

126 College Street, Suite 300, Burlington, VT 05401

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Marsh USA, Inc.

In CA, dba Marsh Risk & Insurance Services
12421 Meredith Dr., Urbandale, IA 50398
855-459-9164 | rrrginsurance@marsh.com

IMPORTANT NOTICE

In the event you have sustained a claim, please immediately contact:

Tokio Marine HCC Cyber & Professional Lines Group
Claims Department
16501 Ventura Blvd., Suite 200
Encino, CA 91436
Telephone: (888) 627-8995
Email: cpl.claims@tmhcc.com

Service of suit and all notices other than claims:

Agent:	Marsh USA, Inc. 12421 Meredith Dr., Urbandale, IA 50398
Telephone:	855-459-9164
Email:	rrrginsurance@marsh.com

RESTORATION RISK RETENTION GROUP, INC.

Cyber Liability Coverage Form

CLAIMS MADE
IMPORTANT NOTICE

The Third Party Liability Insuring Agreements (Insuring Agreements I through IV) of this Policy provide liability coverage on a **claims**-made-and-reported basis, meaning coverage applies only to **claims** first made during the **coverage period** (or during the **extended reporting period**, if applicable) and reported to the Company in accordance with Section 11 of this Policy. The First Party Insuring Agreements (Insuring Agreements V through X) provide certain first-party coverages on an event discovered and reported basis.

All **claims** are subject to the **retention**, **waiting period**, **period of indemnity**, **period of restoration** and **retroactive date** shown on the **Evidence of Coverage**.

The word **Insured** means any person or organization qualifying as such under Section 6 (Who is Insured) of this Policy. Words or terms that appear in bold face type, other than titles or headings, are defined in Section 7 (Definitions) of this Policy.

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

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1. Insuring Agreements

In consideration of the payment of the premium charged, and in reliance upon all statements made and information furnished by **you** to the Company, including all statements made in the **application** and the material incorporated therein, the Company agrees as follows:

1.1 Third Party Liability Insuring Agreements

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

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

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

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

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

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

1.1.4. **Insuring Agreement IV:** PCI DSS Liability

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

1.2. First Party Insuring Agreements

1.2.1. **Insuring Agreement V:** Breach Event Costs

Subject to the **retention** and Limits of Liability, the Company will pay on behalf of a **Named Insured** the **privacy breach response costs**, **notification expenses**, and **breach support and credit monitoring expenses** that such **Named Insured** incurs 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 **coverage period** (or during the **extended reporting period**, if applicable), and 3) the **adverse media report**, **security breach** or **privacy breach** is reported to the Company in writing in accordance with Section 11 of this Policy.

1.2.2. **Insuring Agreement VI:** BrandGuard®

Subject to the applicable **waiting period** and Limits of Liability, the Company will pay provable and ascertainable **brand loss** that a **Named Insured** sustains 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 **coverage period** (or during the **extended reporting period**, if applicable), 2) the **adverse media report** or **notification** results from a **security breach** or **privacy breach** that occurs on or after the **retroactive date**, 3) the **brand loss** is reported to the Company in writing during the **period of indemnity**, and 4) the **Named Insured** provides clear evidence that the **brand loss** is directly attributable to the **adverse media report** or **notification**.

1.2.3. **Insuring Agreement VII:** System Failure

A. ***Data Recovery***

Subject to the **retention** and Limits of Liability, the Company will pay **digital assets loss** and **special expenses** that a **Named Insured** incurs 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 **coverage period** (or during the **extended reporting period**, if applicable), 2) the **system failure** is reported to the Company in writing in accordance with Section 11 of this Policy, and 3) the **Named Insured** provides clear evidence that the **digital assets loss** directly results from a **system failure**. The Company will pay **digital assets loss** and **special expenses** for up to twelve (12) months following an **executive's** discovery of the **system failure**, unless specified otherwise by endorsement to this Policy.

B. ***Non-Physical Business Interruption***

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

1.2.4. **Insuring Agreement VIII:** Cyber Extortion

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

The Company will not be obligated to pay **cyber extortion expenses** or **cyber extortion monies** unless the Company has given **approval** for the payment of **cyber extortion monies** in response to a **cyber extortion threat**.

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The **Named Insured** must make every reasonable effort to notify local law enforcement authorities and the Federal Bureau of Investigation or equivalent foreign agency before surrendering any **cyber extortion monies** in response to a **cyber extortion threat**.

1.2.5. **Insuring Agreement IX:** Cyber Crime

A. Financial Fraud

Subject to the **retention** and Limits of Liability, the Company will pay **financial fraud loss** that a **Named Insured** sustains 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 **coverage period** (or during the **extended reporting period**, if applicable), 3) the **financial fraud** is reported to the Company in writing in accordance with Section 11 of this Policy, and 4) the **Named Insured's** bank or credit card company has refused to reverse or prevent a payment transaction or to indemnify or reimburse the **Named Insured** for the **financial fraud loss**, and the **Named Insured** provides written confirmation to the Company of such refusal.

B. Telecommunications Fraud

Subject to the **retention** and Limits of Liability, the Company will pay **telecommunications fraud loss** that a **Named Insured** sustains 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 **coverage period** (or during the **extended reporting period**, if applicable), and 3) the **telecommunications fraud** is reported to the Company in writing in accordance with Section 11 of this Policy.

C. Phishing Fraud

Subject to the **retention** and Limits of Liability, the Company will pay:

1) **Phishing fraud loss** that a **Named Insured** sustains because of **phishing fraud**, but only if: (a) the **phishing fraud** occurs on or after the **retroactive date**, (b) the **phishing fraud** is first discovered by an **executive** during the **coverage period** (or during the **extended reporting period**, if applicable); and (c) the **phishing fraud** is reported to the Company in writing pursuant to Section 11 of this Policy; and
2) **Client phishing fraud loss** that a **Named Insured** sustains because of **client phishing fraud**, but only if: (a) the **client phishing fraud** occurs on or after the **retroactive date**; (b) the **client phishing fraud** directly results from a **hacking attack**; (c) the **client phishing fraud** is first discovered by an **executive** during the **coverage period** (or during the **extended reporting period**, if applicable); and (d) the **client phishing fraud** is reported to the Company in writing pursuant to Section 11 of this Policy.

1.2.6. **Insuring Agreement X:** Businessowner ID Theft Recovery

Subject to the **retention** and Limits of Liability, the Company will pay reasonable and necessary **identity theft expenses** incurred by an **executive** or his or her spouse as a direct result of **identity theft**, but only if: 1) the **identity theft** occurs on or after the **retroactive date**, 2) the **identity theft** is first discovered by an **executive** or his or her spouse during the **coverage period** (or **extended reporting period**, if applicable), 3) the **identity theft** is reported to the Company in writing in accordance with Section 11 of this Policy, and 4) the **identity theft** is reported to law enforcement and a police report is obtained.

2. Defense, Settlement and Investigation of Claims

2.1. Defense Provisions

2.1.1. The Company has the right and duty to defend an **Insured** against any **claim** under any Third Party Liability Insuring Agreement of this Policy, even if the allegations of the **claim** are groundless, false, or fraudulent. The Company has the right to appoint an attorney to defend any such **claim**.

2.1.2. The Limits of Liability available to pay **damages** (where applicable) will be reduced, and may be completely exhausted, by the Company's payment of **defense costs** or any other amounts to which this Policy applies.

2.1.3. The Company will have no duty to pay any **damages**, **defense costs**, or other amounts to which this Policy applies, or to undertake or continue the defense of any **claim**, after exhaustion of the applicable Limit Per Insuring Agreement or Annual Aggregate Limit of Liability, whichever is first. Upon exhaustion of such Limit of Liability, the Company will have the right to withdraw from the further defense of a **claim** by tendering control of said defense to the **Insured**.

2.2. Consent to Settlement Provisions

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2.2.1. The **Insureds** shall not pay any **damages** or **defense costs**, or settle or offer to settle any **claim**, assume any contractual obligation, admit liability, voluntarily make any payment, or confess or otherwise consent to any **damages** or judgments without **approval**. The Company will not be liable for any **damages**, **defense costs**, settlement, judgment, assumed obligation, admitted liability, voluntary payment, or confessed **damages** to which the Company has not given **approval**.

2.2.2. The Company will not settle any **claim** under any Third Party Liability Insuring Agreement of this Policy, or pay any **damages**, **regulatory compensatory award**, **regulatory fines and penalties** or **PCI DSS fines and assessments** (whichever applies) without the **Insured's** consent. If an **Insured** refuses to consent to any settlement or compromise recommended by the Company or their representatives that is acceptable to the claimant, and the **Insured** elects to contest the **claim** or continue any legal proceedings in connection with such **claim**, then the Company's total liability for any **defense costs** and **damages**, **regulatory compensatory award**, **regulatory fines and penalties**, or **PCI DSS fines and assessments** (whichever applies) will not exceed the following, subject to the Limits of Liability:

a. The amount for which the **claim** could have been settled, less the remaining **retention**, plus **defense costs** incurred up to the date the **Insured** withheld consent to such settlement, plus

b. Seventy percent (70%) of any **defense costs** and **damages**, **regulatory compensatory award**, **regulatory fines and penalties**, or **PCI DSS fines and assessments** (whichever applies) incurred after the date the **Insured** withheld consent to such settlement or compromise. The remaining thirty percent (30%) of such **defense costs** and **damages**, **regulatory compensatory award**, **regulatory fines and penalties**, or **PCI DSS fines and assessments** (whichever applies) will be borne by the **Insured** at the **Insured's** own risk and will be uninsured under this Policy.

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

2.3. Choice of Counsel

2.3.1. The Company will consider the **Insured's** preference for the appointment of counsel to defend any **claim** under any Third Party Liability Insuring Agreement of this Policy, or for the appointment of counsel to advise and consult on the appropriate response and course of action with respect to any **first party insured event**, but the final decision on selection of counsel rests with the Company. The **Insured** shall not formally appoint counsel without **approval**.

2.3.2. The Company will have no obligation to pay **defense costs**, **initial breach consultation costs**, or any other legal expenses incurred by an **Insured** without **approval** or incurred before the notice of **claim** is received by the Company.

2.4 Investigation

The Company has the right to make any investigation it deems necessary including, without limitation, any investigation with respect to the **application**, statements made in the **application**, or coverage.

3. Limits of Liability

3.1. Limits Per Insuring Agreement

The Limits Per Insuring Agreement shown on **your Evidence of Coverage** shall be the most the Company will pay under each Insuring Agreement of this Policy on **your** behalf for each **claim**, and in the aggregate for all **claims**, first made during the **coverage period**, including **defense costs** where applicable, regardless of the number of **claims** or claimants. All other persons, entities or organizations qualifying as **Insureds** under Section 6.2 through 6.7. of this Policy will share in such Limits of Liability with **you**. If any Limit Per Insuring Agreement is exhausted, all of the Company's obligations under that Insuring Agreement will be completely fulfilled and extinguished.

3.2. Annual Aggregate Limit of Liability

3.2.1. The Annual Aggregate Limit of Liability shown on **your Evidence of Coverage** is the most the Company will pay under this Policy on **your** behalf for all **claims** first made during the **coverage period**, including **defense costs**, regardless of the number of **claims**, claimants or Insuring Agreements that apply. All other persons, entities or organizations qualifying as **Insureds** under Section 6.2 through 6.7. of this Policy will share in such Annual Aggregate Limit of Liability with **you**.

3.2.2. The Limit of Liability for the **extended reporting period**, if applicable, will be part of, and not in addition to, **your** Limit of Liability for the **coverage period**, as shown on **your Evidence of Coverage**. The existence of an **extended**

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reporting period will not increase or reinstate such Limits of Liability.

3.3. Master Policy Annual Aggregate Limit of Liability

The Master Policy Annual Aggregate Limit of Liability shown on **your Evidence of Coverage** is the maximum the Company will pay under this Policy for all **Insureds** combined, regardless of the number of **claims**, claimants, **Insureds** or Insuring Agreements. All payments made under this Policy will reduce, and may completely exhaust, such Master Policy Annual Aggregate Limit of Liability. If the Master Policy Annual Aggregate Limit of Liability is exhausted by payment of covered amounts, including **defense costs**, all individual Annual Aggregate Limits of Liability will be deemed to be exhausted; there will be no further separate individual limit available to any **Insured**; and the Company's obligations under this Policy with respect to all **Insureds** shall cease.

3.4. Related Claims

3.4.1. All **related claims** will be treated as follows:

a. **Related claims** will be considered to be a single **claim**, regardless of the number of **claims**, claimants, **Insureds** or Insuring Agreements that apply;

b. **Related claims** will be considered to have been first made on the date the earliest of the **related claims** is first made and will be considered to be first reported to the Company on the date the earliest of the **related claims** is reported to the Company; and

c. **Related claims** will be subject to the Limits of Liability of the Policy in effect when the earliest of all such **claims** is first made.

3.4.2. If multiple Insuring Agreements of this Policy apply to a **claim**, the Company's total maximum Limit of Liability under this Policy for such **claim** will be the Annual Aggregate Limit of Liability shown on **your Evidence of Coverage**. However, the Company will never pay more under any one Insuring Agreement than the amount shown on **your Evidence of Coverage** as the applicable Limit of Liability for that Insuring Agreement. The Company has the sole discretion to allocate amounts paid, if any, against the appropriate Limit of Liability.

4. Retention and Waiting Period

4.1. Retention Per Insuring Agreement

4.1.1. The **retention** amount shown on **your Evidence of Coverage** will apply separately to each **claim**. The **retention** must be satisfied by an **Insured's** actual payment of **damages**, **defense costs** or any other amounts to which this Policy applies.

4.1.2. If more than one Insuring Agreement of this Policy applies to a **claim**, only one **retention** will apply.

4.1.3. An **Insured's** payment of the **retention** is a condition precedent to payment by the Company of any amounts under this Policy, and the Company will only be liable for amounts that exceeds the **retention**, up to the applicable Limit of Liability.

4.1.4. The **Insureds** must make direct payments within the **retention** to the appropriate parties designated by the Company.

4.2. Related Claims

All **related claims** will be considered a single **claim**, regardless of the number of **claims**, claimants or Insuring Agreements that apply. Only one **retention** will apply to such **claim**.

4.3. Waiting Period

The **waiting periods** for Insuring Agreement VI and Insuring Agreement VII.B will apply to covered amounts. The **waiting period** applies to each **period of restoration** or **period of indemnity**.

5. Territorial Limits

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

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6. Who is Insured

6.1. The **First Named Insured**;

6.2. Any **Additional Named Insured**;

6.3. Any SERVPRO location owned and operated by a **Named Insured**, but only for **wrongful acts** or **first party insured events** that occur while such location is owned and operated by the **Named Insured**;

6.4. Any past, present, or future **executive**, trustee, court-appointed receiver or **employee** of a **Named Insured**, but only while acting solely within the scope of his or her duties as such;

6.5. If a **Named Insured** is a partnership, limited liability partnership, or limited liability company, then any general or managing partner, principal, stockholder, or owner thereof, but only while acting solely within the scope of his or her duties as such;

6.6. Any agent or independent contractor of a **Named Insured**, but only while acting on behalf of, at the direction of, and under the supervision of the **Named Insured**; and

6.7. Any person or legal entity a **Named Insured** is required by written contract to provide such coverage as is afforded by this Policy, but only for the acts of a party described in 6.1. through 6.6.. above, and only if the written contract is executed prior to the date any **wrongful act** or **first party insured event** occurs.

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7. Definitions

As used in this Policy:

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

Act of cyber terrorism means the premeditated use of information technology to organize and execute attacks, or the threat thereof, against computers, **computer systems**, networks or the internet by any person or group, whether acting alone or on behalf of, or in connection with, any organization or government, which is committed for political, religious, or ideological purposes, with the intention to influence any government, put the public in fear, or cause destruction or harm to critical infrastructure or **data**; provided that such activities are not committed by, or at the express direction of, a sovereign state or a government simultaneously engaged in w**ar** or a **cyber 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**.

Additional Named Insured means any person or entity listed in the Schedule of Additional Named Insured(s) attached to an **Evidence of Coverage**.

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

Application means all applications and supplemental applications, including any attachments thereto, and all other information and materials submitted to the Company or its representative(s) by **you**, or on **your** behalf of, relating to the underwriting and issuance of **your Evidence of Coverage**. All such applications, attachments, information, and materials are considered attached to and incorporated into this Master Policy.

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.

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

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

privacy breach occurred.

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

BPO service provider means any **third party** that provides business process outsourcing services for the benefit of a **Named Insured** under a written contract with such **Named Insured**, including, but not limited to, call center services, fulfillment services, and logistical support. **BPO service provider** does not include **your** franchisor.

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

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

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

Claim means:

1. With respect to Insuring Agreement I and II only:
   a. A written demand made against an **Insured** for **damages** or non-monetary relief;
   b. A written request received by an **Insured** to toll or waive a statute of limitations relating to a potential **claim** against an **Insured**; or
   c. The service of a civil lawsuit or the institution of arbitration or other alternative dispute resolution proceedings against an **Insured** seeking **damages**, a temporary restraining order, or a preliminary or permanent injunction.
2. With respect to Insuring Agreement III only, a **privacy regulatory proceeding**.
3. With respect to Insuring Agreement IV only, a **PCI DSS demand**.
4. With respect to Insuring Agreement V only, written notice from an **executive** to the Company of an **adverse media report**, **security breach** or **privacy breach**.
5. With respect to Insuring Agreement VI only, written notice from an **executive** to the Company of an **adverse media report** or **notification** that has resulted or may result in **brand loss**.
6. With respect to Insuring Agreement VII only, written notice from an **executive** to the Company of a **system failure**.
7. With respect to Insuring Agreement VIII only, written notice from an **executive** to the Company of a **cyber extortion threat**.
8. With respect to Insuring Agreement IX only, written notice from an **executive** to the Company of **financial fraud**, **telecommunications fraud**, **phishing fraud** or **client phishing fraud**.
9. With respect to Insuring Agreement X only, written notice from an **executive** to the Company of **identity theft**.

A **claim** under Insuring Agreement I or Insuring Agreement II of this Policy shall not include a **privacy regulatory proceeding** or **PCI DSS Demand**. A **claim** under any Third Party Liability Insuring Agreement of this Policy will be deemed to have been first made against an **Insured** when any **Insured** first receives written notice of such **claim**. A **claim** under any First Party Insuring Agreement of this Policy will be deemed to have been first made when the Company first receives written notice of such **claim**.

Client account means a bank account held or maintained by a **Named Insured's** client or customer, from which the N**amed Insured**, 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 a **Named Insured's** client, customer or 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. A **Named Insured's** loss of **money**, **securities** or **other property** which the **Named Insured's** client, customer or vendor intended to transfer, pay or deliver to a **Named Insured**, but which was transferred, paid or delivered to an unintended party due to **client phishing fraud**; and
2. The cost of reimbursing a **Named Insured's** client, customer or vendor for their direct loss of **money**, **securities** or **other property** due to **client phishing fraud**, provided such reimbursement is made by the **Named Insured** with **approval**.

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

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application program.

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

Coverage period, with respect to each **Evidence of Coverage**, means the period from **inception** to the expiration date (or any earlier cancellation date) of coverage under this Master Policy, as shown in the **Evidence of Coverage**.

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

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

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

Cyber war means any harmful act conducted using a **computer system** (or series of related, repeated or continuing harmful acts conducted using one or more **computer systems**) directed against one or more computers, **computer systems**, or networks that is committed by, at the direction of or under the control of a sovereign state, and which is:

1. Conducted as part of a **war**; or
2. Of sufficient intensity, scale or effect to cause a major detrimental impact on:
    a. The functioning of another sovereign state due to disruption of the availability, delivery or integrity of any **essential service** in such sovereign state; or
    b. The security or defense of another sovereign state.

Provided, however, that paragraph 2. above shall not apply to the direct or indirect effect of a **cyber war** on an **insured computer system** that is not physically located in a sovereign state which has suffered major detrimental impact described in a. and/or b. above but is affected by a **cyber war.**

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

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

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

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spent in cooperating in the investigation or defense of a **claim** or a potential **claim**.

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

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

Digital assets loss means reasonable and necessary expenses and costs that a **Named Insured** incurs 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 the **Named Insured's** schedule of **employee** billable hours. **Digital assets loss** will be determined in accordance with Section 12.2 of this Policy.

Employee means any individual whose labor or service is engaged by and directed by a **Named Insured**, including volunteers, interns, 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 a **Named Insured** on behalf of the **Named Insured's** client or 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.

Evidence of Coverage means the Cyber Liability Master Policy Certificate of Insurance that **you** hold, which evidences **your** coverage under this Master Policy.

Executive means any directors and officers of a **Named Insured**, including any chief executive officer, chief financial officer, chief operations officer, chief technology officer, chief information officer, chief privacy officer, general counsel or other in-house lawyer, risk manager, and general manager of a **Named Insured**, or any person in a functionally equivalent position within a **Named Insured's** organization.

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

Financial account means: 1) a business account maintained by a **Named Insured** at a financial institution from which such **Named Insured**, or any **Insured** authorized by such **Named Insured**, may request the transfer, payment or delivery of **money** or **securities**; 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 a **financial account** and to debit, transfer, pay or deliver **money** or **securities** from a **financial account**, which instruction purports to have been transmitted by a **Named Insured**, an **executive**, or an **employee**, but was in fact fraudulently transmitted by a **third party** without the **Named Insured's** knowledge or consent; or 2) the theft of **money** or **securities** from a **financial account** or a **Named Insured's** corporate credit cards as a result of a **hacking attack**.

Financial fraud loss means the loss of a **Named Insured's money** or **securities** resulting from **financial fraud**. **Financial fraud loss** does not include any amounts reimbursed to a **Named Insured** by any financial institution.

First Named Insured means the person or entity listed as such on an **Evidence of Coverage**.

First party insured event means:

1. With respect to Insuring Agreement V and VI, an **adverse media report**, **security breach** or **privacy breach**;
2. With respect to Insuring Agreement VII, a **system failure**;
3. With respect to Insuring Agreement VIII, a **cyber extortion threat**;
4. With respect to Insuring Agreement IX, **financial fraud**, **telecommunications fraud**, **phishing fraud** or **client phishing fraud**. ;
5. With respect to Insuring Agreement X, **identity theft**.

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**

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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**.

Identity theft means the act of knowingly transferring or using, without lawful authority, a means of identification of an **executive** or his or her spouse, with the intent to commit, or aid or abet another to commit, any unlawful activity that constitutes a violation of federal, state or local law.

Identity theft expenses means, and is limited to, any of the following incurred by an **executive** or his or her spouse as a result of **identity theft**: 1) the cost of notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors; 2) the cost of certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors; 3) loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information; 4) the cost of credit monitoring services and the cost of obtaining credit reports for up to twelve (12) months from the date of **identity theft**; and 5) the cost of case management services for up to twelve (12) months from the date of **identity theft**.

Inception means the date on which an **Insured's** coverage under this Master Policy commences, as shown on the **Evidence of Coverage**.

Income loss means the net profit loss that a **Named Insured** sustains during the **period of restoration** as a direct result of a **system failure**. **Income loss** will be determined in accordance with the provisions of Section 12.3. of this Policy.

Initial breach consultation costs means reasonable and necessary legal fees that a **Named Insured** incurs on the **Named Insured's** behalf, or on behalf of a party for whom the **Named Insured** is **vicariously liable**, to retain qualified legal counsel to provide such **Named Insured** with initial advice regarding the appropriate response to an actual or suspected **privacy breach** or **security breach**. **Initial breach consultation costs** will not be subject to a **retention** if the **Named Insured** retains counsel pre-approved by the Company.

Insured means any of the individuals or entities specified as such in Section 6 of this Policy. **Insured** does not include the **policyholder** or **your** franchisor.

Insured computer system means a **computer system** that is owned and operated by a **Named Insured**, or that is leased to and operated by a **Named Insured**, and any **insured telecommunications system**. With respect to Insuring Agreement II only, **insured computer system** also includes a **computer system** operated by a **BPO service provider** or **outsourced IT service provider**, which is used to provide services to a **Named Insured**, or for processing, maintaining, hosting or storing **data** for a **Named Insured**, pursuant to a written contract with such **Named Insured** to provide such services. With respect to Insuring Agreements II, III, IV, V, and VIII only, **insured computer system** also includes a system operated by an organization providing computing resources to a **Named Insured** 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 computer system** does not include any **computer system** operated by **your** franchisor.

Insured telecommunications system means any telephone or fax network or system that is owned, rented, leased, licensed or borrowed by a **Named Insured** and under such **Named Insured's** direct operational control.

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

Master policy period means the period from the effective date to the expiration date of this Master Policy, as specified in Item 3 of the Declarations.

Media material means communicative material of any kind or nature for which a **Named Insured** is 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 a **Named Insured** or by others trading under a **Named Insured's** name.

Merchant services agreement means an agreement between a **Named Insured** and an **acquiring bank**, **card association**, brand, network, credit or debit card processor, independent sales organization, gateway, or membership service, which enables such **Named Insured** 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.

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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 paragraphs 1) through 8) above.

Named Insured means:

1. The **First Named Insured**; and
2. Any **Additional Named Insured**.

Notification means written notice given by a **Named Insured** to parties affected by a **security breach** or **privacy breach**, whether such written notice is given voluntarily or to comply with **privacy regulations**.

Notification expenses means reasonable and necessary expenses that a **Named Insured** incurs on the **Named Insured's** behalf, or on behalf of a party for whom the **Named Insured** is **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.

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; provided, however, a major detrimental impact on the functioning of a sovereign state shall not result from an attack, or a related series of attacks, solely impacting the **Insured**. For purposes of this definition, the determination of whether an event constitutes a major detrimental impact on the functioning of a sovereign state 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.

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

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

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

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

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

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

1. The date that gross revenues are restored to the level they had been prior to **notification** or the first **adverse media report**, whichever applies, or
2. The last day of the period set forth in **your Evidence of Coverage** as the **period of indemnity** for Insuring Agreement VI.

Period of restoration means the period beginning on the date when the **system failure** began, and ending on the earlier of:

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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 a **Named Insured's** business; or
2. The last day of the period set forth in **your Evidence of Coverage** as the **period of restoration** for Insuring Agreement VII.

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

Phishing attack means the use by a **third party** of fraudulent telephone calls, emails, texts, instant messages or other electronic communications or malicious websites to impersonate a **Named Insured**, **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 a **Named Insured's** client, customer or vendor; or
2. Transfer or disburse **money** or **securities** from a **financial account** to an unintended party by impersonating another **Insured** or a **Named Insured's** client, customer or vendor.

Phishing fraud loss means:

1. The loss of **money**, **securities** or **other property** that **a Named Insured** sustains due to **phishing fraud**;
2. The loss of **money** or **securities** that a **Named Insured** sustains to reimburse the **Named Insured's** client or customer for the loss of their **money** or **securities** as a direct result of **phishing fraud**, provided such reimbursement is made with **approval**; and
3. Expenses that a **Named Insured** incurs with **approval** to create and issue a specific press release or to establish a specific website to advise the **Named Insured's** customers and prospective customers of **phishing fraud**.

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

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

Privacy breach means any of the following:

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

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

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Privacy breach response costs means:

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

Privacy policy means a **Named Insured's** published policies which are provided to **employees** or **third parties** in written or electronic form and govern the collection, use, disclosure, correction, dissemination, confidentiality, integrity, accuracy or availability of **private information**.

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

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

Privacy regulatory proceeding means a civil administrative proceeding, regulatory action, request for information, or investigation instituted against an **Insured** by a federal, state, local or foreign governmental body because of a **security breach** or **privacy breach**. **Privacy regulatory proceeding** does not include a **PCI DSS demand**.

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

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

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

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

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

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

Related claims means:

1. Two or more **claims** made against or involving any one **Insured**, which have a common factual basis or arise from the same, related, repeated or continuing **wrongful acts** or **first party insured events**; or
2. A single **claim** which is made against or involves multiple **Insureds** who are insured under one **Evidence of Coverage**.

Retention means the amount specified as such in **your Evidence of Coverage**.

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

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

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

Special expenses means reasonable and necessary costs and expenses that a **Named Insured** incurs to 1) prevent, preserve, minimize, or mitigate any further damage to **digital assets**, including the reasonable and necessary fees and expenses of specialists, outside consultants or forensic experts; 2) preserve critical evidence of any criminal or malicious wrongdoing; 3) purchase replacement licenses for computer programs because the copy protection system or access control software was damaged or destroyed by a **system failure**; or 4) notify affected parties of a **system failure**.

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**.

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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 that a **Named Insured** incurs for unauthorized calls directly resulting from **telecommunications fraud**.

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

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

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

Waiting period means the amount of time, as set forth in **your Evidence of Coverage**, that must elapse before any loss or expenses may be payable under Insuring Agreement VI or Insuring Agreement VII.B. The **waiting period** applies to each **period of restoration** and **period of indemnity**.

War means the use of physical force by a sovereign state against another sovereign state (whether war is declared or not) or as part of an invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, or confiscation, nationalization, requisition or destruction of or damage to property by or under the order of any government or public or local authority.

Wrongful act means:

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

You and **Your** means the **First Named Insured.**

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

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8. Exclusions

8.1 Exclusions Applicable to All Insuring Agreements

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

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

8.1.1. Based upon, arising from, or in any way involving an actual or alleged **wrongful act** or **first party insured event** of which any **executive** had knowledge prior to the effective date of this Policy or prior to the effective date of a Policy issued by the Company of which this Policy is a direct and continuous renewal.

8.1.2. Made by or on behalf of an **Insured** against another **Insured**. This exclusion does not apply to:

a. A **claim** under Insuring Agreement II which is brought by any past, present or future **employee** for a **security and privacy wrongful act**; or

b. A **claim** under Insuring Agreement I or Insuring Agreement II which is brought by a person or entity qualifying as an **Insured** under Section 6.6.

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

a. A willful, intentional, deliberate, malicious, fraudulent, dishonest, or criminal act or omission;

b. Any intentional violation of law; or

c. The gaining of any profit or advantage to which an **Insured** is not legally entitled.

This exclusion does not apply to **defense costs** or the Company's duty to defend any **claim** under any Third Party Liability Insuring Agreement of this Policy until the conduct described in this exclusion has been established by a final, non-appealable adjudication in a judicial, administrative or alternative dispute proceeding, or by an **Insured's** own admission in a proceeding or otherwise. The Company will have the right to recover **defense costs** incurred in

defending any such **claim** from those parties found to have committed the conduct described in this exclusion. This exclusion does not apply to any **Insured** that did not commit, participate in, or have knowledge of any conduct described in this exclusion.

8.1.4. Based upon, arising from, or in any way involving the insolvency or bankruptcy of any person or entity, or the failure, inability, or unwillingness of any person or entity to make payments, perform obligations or conduct business because of insolvency, liquidation, or bankruptcy. However, insolvency or bankruptcy of a **Named Insured** will not relieve the Company of its obligations under this Policy where a **Named Insured's** insolvency or bankruptcy does not give rise to a **claim** or loss.

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

8.1.6. Based upon, arising from, or in any way involving any of the following, regardless of any other cause or event that contributes concurrently or in any sequence to the **claim**:

a. Electrical or mechanical failures or interruption, including electrical disturbance, spike, brownout, or blackout;

b. Any regional, countrywide, or global outage, failure, disruption, or reduction in supply of any utility service or infrastructure, including electricity, gas, water, telephone, cable, internet, satellite or telecommunications, or any failure, outage, disruption, degradation or termination of any critical part of such service or infrastructure; or

c. The cessation of a **Named Insured's** business activities due to a shutdown by order or any public authority for whatever reason.

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

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

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

a. Any liability or obligation an **Insured** would have had in the absence of such contract, warranty, guarantee or promise and which would have been insured by this Policy;

b. An actual or alleged breach of a **privacy policy**;

c. An actual or alleged breach of an express, implied, actual or constructive contract, warranty, guarantee or promise to protect **private information**;

d. A **claim** under Insuring Agreement II for an unintentional breach by an **Insured** of the provisions of a confidentiality or non-disclosure agreement relating to the confidentiality of **private information**; or

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

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

a. A **claim** under Insuring Agreement I or Insuring Agreement II for liability **assumed under contract**;

b. Any liability an **Insured** would have had in the absence of such contract or agreement and which would have been insured by this Policy; or

c. With respect to Insuring Agreement IV only, liability for **PCI DSS fines and assessments** assumed by **you** under a **merchant services agreement**.

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

a. Any actual, alleged or threatened presence of pollutants or contamination of any kind, including, but not limited to, asbestos, smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste (waste includes materials to be recycled, reconditioned, or reclaimed), whether or not such presence results from an **Insured's** activities or the activities of others, or such presence or contamination happened suddenly or gradually, accidentally or intentionally, or expectedly or unexpectedly; or

b. Any directive or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize pollutants, or in any way respond to, or assess the effects of, pollutants or contamination of any kind.

8.1.12. Based upon, arising from, or in any way involving **income loss** caused by, or resulting from, **unauthorized trading**.

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

a. The actual or alleged purchase or sale of **securities**;

b. The actual or alleged loss of value of any **securities**;

c. The offer of, or solicitation of an offer, to purchase or sell **securities**; or

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d. The violation of any **securities** law including, but not limited to, the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, or the Sarbanes-Oxley Act of 2002, or any regulation promulgated under the foregoing statutes, or any similar federal, state, local, or foreign law, including "Blue Sky" laws, whether such law is statutory, regulatory, or common law.

8.1.14. Based upon, arising from, or in any way involving the actual or alleged government enforcement of any federal, state, local or foreign regulation, including, but not limited to, regulations promulgated by the United States Federal Trade Commission, the Federal Communications Commission, or the Securities and Exchange Commission. This exclusion does not apply to **privacy regulatory proceeding.**

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

a. Any employer-**employee** relations, policies, practices, acts, or omissions;

b. Any actual or alleged refusal to employ any person; or

c. Any misconduct with respect to **employees**.

This exclusion does not apply to a **claim** under Insuring Agreement II, Insuring Agreement III or Insuring Agreement V.

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

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

a. The violation of any pension, healthcare, welfare, profit sharing, mutual, or investment plans, funds, or trusts; or

b. Any violation of any provision of the Employee Retirement Income Security Act of 1974 and its amendments, or the Pension Protection Act of 2006 and its amendments, or any regulation, ruling, or order issued pursuant to the foregoing statutes.

Exclusion 8.1.17.b. does not apply to a **claim** under Insuring Agreement II, Insuring Agreement III or Insuring Agreement V.

8.1.18. For loss, damage, cost, or expense of whatsoever nature:

a. Directly or indirectly caused by, resulting from, or in connection with any **war**, regardless of any other cause or event contributing concurrently to or in any other sequence to the loss;

b. Directly or indirectly caused by, resulting from or in connection with any action taken by a government authority to hinder, control, prevent, suppress or defend against any **war**; or

c. Resulting from or in connection with any **cyber war**.

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

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

a. Gambling, pornography, prizes, awards, or coupons; or

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

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

a. Any **Insured's** failure to comply with or follow the **PCI Data Security Standard** or any payment card company rules; or

b. The implementation or maintenance of, or compliance with, any security measures or standards relating to any payment card **data** including, but not limited to, any fine or penalty imposed by a payment card company on a merchant bank or payment processor that an **Insured** has paid or agreed to reimburse or indemnify.

This exclusion does not apply to a **PCI DSS demand**.

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

a. Any actual or alleged unfair competition, price fixing, deceptive trade practices or restraint of trade; or

b. The violation of any antitrust statute, legislation or regulation.

Exclusion 8.1.22.a. does not apply to:

a. Allegations of unfair competition that form a part of a **claim** under Insuring Agreement I, Insuring Agreement II or Insuring Agreement III;

b. Allegations of deceptive trade practices that form a part of a **claim** under Insuring Agreement II or Insuring

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Agreement III.

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

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

8.1.25. Based upon, arising from, or in any way involving the confiscation, commandeering, requisition, destruction of, or damage to, computer hardware by order of a government de jure or de facto, or by any public authority for whatever reason. This exclusion does not apply to a **system failure**.

8.1.26. Based upon, arising from, or in any way involving any unsolicited communication of information or advertising by telephone, email, fax, text, or any other means prohibited by law, or any actual or alleged violation of the Telephone Consumer Protection Act (47 U.S.C.§227), the Telemarketing and Consumer Fraud and Abuse Prevention Act (15 U.S.C. §§ 6101-6108), or the CAN-SPAM Act (15 U.S.C. §§ 7701-7713), each as amended, or any regulations promulgated under the foregoing statutes, or any similar federal, state, local or foreign law, whether such laws are statutory, regulatory or common law, including any anti-spam law or other law concerning the use of telephonic or electronic communications for solicitation purposes, or any allegations of invasion or violation of any rights to privacy derived therefrom.

8.1.27. Brought by or on behalf of, or against, **your** franchisor.

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

a. A failure of any **computer system** that is under the control of **your** franchisor;

b. A failure or breach of the security intended to protect any **computer system** that is under the control of **your** franchisor, including, but not limited to, that which is caused by unauthorized access, unauthorized use, infection by malicious code, or a **denial of service attack**.

c. A failure of **your** franchisor to secure **private information** or credit card **data**; or

d. A failure or breach of the security intended to protect a point-of-sale system, including, but not limited to, that which is caused by unauthorized access, unauthorized use, infection by malicious code, or a **denial of service attack**, but only if such point-of-sale system is:

   i. One **you** are required to use pursuant to **your** franchise operator agreement; and

   ii. Under the control of or provided by **your** franchisor.

8.2. Exclusions Applicable to All First Party Insuring Agreements (Insuring Agreements V through X)

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

The Company will not be liable for:

8.2.1. Any liability to any **third party** for whatever reason, including, contractual penalties, **damages**, or legal costs and expenses of any type;

8.2.2. Sanctions, fines or penalties imposed by law; or

8.2.3. Any **claim** based upon, arising from, or in any way involving fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, force majeure, or any other physical event, however caused.

8.2.4. Any **claim** based upon, arising from, or in any way involving an **operating system event**.

8.3. Exclusions Applicable to Insuring Agreement VI (BrandGuard®)

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

The Company will not be liable for:

8.3.1. Any loss, cost, liability or expense that a **Named Insured** incurs to protect, restore, or re-establish **your reputation**, including **public relations expenses**;

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8.3.2. Any loss, cost, liability or expense that is insured by any other insurance, except excess insurance;

8.3.3. Any loss, cost, liability or expense incurred because of an **adverse media report** that also affects or refers in similar terms to a general security issue, an industry, or **your** specific competitors without any specific allegations regarding a **security breach** or **privacy breach** committed by an **Insured**, or by others acting on a **Named Insured's** behalf, for whom such **Named Insured** is legally responsible, including **BPO service providers** or **outsourced IT service providers**; or

8.3.4. Amounts paid, or payable, under Insuring Agreement V.

8.4. Exclusions Applicable to Insuring Agreement VII (System Failure)

The exclusions in this section apply to Insuring Agreement VII (System Failure) of this Policy.

The Company will not be liable for:

8.4.1. The cost of restoring, updating, or replacing **digital assets** to a level beyond that which existed prior to the **system failure**;

8.4.2. Physical damage to, or the costs to repair or replace, any computer hardware or **data** center;

8.4.3. The economic or market value of **digital assets**;

8.4.4. The costs or expenses incurred to identify, patch, or remediate software **programming errors** or **computer system** vulnerabilities;

8.4.5. The cost to upgrade, improve, repair, redesign, reconfigure, or maintain an **insured computer system** to a level of functionality beyond that which existed prior to the **system failure**;

8.4.6. The cost of restoring, replacing or repairing any electronic media; or

8.4.7. Loss of goodwill or harm to **your reputation**.

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

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

The Company will not be liable for:

8.5.1. Any **claim** based upon, arising from, or in any way involving any actual or alleged unauthorized acquisition, access, use or disclosure of **private information** that is held or transmitted in any form. This exclusion does not apply to **financial fraud** which directly results from the use of **private information**.

8.5.2. Any **claim** based upon, arising from, or in any way involving the seizure, confiscation, nationalization, requisition, or destruction of an **insured telecommunications system** by, or under the order of, any government or public authority.

8.5.3. Amounts that have been wholly or partially reversed by a credit card company or financial institution.

8.5.4. Loss of **other property** arising out of, resulting from, or in any way involving the fraudulent or purportedly fraudulent use of a credit or debit card.

8.5.5. Any **claim** based upon, arising from, or in any way involving any fraudulent instruction, if the sender, or any person or organization acting in collusion with the sender, ever had authorized access to a **Named Insured's** password, PIN or other security code. This exclusion does not apply to **phishing fraud loss**.

8.5.6. Any **claim** based upon, arising from, or in any way involving the giving or surrendering of **money**, **securities** or **other property** in any exchange for or purchase of goods, products or services:

a. That are not yet delivered, whether or not fraudulent;

b. That fail to conform to advertised quality or performance; or

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

8.5.7. Any **claim** based upon, arising from, or in any way involving potential income, including interest and dividends, not

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realized by a **Named Insured** or a **Named Insured's** customers or clients.

8.5.8. The theft of **money**, **securities**, or **other property** belonging to a **third party**. This exclusion does not apply to **client phishing fraud loss**.

9. Innocent Insured Provision

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

9.2. Any insurance afforded by this provision will not apply to a **claim**, if a current **executive** failed to give notice, as required by Section 11, of a **claim** which was known to such **executive**.

9.3. Whenever coverage under this insurance would be excluded, suspended, or lost because of Exclusion 8.1.3., relating to a willful, deliberate, malicious, fraudulent, dishonest, or criminal act or omission by an **Insured**, then such insurance as would otherwise be afforded under this Policy will apply to those **Insureds** who did not personally commit, personally participate in committing, personally acquiesce, or remain passive after having personal knowledge of such willful, deliberate, malicious, fraudulent, dishonest, or criminal act or omission.

10. Extended Reporting Provisions

10.1. In the event of cancellation or non-renewal of **your** coverage under this Master Policy, **you** will have the right, upon payment of an additional premium, to have issued a Certificate of Extended Reporting Period Coverage providing an **extended reporting period**, effective from the date of cancellation, or in the event of non-renewal, effective from the expiration date of the **coverage period**. No **Additional Named Insured** will have the right to purchase an **extended reporting period**.

10.2. The additional premium for the **extended reporting period** will be calculated based on a percentage of the full annual premium for this insurance in effect immediately prior to the end of the **coverage period**. The **extended reporting period** options are a) one (1) year for 100% of annual premium; b) two (2) years for 150% of annual premium; or c) three (3) years for 200% of the annual premium.

10.3. If purchased, the **extended reporting period** will apply to:

a. with respect to the Third Party Liability Insuring Agreements, any **claim** first made against an **Insured** during the **extended reporting period**, but only if 1) the actual or alleged **wrongful acts** giving rise to such **claim** occur on or after the **retroactive date** and prior to the end of the **coverage period**, and 2) the **claim** is reported to the Company during the **extended reporting period**; and

b. with respect to the First Party Insuring Agreements, any **claim** reported to the Company during the **extended reporting period**, but only if 1) the **first party insured event** giving rise to such **claim** occurs prior to the end of the **coverage period**, and 2) the **first party insured event** is first discovered by an **executive** during the **extended reporting period**.

10.4. To purchase the **extended reporting period**, **your** written request for the **extended reporting period**, together with full payment of the additional premium for the **extended reporting period**, must be received by the Company within thirty (30) days of the effective date of non-renewal or cancellation of the **coverage period**.

10.5. The Limits of Liability for the **extended reporting period** are part of, and not in addition to, **your** Limits of Liability for the **coverage period**, as shown on **your Evidence of Coverage**.

10.6. The quotation by the Company of a different premium, **retention**, Limit of Liability, or changes in policy language at renewal will not constitute a refusal to renew by the Company.

10.7. The right to an **extended reporting period** will not be available to **you** where cancellation or non-renewal by the Company is because of non-payment of premium or an **Insured's** failure to pay amounts within the **retention**.

10.8. All notices and premium payments with respect to the **extended reporting period** must be directed to the Company through the entity named in Item 10 of the Declarations.

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10.9. At the commencement of an **extended reporting period**, the entire premium will be considered fully earned, and in the event **you** terminate an **extended reporting period** for any reason prior to its natural expiration, the Company will not be liable to return any premium paid for the **extended reporting period**.

11. Notice Provisions

11.1. If any **claim** under Third Party Liability Insuring Agreement of this Policy is made against any **Insured**, an **executive** must provide written notice to the Company of such **claim** as soon as practicable during the **coverage period**, but no later than sixty (60) days after expiration of the **coverage period** (or during the **extended reporting period**, if applicable).

11.2. An **executive** must provide written notice to the Company of any **claim** under Insuring Agreement VI during the **period of indemnity**.

11.3. Any **claim** under any First Party Insuring Agreement of this Policy, other than Insuring Agreement VI, must be reported by an **executive** in writing to the Company as soon as practicable during the **coverage period**, but no later than sixty (60) days after expiration of the **coverage period** (or during the **extended reporting period**, if applicable).

11.4. If, during the **coverage 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 **coverage period** that describes:

a. The specific details of the incidents, acts, facts or circumstances that could reasonably be the basis for the **claim**;

b. The possible **damages**, penalties or other amounts to which this Policy applies that may result or has resulted from the facts or circumstances; and

c. The details regarding how the **executive** first became aware of the incidents, acts, facts or circumstances,

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

11.5. A **claim** will be considered reported to the Company when notice is first given to the Company through persons named in Item 9 of the Declarations.

12. Loss Determination

12.1. Brand Loss

12.1.1. The **brand loss** payable under Insuring Agreement VI will be calculated by taking into account:

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

b. Income derived from substitute methods, facilities or personnel that the **Named Insured** uses to maintain its revenue stream;

c. Documentation of the trends in the **Named Insured's** business and variations in, or other circumstances affecting, the **Named Insured's** business before or after the **adverse media report** or **notification**, which would have affected the **Named Insured's** business had no **adverse media report** been published or **notification** occurred;

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

12.1.2. For purposes of calculating **brand loss**, "net profit" will include the amount of **money** paid or payable to the **Named Insured**, including donations, for goods, products or services sold, delivered or rendered in the normal course of the **Named Insured's** business.

12.2. Digital Assets Loss

Digital assets loss under Insuring Agreement VII.A. will be determined as follows:

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

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

12.3. Income Loss

12.3.1. The **income loss** payable under Insuring Agreement VII.B. will be calculated as follows:

a. The **Named Insured's** net profit, as could have been reasonably projected, but which has been lost as a direct result of a **system failure**; plus

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

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

a. the prior experience of the **Named Insured's** business preceding the date of the **system failure** and the **Named Insured's** likely net profit, had no **system failure** occurred;

b. Income derived from substitute methods, facilities or personnel that the **Named Insured** uses to maintain its revenue stream; and

c. Documentation of the trends in the **Named Insured's** business and variations in, or other circumstances affecting, the **Named Insured's** business before or after the **system failure**, which would have affected the **Named Insured's** business had no **system failure** occurred.

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

13. Assistance and Cooperation

13.1. As a condition precedent to coverage under this Policy, the **Insureds** are required to assist and cooperate with the Company in the investigation, adjustment, defense and settlement of any **claim**, including, but not limited to, assisting and cooperating with the Company in the pursuit of any coverage that may be available from other insurers or insurance policies for any amounts to which this Policy applies. The **Insureds** must not take any action which in any way increases the Company's exposure under this Policy.

13.2. The **Insureds** must execute or cause to be executed all papers and render all assistance as reasonably requested by the Company. Part of this assistance may require the **Insureds** to provide copies of a **third party's** system security and event logs.

13.3. At the Company's request, the **Insureds** must assist in making settlements, in the conduct of suits, and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Insured** with respect to which insurance is afforded under this Policy. The **Insureds** must attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses at the **Insureds'** own cost.

13.4. No **Insured** will admit liability, make any payment, assume any obligation, incur any expense, enter into any settlement, stipulate to any judgment or award, or dispose of any **claim** without **approval**, unless otherwise provided under any Insuring Agreement. However, the prompt public admission of a **privacy breach** or **security breach** potentially impacting the **personally identifiable information** of **employees** or **third parties**, as required by **privacy regulations** or **card association** operating requirements, will not be considered as an admission of liability requiring **approval**; but the Company must be provided notice, in accordance with Section 11 of this Policy, of such public admission, if such public admission is a circumstance that could lead to a **claim**.

13.5. The Company has the right to investigate coverage as necessary, including, but not limited to, any investigation with respect to the **application**, statements made in the **application**, and any supplemental material submitted therewith.

13.6. The **Insureds** must submit to examination under oath by our representatives, if requested, in connection with all matters relating to this Policy.

14. Subrogation

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

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15. Other Insurance

If other valid and collectible insurance is available to the **Insureds** for any **claim**, the Company's obligations are limited as follows:

a. For any **claim** under any First Party Insuring Agreement (Insuring Agreements V through X) of this Policy, this insurance is primary to any other valid and collectible insurance available to an **Insured** for such **claim**.

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

16. Entire Agreement

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

17. Assignment

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

18. Cancellation

18.1. The **Policyholder** may not cancel this Policy. **You** may cancel the coverage issued to **you** under this Policy by surrender thereof to the Company, and by mailing or delivering to the Company advance, written notice stating when thereafter cancellation will be effective.

18.2. The mailing of **your** cancellation notice will be sufficient notice and the effective date of cancellation will become the end of the **coverage period**. Delivery of such written notice will be equivalent to mailing.

18.3. If **you** cancel **your** coverage under this Policy, the earned premium will be computed on a short rate basis. Notwithstanding the foregoing, if **you** or an **Insured** reports a **claim** or potential **claim** under this Policy, no return premium will be provided. Payment or tender of any unearned premium by the Company will not be a condition precedent to the effectiveness of cancellation.

18.4. The Company may only cancel **your** coverage under this Policy for non-payment of premium by mailing written notice to **you** stating when, not less than ten (10) days thereafter, such cancellation will be irrevocable. If payment is not received within the ten (10) day period, then **your** coverage under this Policy will be cancelled ab initio, meaning coverage is null and void as of **inception**. The mailing of such notice will be sufficient notice. Delivery of such written notice by the Company by facsimile, email or private courier will be equivalent to mailing. If the foregoing notice period conflicts with any governing law or regulation, then such period will be amended to afford the minimum notice period permitted thereunder.

19. Spousal or Domestic Partner Extension

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

20. Changes in Exposure

20.1. If, during the **coverage period**, **you** create or acquire a new SERVPRO location, such location will be automatically included within the definition of **Insured** for the duration of the **coverage period** for no additional premium, but only with respect to **claims** for **wrongful acts** or **first party insured events** that occur after the creation or acquisition of such location. **You** must give the Company written notice of the newly created or acquired location within sixty (60) days of the effective date of the creation or acquisition thereof, together with such information as we may require.

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20.2. If, during the **coverage period**, **you** sell or cease to control a SERVPRO location, coverage for such location will continue until natural expiration of the **coverage period** for any **claim** made during the **coverage period**, but only if the **wrongful acts** or **first party insured events** giving rise to such **claim** occur prior to the effective date of the sale or the date such location ceased to be under **your** control.

20.3. If, during the **coverage period**, the operator agreement between **you** and **your** franchisor is terminated by either party, **your** coverage under this Policy will continue until natural expiration of the **coverage period** for any **claim** made during the **coverage period**, but only if the **wrongful acts** or **first party insured events** giving rise to such **claim** occur prior to the termination of such operator agreement.

21. Most Favorable Law

21.1. With respect to the insurability of **damages**, **regulatory compensatory awards**, **regulatory fines and penalties**, and **PCI DSS fines and assessments**, the applicable law will be the law of the state most favorable to the **Insured**, provided that the state whose law is most favorable to the **Insured** has a reasonable relationship to the **claim**.

21.2. A state's law will be considered to have a reasonable relationship to the **claim** if it is the state where:

a. The **Named Insured** named in the **claim** is incorporated or has a place of business;

b. The **claim** is pending; or

c. The **wrongful acts** giving rise to the **claim** were committed or allegedly committed.

22. Words and Titles of Paragraphs

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

23. Dispute Resolution

23.1. No action will lie against the Company unless, as a condition precedent thereto, there has been full compliance with all terms of this insurance, nor until the amount of an **Insured's** obligation to pay has been finally determined either by judgment or award against the **Insured** after actual trial or arbitration or by written agreement of the **Insured**, the claimant, and the Company.

23.2. Any person or organization, or the legal representative thereof, who has secured such judgment, award, or written agreement will thereafter be entitled to make a **claim** under this Policy to the extent of the insurance afforded by this Policy. No person or organization has any right under this Policy to join the Company as a party to an action or other proceeding against any **Insured** to determine the **Insured's** liability, nor may the Company be impleaded by the **Insured** or the **Insured's** legal representative. Bankruptcy or insolvency of an **Insured** or of an **Insured's** estate will not relieve the Company of their obligations hereunder.

23.3. Mediation. If any dispute arises between any **Insured** and the Company involving this Policy or a **claim** hereunder, the **Insured** and the Company agree that such dispute will be referred to a qualified mediator in a good faith effort to negotiate a resolution of the dispute prior to the initiation of any arbitration or other proceedings. The party invoking the agreement to mediate will provide written notice to the other party setting forth its request to mediate and a brief statement regarding the issue to be mediated. The persons named in Item 10 of the Declarations are authorized and directed to accept the Notice of Mediation on behalf of the Company.

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

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

24.1. Subject to the application of Section 23, it is agreed that in the event of the Company's failure to pay any amount claimed to be due under this Policy, the Company herein, at the **Insured's** request, will submit to the jurisdiction of any court of competent jurisdiction within the United States. Nothing in this section constitutes, or should be understood to constitute, a waiver of the Company's rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or any state in the United States. It is further agreed that service of process in such suit may be made upon the Company's representative designated in Item 10 of the Declarations, and the Company will abide by the final decision of such court or of any appellate court in the event of an appeal.

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24.2. The Company's representative designated in Item 10 of the Declarations is authorized and directed to accept service of process on the Company's behalf in any such suit or, upon the **Insured's** request, to give a written undertaking to the **Insured** that they will enter a general appearance on the Company's behalf in the event such a suit is instituted.

24.3. Pursuant to any statute of any state, territory, or district of the United States which makes provision therefor, the Company hereby designate the Superintendent, Commissioner, or Director of Insurance or other officer specified for that purpose in the statute, or his or her successor in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on the **Insured's** behalf or any beneficiary hereunder arising out of this Policy, and the Company hereby designates the Company's representative set forth in Item 10 of the Declarations as the person to whom the officer is authorized to mail such process or a true copy thereof.

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This Endorsement changes the Policy. Please read it carefully.

U.S.A.

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

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

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

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

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This policy* does not apply:

I. Under any Liability Coverage, to injury, sickness, disease, death or destruction

(a) with respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(b) resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

II. Under any Medical Payments Coverage, or under any Supplementary Payments Provision relating to immediate medical or surgical relief, to expenses incurred with respect to bodily injury, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.

III. Under any Liability Coverage, to injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if

(a) the nuclear material (1) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (2) has been discharged or dispersed therefrom;

(b) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

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

IV. As used in this Endorsement:

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

"**nuclear facility**" means

(a) any nuclear reactor,

(b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,

(c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,

(d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

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

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

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

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

17/3/60
N.M.A. 1256

This endorsement is to take effect on 07/01/26.

Policy No.:

Name:	SERVPRO Franchise Professionals		
Policy Effective Date:	07/01/26	Expiration:	07/01/27
Endorsement No.:	1		

SPECIMEN

All other terms and conditions of the Policy remain unchanged

POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE – E1856J-1117

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

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

SPECIMEN

12 January 2015
LMA9105 (amended)

This endorsement is to take effect on 07/01/26.

Policy No.:

Name: SERVPRO Franchise Professionals

Policy Effective Date: 07/01/26 Expiration: 07/01/27

Endorsement No.: 2

All other terms and conditions of the Policy remain unchanged.

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

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

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

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

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

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

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

SPECIMEN

This endorsement is to take effect on 07/01/26.

Policy No.:

Name: SERVPRO Franchise Professionals

Policy Effective Date: 07/01/26 Expiration: 07/01/27

Endorsement No.: 3

All other terms and conditions of the Policy remain unchanged.

RESTORATION RISK RETENTION GROUP, INC.

CYBER LIABILITY MASTER POLICY

LIMITED THIRD PARTY COVERAGE ENDORSEMENT

Master Policy Number: RRRGCYBER2026
Policy Effective Date: July 1, 2026 to July 1, 2027

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Notwithstanding anything contained in the Policy to the contrary, the Policy is amended as follows:

1. Section **6. Who is Insured** is amended, solely with respect to the Third Party Liability Insuring Agreements, to include **additional insureds**. Coverage for **additional insureds** applies only for acts of a party described in paragraphs 6.1 through 6.6, and only if such party is also named in the **claim**.

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

   Additional insureds mean Servpro Industries, LLC, Servpro Franchisor, LLC, Servpro Distribution, LLC, Servpro Commercial, LLC, and their respective owners, members, directors, officers and employees.

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