits of Liability:

   a. The amount for which the **claim** could have been settled and **defense costs** incurred as of the date the **Insured** withheld consent to such settlement, plus
   b. Seventy percent (70%) of any **damages, defense costs, regulatory compensatory award, regulatory fines and penalties** or **PCI DSS fines and assessments** incurred after the date the **Insured** withheld consent to such settlement or compromise. The remaining thirty percent (30%) of such **damages, defense costs, regulatory compensatory award, regulatory fines and penalties**, or **PCI DSS fines and assessments**, whichever applies, and any amounts that exceed the applicable Limit of Liability, will be borne by the **Insured** at the **Insured's** own risk and will be uninsured under this Endorsement.

6. We have no duty to pay any **damages, defense costs**, or other amounts covered under this Endorsement, or to undertake or continue the defense of any **claim**, after the Limit of Liability is exhausted. Once the Limit of Liability is exhausted, the Company has the right to withdraw from the further defense or payment of any **claim** by transferring control of said **claim** to the **Insured** in accordance with ***Section XI. Transfer of Duties when the Limits of Insurance are Exhausted*** of this Endorsement.

Section IV. Cyber Liability Limits of Liability

The following Limit of Liability provisions will apply only to the coverage provided under this Endorsement and will supersede any other Limit of Liability provisions contained elsewhere in the Policy.

1. The Limits of Liability set forth in Item 1 of the ***Cyber Liability Declarations*** represent the most we will pay under each Insuring Agreement for each **claim** first made during the **policy period** and in the aggregate for all **claims** first made during the **policy period**, including **defense costs** where applicable, regardless of the number of **claims**, claimants or **Insureds**. If the Limit of Liability for any Insuring Agreement is exhausted, our obligations under that Insuring Agreement will be deemed completely fulfilled and extinguished.

2. The Maximum Aggregate Limit of Liability set forth in Item 2 of the ***Cyber Liability Declarations*** is the most we will pay under this Endorsement for all **claims** first made during the **policy period**, including **defense costs** where applicable, regardless of the number of **claims**, claimants or **Insureds**, or the number of Insuring Agreements that apply. All amounts we pay under this Endorsement will reduce, and may completely exhaust, the Maximum Aggregate Limit of Liability.

3. All **claims** which arise out of the same, related, or continuing incidents, acts, facts or circumstances will be considered a single **claim**, regardless of the number of **claims** made, **Insureds** affected, or claimants involved. Only one Limit of Liability will apply to such **claim**. All **claims** which arise out of the same, related, or continuing incidents, acts, facts or circumstances will be deemed first made on the date the earliest of such **claims** is first made and will be deemed first reported to us on the date the earliest of such **claim** is reported to us.

4. If a **claim** is covered under more than one Insuring Agreement of this Endorsement, the Limit of Liability for each applicable Insuring we will allocate payments to that portion of the **claim** covered under each applicable Insuring Agreement; provided, however, that a) we will never pay more under any one Insuring Agreement than the Limit of Liability shown in Item 1 of the ***Cyber Liability Declarations*** for that Insuring Agreement; and b) our total aggregate Limit of Liability for such **claim** will not exceed the single largest Limit of Liability that applies. The Company has the sole discretion to allocate **claims** paid, if any, against the appropriate Limit of Liability.

5. The existence of a **cyber liability extended reporting period** will not increase or reinstate the Limits of Liability set forth in the ***Cyber Liability Declarations***.

Section V. Cyber Liability Definitions

The following definitions shall apply only to the coverage provided under this Endorsement. Any definitions contained elsewhere in the Policy shall not apply to give meaning to the words or phrases used in this Endorsement.

Act of cyber terrorism means the premeditated use of disruptive activities, or the threat to use disruptive activities, against a **computer system**, including any associated network and **data** stored thereon, with the intention to cause harm, to further social, ideological, religious, political, or similar objectives, or to intimidate any person in furtherance of such objectives; provided that such activities are not committed by, or at the express direction of, a sovereign state or a government simultaneously engaged in **war** or a **cyber operation** carried out as part of any **war**.

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

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

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

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Application program means any computer software program that performs a particular function or task within the **computer operating system** for the end-user, including, but not limited to, database programs, web browsers, enterprise software, word processors, graphics software and media players.

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

Attack vector means the method or combination of methods that are used in a **hacking attack**.

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

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

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

Breach support and credit monitoring expenses means those reasonable and necessary expenses that **you** incur on **your** own behalf, or on behalf of a party for whom **you** are **vicariously liable**, to provide support activity to parties affected by a **privacy breach**. **Breach support and credit monitoring expenses** includes the cost to set up a call center and to provide a maximum of 24 months of credit monitoring services, identity theft assistance services, or credit or identity repair and restoration services. **Breach support and credit monitoring expenses** must be incurred with the Company's prior written consent.

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

Claim means:

1. With respect to Insuring Agreement A and Insuring Agreement B only:
   a. A written demand made against an **Insured** for **damages** or non-monetary relief;
   b. A written request received by an **Insured** to toll or waive a statute of limitations relating to a potential **claim** against an **Insured**; or
   c. The service of a civil lawsuit or the institution of arbitration or other alternative dispute resolution proceedings against an **Insured** seeking **damages**, a temporary restraining order, or a preliminary or permanent injunction.

   A **claim** under Insuring Agreement A or Insuring Agreement B does not include a **PCI DSS demand**.

2. With respect to Insuring Agreement C only, a **privacy regulatory proceeding**. A **claim** under Insuring Agreement C does not include a **PCI DSS demand**.

3. With respect to Insuring Agreement D only, a **PCI DSS demand**.

4. With respect to Insuring Agreement E only, **a TCPA claim**.

5. With respect to Insuring Agreement F only, **your** written notice to the Company of an **adverse media report, security breach** or **privacy breach**.

6. With respect to Insuring Agreement G only, **your** written request to the Company for indemnification of **post breach remediation costs**.

7. With respect to Insuring Agreement H only, **your** written notice to the Company of an **adverse media report** or **notification** that has resulted or may result in **brand loss**.

8. With respect to Insuring Agreement I only, **your** written notice to the Company of a **system failure**.

9. With respect to Insuring Agreement J only, **your** written notice to the Company of a **cyber extortion threat**.

10. With respect to Insuring Agreement K only, **your** written request to the Company for indemnification of **reward expenses**.

11. With respect to Insuring Agreement L only, **your** written report to the Company for indemnification of **court attendance costs** incurred by an **insured** in a **claim** covered under Insuring Agreement A, Insuring Agreement B, Insuring Agreement C, Insuring Agreement D or Insuring Agreement E.

12. With respect to Insuring Agreement M only, written notice from an **executive** to the Company of **financial fraud, telecommunications fraud, phishing fraud, or client phishing fraud**.

A **claim** under Insuring Agreement A, Insuring Agreement B, Insuring Agreement C, Insuring Agreement D or Insuring Agreement E will be deemed to be first made when it is received by an **Insured**. A **claim** under Insuring Agreement F, Insuring Agreement H, Insuring Agreement I or Insuring Agreement J will be deemed to be first made when **your** written notice of the event or incident giving rise to the **claim** is received by the Company. A **claim** under Insuring Agreement G, Insuring Agreement K, or Insuring Agreement L will be deemed to be first made when **your** written request for indemnification is received by the Company.

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

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

Client phishing fraud loss means:

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

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

Computer operating system means **computer system** software that manages or administers **computer hardware**, software resources, or provides common services to run an **application program**. **Computer operating system** does not include an **application program**.

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

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

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

Court attendance costs means the actual loss of earnings and reasonable costs and expenses incurred by an **insured** after a total of three (3) days of required attendance at mediation sessions, arbitration proceedings, hearings, depositions, and trials relating to the defense of a **claim** that is covered under Insuring Agreement A, B, C, D or E of this Endorsement.

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

Cyber extortion monies means any **money**, bitcoin or digital currency of any kind, or **other property you** pay, with the Company's prior written consent, to a person(s) or entity(ies) reasonably believed to be responsible for a **cyber extortion threat**, to terminate such **cyber extortion threat**.

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

1. Steal, alter, release, divulge, disseminate, destroy, publicly disclose or misuse **private information** taken from an **Insured** as a result of **unauthorized access** to, or **unauthorized use** of, an **insured computer system**;
2. Infect an **insured computer system** with malicious code or ransomware;
3. Corrupt, damage or destroy an **insured computer system**;
4. Restrict or hinder access to an **insured computer system**, including the threat of a **denial of service attack**; or
5. Perpetrate or carry out a **phishing attack**;
6. Steal, alter, release, reveal, divulge, disseminate, destroy, publicly disclose, or misuse **your** confidential or proprietary information, or the **personally identifiable information** of an **Insured**; or
7. Damage **your reputation** or **your** brand by posting false or misleading comments about **you** or **your** organization on social media websites or platforms.

A series of continuing **cyber extortion threats**, related or repeated **cyber extortion threats**, or multiple **cyber extortion threats** resulting from the same attack, event or incident will be considered a single **cyber extortion threat** and will be deemed to have occurred at the time the first of such **cyber extortion threats** occurred.

Cyber liability extended reporting period means the period after the end of the **policy period** for reporting **claims**, as provided in ***Section VII. Cyber Liability Extended Reporting Provisions*** and specifically excludes the **policy period**.

Cyber operation means the use of a **computer system** by or on behalf of a sovereign state to disrupt, deny, degrade, manipulate or destroy information in a **computer system** of or in another sovereign state.

Damages means a monetary judgment, award, or settlement, including awarded attorneys' fees and costs and prejudgment and post-judgment interest awarded against an **Insured** on that part of any judgment paid or to be paid by the Company; and liquidated, punitive, exemplary or multiplied **damages** to the extent insurable under the law pursuant to which this Endorsement is construed. With respect to the insurability of liquidated, punitive, exemplary or multiplied **damages**, the applicable law will be the law of the state most favorable to the **Insured**, provided that the state whose law is most favorable to the **Insured** has a reasonable relationship to the **claim**. A state's law will be deemed to have a reasonable relationship to the **claim** if it is the state where:

1. The **Named Insured** is incorporated or has a place of business;
2 The **claim** is pending; or
3. Any **multimedia wrongful act** or **security and privacy wrongful act** (whichever applies) was committed or allegedly committed by an **Insured**.

Damages does not include:

1. Any **Insured's** future profits or royalties, restitution, or disgorgement of any **Insured's** profits;
2. The costs to comply with orders granting injunctive or non-monetary relief, including specific performance, or any agreement to provide such relief;
3. Loss of any **Insured's** fees or profits, the return or offset of any **Insured's** fees or charges, or any **Insured's** commissions or royalties provided or contracted to be provided;
4. Taxes, fines or penalties, or sanctions;
5. Contractual liquidated **damages**, to the extent such **damages** exceed the amount for which the **Insured** would have been liable in the absence of the liquidated **damages** agreement;
6. Any amount which an **Insured** is not financially or legally obligated to pay;
7. Disgorgement of any remuneration or financial advantage to which an **Insured** was not legally entitled;
8. Settlements negotiated without the Company's consent;
9. Monetary judgments, awards, settlements or any other amounts which are uninsurable under the law pursuant to which this Endorsement is construed or any legal fees and costs awarded pursuant to such judgments, awards or settlements; or
10. **PCI DSS fines and assessments**.

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

Defense costs means:

1. Reasonable and necessary fees incurred with the Company's consent and charged by an attorney(s) designated by the Company to defend against a **claim** under Insuring Agreement A, Insuring Agreement B, Insuring Agreement C, Insuring Agreement D or Insuring Agreement E; and
2. All other reasonable and necessary fees, costs, and expenses resulting from the defense and appeal of a **claim** under Insuring Agreement A, Insuring Agreement B, Insuring Agreement C, Insuring Agreement D or Insuring Agreement E, if incurred by the Company or by an **Insured** with our prior written consent.

Defense costs does not include any wages or salaries of an **Insured**, or fees, overhead or other charges incurred by, or paid to, any **Insured** for any time spent in cooperating in the investigation or defense of a **claim** or a potential **claim**.

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

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

Digital assets means **data** and **computer programs** that exist in an **insured computer system**. **Digital assets** do not include **computer hardware**.

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

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

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

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

Essential service means any service that is essential for the proper operation and maintenance of vital functions of a sovereign state, including, but not limited to, financial services (including services related to financial institutions and associated financial market infrastructure), health services, utility services, emergency services, and/or services that are essential for the proper operation of the food, energy and/or transportation sector.

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

Financial account means:

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

Financial fraud means:

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

Financial fraud loss means:

1. The loss of **your money** or **securities** resulting from **financial fraud**; or
2. The loss of **money** or **securities** that **you** sustain to reimburse **your** client or **your** customer for the theft of their **money** or **securities** as a direct result of **financial fraud**, provided such reimbursement is made with the Company's prior written consent.

Financial fraud loss does not include any amounts reimbursed to **you** by any financial institution.

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

First party insured event means:

1. With respect to Insuring Agreement F and Insuring Agreement G only, an **adverse media report**, **security breach** or **privacy breach**;
2. With respect to Insuring Agreement H only, a **security breach** or **privacy breach**;
3. With respect to Insuring Agreement I only, a **system failure**;
4. With respect to Insuring Agreement J only, a **cyber extortion threat**;
5. With respect to Insuring Agreement K only, a **security breach**, **privacy breach**, **system failure**, **cyber extortion threat**, **phishing attack**, **financial fraud**, **telecommunications fraud**, **phishing fraud**, or **client phishing fraud**;
6. With respect to Insuring Agreement L only, **court attendance costs** incurred by an **Insured**;
7. With respect to Insuring Agreement M only, **financial fraud**, **telecommunications fraud**, **phishing fraud**, or **client phishing fraud**.

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

Hacking attack means any of the following directed at or enacted upon an **insured computer system**:

1. Unauthorized access to, or unauthorized use of, an **insured computer system**, including any such unauthorized access or unauthorized use resulting from the theft of a password from an **insured computer system** or from an **Insured**;
2. A **denial of service attack** against an **insured computer system**;
3. Infection of an **insured computer system** by malicious code, or the transmission of malicious code from an **insured computer system**; or
4. An **act of cyber terrorism**.

Income loss means the net profit loss **you** sustain during the **period of restoration** as a direct result of a **system failure**. **Income loss** will be determined in accordance with the provisions of ***Section X. Loss Determination*** of this Endorsement.

Informant means any person who provides information regarding an illegal act committed by another person which causes a **first party insured event**, solely in return for **money** that **you** pay or promise to pay. **Informant** does not include:

1. Any person who commits an illegal act which causes a **first party insured event**, whether acting alone or in collusion with others;
2. Any **Insured**;
3. Any **Insured's** auditors, whether internal or external;
4. Any person or firm hired or retained to investigate a first party insured event; or

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5. Any person responsible for the supervision or management of a party described in paragraphs 1. through 4. above.

Insured means:

1. The **Named Insured**;
2. Any **Subsidiary** of the **Named Insured**, but only with respect to **wrongful acts** or **first party insured events** that occur while a **Subsidiary** is under the **Named Insured's managerial control**;
3. Any past, present, or future **executive**, trustee, court-appointed receiver, or **employee** of the **Named Insured** or **Subsidiary**, but only while acting solely within the scope of his or her duties as such;
4. If the **Named Insured** or **Subsidiary** is a partnership, limited liability partnership, or limited liability company, then any general or managing partner, principal, stockholder, or owner thereof, but only while acting solely within the scope of his or her duties as such;
5. Any agent or independent contractor of the **Named Insured** or **Subsidiary**, but only while acting on behalf of, at the direction of, and under the supervision of the **Named Insured** or **Subsidiary**; and
6. Any person or legal entity the **Named Insured** is required by written contract to provide such coverage as is afforded by this Policy, but only for the acts of a party described in paragraphs 1. through 5. above, and only if the written contract is executed prior to the date any **wrongful act** or **first party insured event** occurs.

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

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

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

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

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

Managerial control means:

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

Media material means communicative material of any kind or nature for which **you** are responsible, including, but not limited to, words, pictures, sounds, images, graphics, code and **data**, regardless of the method or medium of communication of such material or the purpose for which the communication is intended. **Media material** does not include any tangible goods or products that are manufactured, produced, processed, prepared, assembled, packaged, labeled, sold, handled or distributed by **you** or others trading under **your** name.

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

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

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

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

Named insured means the person or organization listed as such on the Declarations Page of the Policy to which this Endorsement attaches.

Notification means written notice to affected individuals in the event of a **security breach** or **privacy breach**, whether such written notice is made by **you** voluntarily or to comply with **privacy regulations**.

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

Operating system event means a single act of exploitation of, or a series of related, repeated or continuing acts of exploitation of, software vulnerabilities in a **computer operating system**, including, but not limited to ransomware, wiper malware, computer worms, and **computer viruses**, the impact of which is of sufficient intensity, scale or effect to cause a major detrimental impact on the functioning of a sovereign state due to disruption of the availability, delivery, or integrity of any **essential service** in that sovereign state. For purposes of this definition, a major detrimental impact on the functioning of a sovereign state shall be deemed to occur when such impact has been made public through the media, official statements or otherwise.

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

Outsourced IT service provider means an independent contractor that provides information technology services for **your** benefit, under a written contract with **you** to provide such services. **Outsourced IT service provider** services include, but are not limited to, hosting, security management, co-location, and **data** storage.

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

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

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

Period of indemnity means the period beginning on the earlier of the date of **notification** or the first **adverse media report** (whichever applies), and ending on the earlier of:

1. The date that gross revenues are restored to the level they had been prior to **notification** or the first **adverse media report** (whichever applies); or
2. One hundred eighty (180) consecutive days after the notice of **brand loss** is received by the Company.

Period of restoration means the period beginning on the date when the interruption, degradation in service, or failure of an **insured computer system** began, and ending on the earlier of:

1. The date when an **insured computer system** is restored or could have been repaired or restored with reasonable speed to the same condition, functionality and level of service that existed prior to the **system failure**, plus a maximum of thirty (30) additional consecutive days after the restoration of an **insured computer system** to allow for restoration of **your** business; or

2. One hundred twenty (120) consecutive days after the notice of **system failure** is received by the Company.

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

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

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

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

Policy period means the period of coverage commencing on the date shown on the Declarations Page attached to the Policy as the Policy Effective Date, or the effective date shown on this Endorsement, whichever is later, and ending upon the effective date of termination, expiration or cancellation of coverage under the Policy.

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

Print media means newspapers, newsletters, magazines, books and literary works in any form, brochures or other types of publications, and advertising materials including packaging, photographs, and digital images.

Privacy breach means any of the following:

1. The unauthorized collection, disclosure, use, access, destruction or modification of **private information**;
2. The inability to access, or failure to provide, **private information**;
3. Theft of **private information**;
4. The surrender of **private information** as a result of false communications or social engineering techniques, including but not limited to phishing, spear-phishing, and pharming;
5. Failure to implement, maintain, or comply with privacy policies and procedures stating **your** obligations regarding **private information**, including but not limited to **your privacy policy**;
6. Failure to develop or administer an identity theft prevention program;
7. Failure to implement specific security practices with respect to **private information** required by any **privacy regulations**;
8. An infringement or violation of any rights to privacy;
9. Breach of a person's right of publicity, false light, intrusion upon a person's seclusion;
10. Failure to comply with **privacy regulations** pertaining to the **Insured's** responsibilities with respect to **private information**, but only relating to an act listed in paragraphs **1.** through **8.** above; or
11. Failure to comply with any federal, state, foreign or other law (including common law), statute or regulation prohibiting unfair or deceptive trade practices or consumer fraud pertaining to the **Insured's**

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responsibilities with respect to **private information**, but only relating to an act listed in paragraphs **1.** through **8.** above.

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

Privacy breach response costs means:

1. Reasonable and necessary **public relations expenses** that **you** incur with the Company's prior written consent prior to or following the publication of an **adverse media report** to avert or mitigate any material damage to **your reputation** or **your** brand, which results or reasonably could result from the **adverse media report**;

2. Reasonable and necessary legal fees that **you** incur on **your** own behalf or on behalf of a party for whom **you** are **vicariously liable** to:
   a. Determine the scope, cause, and extent of an actual or suspected **privacy breach** or **security breach**;
   b. Determine the applicability of, and **your** obligations to comply with, **privacy regulations** due to an actual or suspected **privacy breach**; and
   c. Draft a **notification** letter to be sent to parties affected by a **privacy breach**.

3. Reasonable and necessary fees and costs that **you** incur on **your** own behalf, or on behalf of a party for whom **you** are **vicariously liable**, to retain a qualified IT forensics firm or computer security expert to investigate and identify the source and scope of a **security breach** or **privacy breach**; and

4. Overtime salaries of non-exempt **employees** assigned to handle inquiries from parties affected by a **privacy breach**.

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

1. Health Insurance Portability and Accountability Act of 1996 (Public Law 104- 191), known as HIPAA, and related or similar state medical privacy laws;

2. Gramm-Leach-Bliley Act of 1999 (G-L-B), also known as the Financial Services Modernization Act of 1999, including sections concerning security protection and standards for customer records maintained by financial services companies, and the rules and regulations promulgated thereunder;

3. State and Federal statutes and regulations regarding the security and privacy of consumer information;

4. Governmental privacy protection regulations or laws associated with the control and use of personal information, including but not limited to requirements to post or publish **your privacy policy**, adopt specific privacy controls, or inform customers of actual or suspected **privacy breaches**;

5. Privacy provisions of consumer protection laws, including the Federal Fair Credit Reporting Act (FCRA) and similar state laws;

6. Children's Online Privacy Protection Act or similar laws, as they exist now or in the future;

7. The EU General Data Protection Act or other similar privacy and security statutes, rules, regulations or other laws worldwide, as they exist now or in the future; and

8. The Health Information Technology for Economic and Clinical Health Act (HITECH ACT), enacted under Title XIII of the American Recovery and Reinvestment Act of 2009 (ARRA) (Pub. L. 111-5), and its implementing regulations, including related or similar state medical privacy laws.

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

Private information means:

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

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

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

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

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

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

Related hacking attack means a **hacking attack** with:

1. The same actor or a coordinated group of actors;
2. The same **attack vector**;
3. The same vulnerability; or
4. The common impacted vendor or group of impacted vendors as any other person or entity holding this cyber insurance coverage through the Company.

Related hacking attack does not include a **hacking attack** which deceives or manipulates any **Insured** to execute subsequent, intervening actions in order to constitute or cause the **claim**.

Retroactive date your initial effective date of Cyber Liability insurance with the Company.

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

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

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

1. The failure to prevent or hinder a **security breach**, which in turn results in:

a. The alteration, copying, corruption, destruction, deletion, or damage to **data** stored on an **insured computer system**;
b. Theft, loss or unauthorized disclosure of electronic or non-electronic **private information** that is in **your** care, custody or control;
c. Theft, loss or unauthorized disclosure of electronic or non-electronic **private information** that is in the care, custody or control of a **BPO service provider** or an **outsourced IT service provider** that is holding, processing or transferring such **private information** on **your** behalf; provided, however, that the theft, loss or unauthorized disclosure occurs while **your** written contract with such **BPO service provider** or **outsourced IT service provider** is still in effect;
d. **Unauthorized access** to, or **unauthorized use** of, a **computer system** other than an **insured computer system**;
e. The inability of an authorized **third party** to gain access to **your** services;

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

Security breach means any of the following, whether a specifically targeted attack or a generally distributed attack:

1. A **hacking attack**;
2. The physical theft or loss of an unsecured **data** storage device containing **private information**; or
3. The theft or loss of an unsecured mobile or handheld device containing **private information**, including any smartphone, tablet, and laptop owned by **you** and operated by an **insured**, or owned and operated by an **employee** or **executive** who has agreed in writing to **your** corporate mobile device acceptable use and security policy (also known as a "Bring Your Own Device" policy).

A series of continuing **security breaches**, related or repeated **security breaches**, or multiple **security breaches** resulting from a continuing failure of computer security will be considered a single **security breach** and will be deemed to have occurred at the time the first of such **security breaches** occurred.

Special expenses means reasonable and necessary costs and expenses that **you** incur to:

1. Prevent, preserve, minimize, or mitigate any further damage to **digital assets**, including the reasonable and necessary fees and expenses of specialists, outside consultants or forensic experts;
2. Preserve critical evidence of any criminal or malicious wrongdoing;
3. Purchase replacement licenses for **computer programs** because the copy protection system or access control software was damaged or destroyed by a **system failure**; or

4. Notify affected individuals of a total or partial interruption, degradation in service, or failure of an **insured computer system** resulting from a **system failure**.

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

1. Had **managerial control** as of the effective date of the Policy to which this Endorsement attaches; or
2. Acquires **managerial control** after the effective date of the Policy to which this Endorsement attaches, subject to the limitations of ***Section IX. Changes in Exposure***, paragraphs 2. and 3., of this Endorsement.

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

Takeover means:

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

TCPA claim means:

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

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

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

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

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

Third party, whether singular or plural, means any entity, company, organization or person who does not qualify as an **Insured**.

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

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

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

Waiting period means:

1. With respect to Insuring Agreement H, the two (2) week period which must elapse after **notification**, or in the event of an **adverse media report**, after publication of the first **adverse media report**, before **brand loss** may be payable. The **waiting period** applies to each **period of indemnity**.
2. With respect to Insuring Agreement I.2., the eight (8) hour period which must elapse before **income loss**, **interruption expenses** and **special expenses** may be payable. The **waiting period** applies to each **period of restoration**.

War means the use of physical force by a sovereign state against another sovereign state (whether war be declared or not) or as part of a civil war, rebellion, revolution, insurrection and/or military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

Widespread event means a **related hacking attack** that impacts [____] other persons or entities holding this cyber insurance coverage through the Company that is discovered, or should have been discovered, within 90 days of the first such person or entity discovering, or when the first such person or entity should have discovered, such **hacking attack**.

Wrongful act means:

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

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

Your phishing fraud loss means:

1. The loss of **money**, **securities**, or **other property** that **you** sustain due to **phishing fraud**;
2. The loss of **money** or **securities** that **you** sustain to reimburse **your** client or **your** customer for the loss of their **money** or **securities** as a direct result of **phishing fraud**, provided such reimbursement is made with the Company's prior written consent; and

3. Expenses **you** incur with the Company's prior written consent to create and issue a specific press release or to establish a specific website to advise **your** customers and prospective customers of **phishing fraud**.

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

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

Section VI. Cyber Liability Notice Provisions

The following Notice Provisions will apply only to the coverage provided under this Endorsement and will supersede any other notice provisions contained elsewhere in the Policy.

1. As a condition precedent to coverage for any **claim**, an **executive** must provide written notice to the Company of such **claim** as soon as practicable, but no later than sixty (60) days after expiration of the **policy period** (or during the **cyber liability extended reporting period**, if applicable).

2. If, during the **policy period**, an **executive** becomes aware of any incidents, acts, facts or circumstances that could reasonably be a basis for a **claim**, and if the **executive** gives written notice to the Company during the **policy period** that describes:

   a. Specific details of the incidents, acts, facts or circumstances that could reasonably be the basis for a **claim**;
   b. Possible **damages**, penalties, or other amounts potentially covered under this Endorsement that may result or has resulted from the facts or circumstances;
   c. Details regarding how the **executive** first became aware of the incidents, acts, facts or circumstances; and
   d. The **computer system** security and event logs, if applicable,

   then any **claim** arising out of such reported incidents, acts, facts or circumstances will be considered to be a **claim** first made on the date that Company first received written notice complying with the above requirements.

Section VII. Cyber Liability Extended Reporting Provisions

The following extended reporting period provisions shall apply only to the coverage provided under this Endorsement and shall supersede any other extended reporting period provisions contained elsewhere in the Policy.

1. In the event of cancellation or non-renewal of the Policy either by the **Named Insured** or the Company, the **Named Insured** will have the option to purchase a **cyber liability extended reporting period** effective from the date of Policy cancellation or non-renewal. The additional premium for the **cyber liability extended reporting period** will be a percentage of the full Cyber Liability annual premium in effect on the date the Policy was issued or last renewed, as set forth below:

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Term	Percent of Cyber Annual Premium
One year (12 months)	100%
Two years (24 months)	150%
Three years (36 months)	200%

2. If purchased by the **Named Insured**, the **cyber liability extended reporting period** will apply to any **claim** first made during the **cyber liability extended reporting period**, but only if the actual or alleged **wrongful acts** or **first party insured events** giving rise to such **claim** occur on or after the **retroactive date** and prior to the end of the **policy period**. As a further condition precedent to coverage, the **claim** must be reported to the Company in accordance with ***Section VI. Cyber Liability Notice Provisions*** and will be subject to all other Endorsement terms, conditions and exclusions.

3. To purchase the **cyber liability extended reporting period** endorsement, the **Named Insured's** written request for the **cyber liability extended reporting period**, together with full payment of the additional premium for the **cyber liability extended reporting period**, must be received by the Company within sixty (60) days of the effective date of cancellation or non-renewal of the Policy.

4. The Limits of Liability for the **cyber liability extended reporting period** are part of, and not in addition to, the Limits of Liability set forth in Item 1 of the ***Cyber Liability Declarations***.

5. The right to purchase a **cyber liability extended reporting period** will not be available to the **Named Insured** where cancellation or non-renewal of the Policy by the Company is because of non-payment of premium.

6. At the commencement of a **cyber liability extended reporting period**, the entire premium will be deemed fully earned, and in the event the **Named Insured** terminates a **cyber liability extended reporting period extended** for any reason prior to its natural expiration, the Company will not be liable to return any premium paid for the **cyber liability extended reporting period**.

Section VIII. Cyber Liability Exclusions

The following exclusions will apply only to the coverage provided under this Endorsement. The exclusions that appear elsewhere in the Policy will not apply to this Endorsement.

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

1. Based upon, arising from, or in any way involving any actual or alleged **wrongful act** or **first party insured event** which took place, in whole or in part, prior to the **retroactive date**.

2. Based upon, arising from, or in any way involving any actual or alleged **wrongful act** or **first party insured event** of which any **Insured** had knowledge prior to the **policy period** or prior to the inception date of Cyber Liability insurance issued by the Company of which this Endorsement is a direct and continuous renewal.

3. Based upon, arising from, or in any way involving any **wrongful act** or **first party insured event** which was disclosed or reported to a previous insurer prior to the **policy period**.

4. Made by or on behalf of an **Insured** against another **Insured**. This exclusion does not apply to an otherwise covered **claim** under Insuring Agreement B which is made by any past, present or future **employee** alleging a **security and privacy wrongful act**.

5. Based upon, arising from, or in any way involving any of the following committed by an **Insured**, whether acting alone or in collusion with other persons:

a. A willful, intentional, deliberate, malicious, fraudulent, dishonest, or criminal act or omission;
b. Any intentional violation of law;
c. Any intentional violation of **your privacy policy**; or
d. The gaining of any profit or advantage to which an **Insured** is not legally entitled.

This exclusion does not apply to **defense costs** or the Company's duty to defend any such **claim** under Insuring Agreement A, Insuring Agreement B, Insuring Agreement C, Insuring Agreement D or Insuring Agreement E until the conduct described in this exclusion has been established by a final adjudication in a judicial, administrative or alternative dispute proceeding, or by an **Insured's** own admission in a proceeding or otherwise. The Company will have the right to recover **defense costs** incurred in defending any such **claim** from those parties found to have committed the conduct described in this exclusion.

This exclusion does not apply to any **Insured** that did not commit, participate in, or have knowledge of any conduct described in this exclusion.

6. Based upon, arising from, or in any way involving the insolvency or bankruptcy of any person or entity, or the failure, inability, or unwillingness of any person or entity to make payments, perform obligations or conduct business because of insolvency, liquidation, or bankruptcy.

7. For **bodily injury** or **property damage**.

8. Based upon, arising from, or in any way involving any regional, countrywide, or global outage, failure, disruption, or reduction in supply of any utility service or infrastructure, including electricity, gas, water, telephone, cable, internet, satellite or telecommunications, or any failure, outage, disruption, degradation or termination of any critical part of such service or infrastructure, regardless of any other cause or event that contributes concurrently or in any sequence to the **claim**.

9. Based upon, arising from, or in any way involving the actual or alleged inaccurate, inadequate, or incomplete description of the price of goods, products or services.

10. Based upon, arising from, or in any way involving the violation of any economic or trade sanctions by the United States government including, but not limited to, sanctions administered and enforced by the United States Treasury Department's Office of Foreign Assets Control (OFAC). This exclusion does not apply to a **security breach** originating from any country where the United States of America has imposed economic or trade sanctions.

11. Based upon, arising from, or in any way involving any breach of any express, implied, actual or constructive contract, warranty, guarantee or promise. This exclusion does not apply to:

a. Any liability or obligation an **Insured** would have had in the absence of such contract, warranty, guarantee or promise and which would have been insured by this Endorsement;
b. An actual or alleged breach of **your privacy policy**;
c. An actual or alleged breach of an express, implied, actual or constructive contract, warranty, guarantee or promise to protect **private information**;
d. A **claim** under Insuring Agreement B for an unintentional breach by an **Insured** of the provisions of a confidentiality or non-disclosure agreement relating to the confidentiality of **private information**; or

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e. A **claim** under Insuring Agreement D for an unintentional breach of the provisions of a **merchant services agreement** relating to compliance with the **PCI DSS Standard**.

12. Based upon, arising from, or in any way involving any liability assumed by any **Insured** under a contract or agreement. This exclusion does not apply to:

a. With respect to Insuring Agreement A and Insuring Agreement B only, liability **assumed under contract**;
b. Any liability an **Insured** would have had in the absence of such contract or agreement and which would have been insured by this Endorsement; or
c. With respect to Insuring Agreement D only, liability for **PCI DSS fines and assessments** assumed under a **merchant services agreement**.

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

a. Any actual, alleged or threatened presence of pollutants or contamination of any kind, including, but not limited to, asbestos, smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste (waste includes materials to be recycled, reconditioned, or reclaimed), whether such presence results from an **Insured's** activities or the activities of others, or such presence or contamination happened suddenly or gradually, accidentally or intentionally, or expectedly or unexpectedly; or
b. Any directive or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize pollutants, or in any way respond to, or assess the effects of, pollutants or contamination of any kind.

14. Based upon, arising from, or in any way involving **income loss** caused by, or resulting from, unauthorized trading. For purposes of this exclusion, unauthorized trading means trading, which at the time of the trade exceeds permitted financial limits or outside of permitted product lines.

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

a. The actual or alleged loss of value of any **securities**;
b. The actual or alleged purchase or sale of **securities**;
c. The offer of, or solicitation of an offer, to purchase or sell **securities**; or
d. The violation of any securities law including, but not limited to, the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, or the Sarbanes-Oxley Act of 2002, or any regulation promulgated under the foregoing statutes, or any similar federal, state, local, or foreign law, including "Blue Sky" laws, whether such law is statutory, regulatory, or common law.

16. Based upon, arising from, or in any way involving the actual or alleged government enforcement of any state or federal regulation including, but not limited to, regulations promulgated by the United States Federal Trade Commission, Federal Communications Commission, or the Securities and Exchange Commission. This exclusion does not apply to an otherwise covered **claim** under Insuring Agreement C.

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

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

This exclusion does not apply to a **claim** resulting from a **privacy breach** that is otherwise covered under Insuring Agreement B, Insuring Agreement C, or Insuring Agreement F.

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

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

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

Exclusion 19.b. does not apply to an otherwise covered **claim** under Insuring Agreement B, Insuring Agreement C or Insuring Agreement F.

20. Based upon, arising from, or in any way involving labor strikes or similar labor actions.

21. For loss, **damage**, cost, or expense of any kind directly or indirectly occasioned by, happening through or in consequence of:

a. **War**; or
b. **A cyber operation** carried out in the course of **war**.

This exclusion does not apply to an **act of cyber terrorism**.

22. Based upon, arising from, or in any way involving any commercial decision by any **Insured** to cease providing a product or service, but only if the **Insured** is contractually obligated to continue providing such products or services.

23. For:

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

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

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

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

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

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

This exclusion does not apply to allegations of unfair competition that form a part of an otherwise covered **claim** under Insuring Agreement A, Insuring Agreement B or Insuring Agreement C. This exclusion does not apply to allegations of deceptive trade practices that form a part of an otherwise covered **claim** under Insuring Agreement B or Insuring Agreement C.

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

27. Based upon, arising from, or in any way involving the misappropriation, theft, copying, display or publication of any trade secret. This exclusion does not apply to an otherwise covered **claim** under Insuring Agreement B alleging failure to prevent the misappropriation of a trade secret which results from a **security and privacy wrongful act**.

28. Based upon, arising from, or in any way involving the manufacturing, mining, use, sale, installation, removal or distribution of, or exposure to, asbestos, materials or products containing asbestos, or asbestos fibers or dust.

29. Based upon, arising from, or in any way involving the confiscation, commandeering, requisition, destruction of, or damage to, **computer hardware** by order of a government de jure or de facto, or by any public authority for whatever reason. This exclusion does not apply to an otherwise covered **claim** under Insuring Agreement I.

30. Based upon, arising from, or in any way involving any actual or alleged violation of the Telephone Consumer Protection Act (47 U.S.C.§227), the Telemarketing and Consumer Fraud and Abuse Prevention Act (15 U.S.C. §§ 6101-6108), or the CAN-SPAM Act (15 U.S.C. §§ 7701-7713), each as amended, or any regulations promulgated under the foregoing statutes, or any similar federal, state, local or foreign laws, whether such laws are statutory, regulatory or common law, including any anti-spam law or other law concerning the use of telephonic or electronic communications for solicitation purposes, or any allegations of invasion or violation of any rights to privacy derived therefrom. This exclusion does not apply to an otherwise covered **TCPA claim** under Insuring Agreement E.

31. Based upon, arising from, or in any way involving a **widespread event**. The determination of whether an event constitutes a **widespread event** will rely upon any available evidence such as information from governments, news media, qualified IT forensics firms, computer experts and claims reported to the Company.

32. With respect to all First Party Insuring Agreements (Insuring Agreements F through M), for:

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

33. With respect to Insuring Agreement H (BrandGuard®), for:

a. Any loss, cost, liability or expense that **you** incur to re-establish **your reputation**, including **public relations expenses**;
b. Any loss, cost, liability or expense incurred in any **claim** that is insured by any other insurance, except excess insurance;
c. Any loss, cost, liability or expense incurred because of an **adverse media report** that also affects or refers in similar terms to a general security issue, an industry, or **your** specific competitors without any specific allegations regarding a **security breach** or a **privacy breach** committed by an **Insured**, or by others acting on **your** behalf, for whom **you** are legally responsible, including **BPO service providers** or **outsourced IT service providers**;
d. Any liability to **third parties** for whatever reason, including, but not limited to, legal costs and expenses of any type;
e. Contractual penalties or consequential damages;
f. **Notification expenses, breach support and credit monitoring expenses** or **privacy breach response costs** paid or payable under Insuring Agreement F; or
g. Fines or penalties imposed by law or regulation.

34. With respect to Insuring Agreement I (System Failure), for:

a. The cost of restoring, updating, or replacing **digital assets** to a level beyond that which existed prior to the **system failure**;
b. Physical damage to, or the costs to repair or replace, any computer hardware or **data** center;
c. The economic or market value of **digital assets**;
d. The costs or expenses incurred to identify, patch, or remediate software **programming errors** or **computer system** vulnerabilities;
e. The cost to upgrade, improve, repair, redesign, reconfigure, or maintain an **insured computer system** to a level of functionality beyond that which existed prior to the **system failure**;
f. The cost of restoring, replacing or repairing any electronic media;
g. The cost to upgrade, improve, repair, redesign, reconfigure, or maintain a **service provider computer system**; or
h. Loss of goodwill or harm to **your reputation**.

35. With respect to Insuring Agreement M (Cyber Crime):

a. Based upon, arising from, or in any way involving any actual or alleged unauthorized acquisition, access, use or disclosure of **private information** that is held or transmitted in any form. This exclusion does not apply to **financial fraud** which directly results from the use of **private information**.
b. Based upon, arising from, or in any way involving the seizure, confiscation, nationalization, requisition, or destruction of an **insured telecommunications system** by, or under the order of, any government or public authority.
c. For amounts that have been wholly or partially reversed by a credit card company or financial institution.
d. For loss of **other property** arising out of, resulting from, or in any way involving the fraudulent or purportedly fraudulent use of a credit or debit card.
e. Based upon, arising from, or in any way involving any fraudulent instruction, if the sender, or any person or organization acting in collusion with the sender, ever had authorized access to **your** password, PIN or other security code. This exclusion does not apply to **your phishing fraud loss**.
f. Based upon, arising from, or in any way involving the giving or surrendering of **money**, **securities**, or **other property** in any exchange for or purchase of goods, products or services:
   i. That are not yet delivered, whether or not fraudulent;
   ii. That fail to conform to advertised quality or performance; or

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iii. That fail to conform to the quality or performance expected from the standpoint of the **Insured**.

g. Based upon, arising from, or in any way involving potential income, including interest and dividends, not realized by **you** or **your** customers or clients.

Section IX. Changes in Exposure

1. In the event of a **takeover** during the **policy period**, coverage under this Endorsement will continue until its natural expiration date for any **claim** made during the **policy period**, but only if the actual or alleged **wrongful acts** or **first party insured events** giving rise to such **claim** occur on or after the **retroactive date** and prior to the effective date of the **takeover**.

2. If, after the inception of the **policy period**, the **Named Insured** acquires or creates a **Subsidiary**, and we have agreed, by endorsement to the Policy, to provide coverage for such **Subsidiary**, then such **Subsidiary** will be included within the definition of **Insured**, but only with respect to **claims** for actual or alleged **wrongful acts** or **first party insured events** that occur after the effective date of the creation or acquisition of such **Subsidiary**.

3. If, after the inception of the **policy period**, the **Named Insured** sells a **Subsidiary**, that **Subsidiary** will be an **Insured**, but only with respect to **claims** for actual or alleged **wrongful acts** or **first party insured events** that occur on or after the **retroactive date** and prior to the effective date of the sale.

Section X. Loss Determination

The following loss determination provisions shall apply only to the coverage provided under this Endorsement and shall supersede any other loss determination provisions contained elsewhere in the Policy.

1. **Brand Loss**. The **brand loss** payable under Insuring Agreement H will be calculated by considering:

a. The prior experience of **your** business preceding the date of the **adverse media report** or **notification**, whichever applies, and **your** likely net profit, had no **adverse media report** been published or **notification** occurred;

b. Income derived from substitute methods, facilities, or personnel **you** use to maintain **your** revenue stream;

c. **Your** documentation of the trends in **your** business and variations in, or other circumstances affecting, **your** business before or after the **adverse media report** or **notification**, which would have affected **your** business had no **adverse media report** been published or **notification** occurred; and

d. **Your** fixed operating expenses (including ordinary payroll), but only to the extent that such fixed operating expenses must continue during the **period of indemnity**.

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

2. **Digital Assets Loss**. The **digital assets loss** payable under Insuring Agreement I.1. will be determined as follows:

a. If the impacted **digital asset** was purchased from a **third party**, we will pay only the lesser of the original purchase price of the **digital asset** or the reasonable and necessary **digital assets loss**.

b. If it is determined that the **digital assets** cannot be replaced, restored or recreated, we will only reimburse the actual and necessary **digital assets loss** incurred up to such determination.

3. Income Loss. The **income loss** payable under Insuring Agreement I.2. will be calculated as follows:

a. **Your** net profit, as could have been reasonably projected, but which has been lost as a direct result of a **system failure**; plus
b. **Your** fixed operating expenses (including ordinary payroll) incurred, but only to the extent that such operating expenses must continue during the **period of restoration**.

Income loss will be calculated by considering:

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

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

Section XI. Transfer of Duties when the Limits of Insurance are Exhausted

The following Transfer of Duties When the Limits of Insurance Are Exhausted provisions will apply only to the coverage provided under this Endorsement and will supersede any similar provisions contained elsewhere in the Policy.

1. If the Company concludes that, based on **claims** which have been reported, the Limits of Liability set forth in the ***Cyber Liability Declarations*** are likely to be used up in payment of covered amounts, the Company will notify the **Insured** to that effect.

2. When the Limits of Liability have been exhausted:

a. The Company will notify the **Insured** in writing as soon as practicable that: (a) such Limits of Liability have been exhausted; and (b) the Company's obligation to defend any **claim** or pay any amounts has ended.
b. The Company will initiate and cooperate in the transfer of control to the appropriate **Insured** all **claims** which are subject to the Limits of Liability and were reported to the Company before the Limits of Liability were exhausted. **You**, and any other **Insured**, must cooperate in the transfer of control of said **claims**. **You**, and any other **Insured** involved in a **claim**, must arrange for the defense and payment of such **claim** within the period agreed to by the appropriate **Insured** and the Company. Absent any such agreement, arrangements for defense and payment of the **claim** must be made as soon as practicable. The Company will take such steps as deemed appropriate to avoid default in, or continue the defense or handling of, such **claim** until transfer of control is completed, provided the **Insured** is cooperating in completing such transfer.
c. The **Insured** will reimburse the Company for costs it incurs in transferring control of a **claim**. The Company will take no action whatsoever with respect to any **claim** that would have been subject to the Limits of Liability had they not been exhausted, if the **claim** is reported to the Company after the Limits of Liability have been exhausted.

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d. The **Insured** will also be responsible for providing **notification** and customer support, including credit monitoring services and identity theft education or assistance, to affected individuals. The **Insured** may continue to utilize vendors recommended by the Company to provide such services.

e. The exhaustion of the Limits of Liability and the resulting end of the Company's obligation to defend any **claim** or pay any amount will not be affected by the Company's failure to comply with any of the provisions of this section.

Section XII. Other Insurance

The following other insurance provisions shall apply only to the coverage provided under this Endorsement and shall supersede any similar provisions regarding other insurance contained elsewhere in the Policy.

The coverage provided by this Endorsement will be excess insurance over any other valid and collectible insurance available, including any self-insured retention or deductible portion thereof, whether such insurance is stated to be primary, pro rata, contributory, excess, contingent or otherwise, unless such insurance specifically applies as excess insurance over the insurance provided under this Endorsement.

Section XIII. Arbitration

The following provision shall apply only to the coverage provided under this Endorsement and shall supersede any similar provisions contained elsewhere in the Policy.

Notwithstanding any other provision of this Endorsement or the Policy, any irreconcilable dispute between the Company and an **Insured** concerning this Endorsement or coverage for any **claim** is to be resolved by arbitration in accordance with the then current rules of the American Arbitration Association, except that the arbitration panel shall consist of one arbitrator selected by the **Insured**, one arbitrator selected by the Company, and a third independent arbitrator selected by the first two arbitrators. Judgment upon the award may be entered in any court having jurisdiction. The arbitrator has the power to decide any dispute between the Company and the **Insured** concerning the application or interpretation of this Endorsement. However, the arbitrator shall have no power to change or add to the provisions of this Endorsement. The **Insured** and the Company will share equally in the cost of arbitration.