

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")

ADVISORY NOTICE TO POLICYHOLDERS

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 OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is 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 nor premium refunds may be made without authorization from OFAC.

Other limitations on the premiums and payments also apply.

Crum & Forster Specialty Insurance Company
A Delaware Corporation
Home Office: Wilmington, DE

(A Capital Stock Company)

SPECIMEN

SIGNATURE



Marc J. Adee
Chairman and CEO

SIGNATURE



James Kraus
Secretary

THIS NOTICE IS IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS NOTICE DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

Terrorism Premium (Certified Acts): \$0

This premium is the total Certified Acts premium attributable to the following Policy:

Cyber Master Insurance Policy

A. Disclosure of Premium

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

B. Disclosure of Federal Participation in Payment of Terrorism Losses

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

C. Cap on Insurer Participation in Payment of Terrorism Losses

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Policyholder: Identity Crime Prevention Inc. (dba Data Theft Risk Purchasing Group)	Endorsement Number: 003
Policy Number: CYB-100406	Insurer: Crum & Forster Specialty Insurance Company

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

CYBER MASTER INSURANCE POLICY

In consideration of the premium charged, it is agreed that Section X., Other Conditions, is amended by addition of the following:

• **CERTIFIED ACTS OF TERRORISM**

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

“**Certified Act of Terrorism**” means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a “**Certified Act of Terrorism**” include the following:

- a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is 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.
2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Policy.

All other terms, conditions and limitations of the Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured: Identity Crime Prevention Inc. (dba Data Theft Risk Purchasing Group)	Endorsement Number: 004
Policy Number: CYB-100406	Insurer: Crum & Forster Specialty Insurance Company

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

BRONZE AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

CYBER MASTER INSURANCE POLICY

In consideration of the premium charged, it is agreed that:

1. Section I. Insuring Agreement D., **First Party Loss** is deleted in its entirety and replaced with the following:

Coverage D: First Party Loss (Liability Mitigation)

The **Insurer** will indemnify the **Named Insured Member** for **First Party Loss**: (1) in excess of the **Deductible**; and (2) resulting from a **Qualifying Event** that the **Named Insured Member** first discovers during the **Certificate of Coverage Period**; provided that such event is reported to the **Insurer** in full compliance with the **Notice Requirements**.

2. Section I., Insuring Agreements, is amended to add the following at the end thereof:

Coverage E: Internet Media Liability

The **Insurer** will pay on behalf of the **Insured** such: (1) **Damages**; and (2) **Claims Expenses**; in excess of the **Deductible** that an **Insured** is legally obligated to pay because of a **Claim** first made against an **Insured** during the **Policy Period** for **Internet Media Liability**; provided that such **Claim** is reported to the **Insurer** in full compliance with the **Notice Requirements**.

3. Section III., Definition H., **Cyber Event**, is deleted in its entirety and replaced with the following:

H. **Cyber Event** means:

1. a **Cyber Extortion Threat**;
2. a theft, loss or **Unauthorized Disclosure** of **Protected Information** that is in the care, custody or control of the **Named Insured Member** or a third party for whose theft, loss or **Unauthorized Disclosure** of **Protected Information** the **Named Insured Member** is legally responsible for;
3. the failure of the **Named Insured Member** to notify a third party of a theft, loss or **Unauthorized Disclosure** of **Protected Information** in violation of a **Privacy Law**; or
4. the access to, or the use of, a computer system by a person or organization that is not authorized to do so.

4. Section III., Definition M., **eCrime Event**, is deleted in its entirety and replaced with the following:

M. **eCrime Event** means the act of a third party gaining access to and using the **Named Insured Member's** telephone system in an unauthorized manner. **eCrime Event** does not include any fraudulent, dishonest or criminal act committed by any natural person **Supplemental Insured**.

5. Section III., Definition N., **First Party Loss**, is deleted in its entirety and replaced with the following:

N. **First Party Loss** means the value of monies (including money in the form of a digital currency), marketable goods or services paid or delivered under duress by or on behalf of the **Named Insured Member**, with the **Insurer's** prior written consent, solely for the purpose of terminating a **Cyber Extortion Threat**.

If the Declarations indicates that the **Named Insured Member** has purchased "Extended" **First Party Loss** coverage, then **First Party Loss** also means:

1. the reasonable and necessary costs charged by a vendor designated or approved in writing by the **Insurer** to restore, replace or recreate software or electronic data to its condition immediately prior to the **Qualifying Event** but only for such costs that are as a direct result of the **Qualifying Event**;
2. the reasonable and necessary expenses resulting directly from a **Qualifying Event** incurred by the **Named Insured Member** during the **Indemnity Period** resulting from a suspension of the **Named Insured Member's** computer systems to continue or maintain normal operations that are over and above those expenses the **Named Insured Member** would have incurred had no **Qualifying Event** occurred; and
3. the net profit or loss without interest and before tax that the **Named Insured Member** would have earned or incurred during the **Indemnity Period** due to the actual interruption or impairment of the **Named Insured Member's** computer systems as a direct result of the **Qualifying Event**, plus the continuing normal operating expenses incurred by the **Named Insured Member** during the **Indemnity Period** (including payroll) but only to the extent that such operating expenses must necessarily continue during the **Indemnity Period**.

First Party Loss does not include: (1) loss of revenues or income solely as a result of adverse publicity; (2) expenses incurred or loss of revenues incurred due to a **Dependent Systems Event**; or, (3) except as described in Section V., **Supplemental Payments & Services**, any costs attributed to an upgrade or improvement of: (a) electronic data; (b) software; or (c) computer systems; beyond what existed prior to the **Qualifying Event** unless such upgrade or improvement is reasonable because of improvements in the available technology.

6. Section III., Definition O., **Indemnity Period**, is deleted in its entirety and replaced with the following:

O. **Indemnity Period** means the period of time that: (a) begins after the elapse of the **Waiting Period** shown in Item 8. of the **Certificate of Coverage**; and (b) ends 30 days after the time when the **Named Insured Member** could have resumed normal operations with the exercise of due diligence and dispatch, not limited by the expiration date of this Policy. Despite any other provisions in this Policy, the maximum **Indemnity Period** is 90 days.

7. Section III., Definitions, is amended to add the following at the end thereof:

- **Internet Media Liability** means one or more of the following acts committed by, or on behalf of, the **Named Insured Member** in the course of creating, displaying, broadcasting, publishing, disseminating or releasing **Internet Media Material** to the public:
 1. (a) defamation; (b) libel; (c) slander; (d) product disparagement; (e) trade libel; (f) infliction of emotional distress; (g) outrage; (h) outrageous conduct; or (i) other tort related to disparagement or harm to the reputation or character of any person or organization;
 2. a violation of the rights of privacy of an individual, including: (a) false light; (b) intrusion upon seclusion; and (c) public disclosure of private facts;
 3. invasion or interference with an individual's right of publicity, including commercial appropriation of: (a) name; (b) persona; (c) voice; or (d) likeness;
 4. plagiarism, piracy, or misappropriation of ideas under implied contract;
 5. infringement of copyright;
 6. infringement of: (a) domain name; (b) trademark; (c) trade name; (d) trade dress; (e) logo; (f) title; (g) metatag; or (h) slogan, service mark or service name;
 7. improper deep-linking or framing; or
 8. unfair competition, if alleged in conjunction with any of the acts listed in paragraphs 5. or 6. above.
- **Internet Media Material** means electronic, digital or digitized media content displayed by, or on behalf of, the **Named Insured Member**, on an **Named Insured Member's** website or on social media pages controlled by the **Named Insured Member**, but will not include computer software or the actual goods, products or services described, illustrated or displayed in such content.

- **Qualifying Event** means the access to, or the use of, a computer system owned or operated by the **Named Insured Member** by a person or organization that is not authorized to do so.

8. Section IV., Exclusion N., is deleted in its entirety and replaced with the following:

N. solely with respect to Coverages B., Cyber Liability, and E., **Internet Media Liability**:

1. any actual or alleged violation of the federal Fair Debt Collection Practices Act (FDCPA);
2. any actual or alleged violation from the failure to properly truncate credit, debit or payment card information on receipts or statements as required by the Fair and Accurate Credit Transactions Act of 2003 (FACTA);
3. any **Claim** covered under the terms of: (a) a commercial general liability insurance policy; (b) a professional liability insurance policy; (c) a management liability insurance policy; or (d) an employment practices liability insurance policy; maintained by the **Named Insured Member**; provided that this shall not apply to **Damages** or **Claims Expenses** in excess of the limits of liability of any such insurance policy;
4. any employment or labor relations: (a) policies; (b) practices; (c) acts or omissions; or (d) any actual or alleged refusal to employ any person, or misconduct with respect to employees; whether such **Claim** is brought by an employee, former employee, applicant for employment, or relative or domestic partner of such person; provided that this exclusion shall not apply to an otherwise covered **Claim** by a current or former employee of the **Named Insured Member** for **Damages** arising strictly from a **Cyber Event**; and
5. the: (a) ownership, sale or purchase of; or (b) offer to sell or purchase; stock or other securities, or an actual or alleged violation of a securities law or regulation;

9. Section IV., Exclusions, is amended to add the following at the end thereof:

- solely with respect to Coverage E., **Internet Media Liability**, any:

1. contractual liability or obligation; but this exclusion will not apply to a **Claim** for misappropriation of ideas under implied contract;
2. actual or alleged obligation to make licensing fee or royalty payments;
3. costs or expenses incurred or to be incurred by the **Insured** or others for the: (a) reprinting; (b) reposting; (c) recall; (d) removal; or (e) disposal; of any **Internet Media Material** or any other information, content or media including, but not limited to, any media or products containing such **Internet Media Material**, information, content or media;
4. **Claim** brought by or on behalf of any intellectual property licensing bodies or organizations;
5. actual or alleged inaccurate, inadequate or incomplete description of the price of goods, products or services, cost guarantees, cost representations, contract price estimates, false advertising or the failure of any goods or services to conform with any represented quality or performance;
6. gambling, contest, lottery, promotional game or other game of chance; or
7. **Claim** made by or on behalf of any independent contractor, joint venturer or venture partner arising out of or resulting from disputes over ownership of rights in **Internet Media Material** or services provided by such independent contractor, joint venturer or venture partner;

10. Section VI., Limits of Liability, paragraph C., is deleted in its entirety and not replaced.

11. Section IX., Extended Reporting Period, subsections A., Automatic Extended Reporting Period, and B., Optional Extended Reporting Period, are deleted in their entirety and replaced with the following:

A. Automatic Extended Reporting Period

1. If the **Insurer** or **Named Insured** cancel or non-renew this Policy for any reason; or
2. the **Insurer** cancels or non-renews a **Named Insured Member's Certificate of Coverage** or the **Named Insured** cancels or non-renews a **Certificate of Coverage** at the request of a **Named Insured Member**, for any reason other than:
 - (a) non-payment of premium;
 - (b) non-payment of **Deductible**;
 - (c) non-compliance with any terms and conditions of this Policy; or
 - (d) fraud or material misrepresentation;

then the **Named Insured Member** shall be entitled to an AERP of 60 days from the date of **Certificate of Coverage** expiration or cancellation to report **Claims** in writing to the **Insurer** which are first made against the

Named Insured Member during the AERP and which arise from: (1) a **Cyber Event** that first occurs before the end of the **Certificate of Coverage Period**; or (2) **Internet Media Material** first disseminated before the end of the **Certificate of Coverage Period**. If the OERP in subsection B. below is purchased, then this AERP shall be included within such OERP and will not further extend such OERP.

B. Optional Extended Reporting Period

1. If the **Insurer** or **Named Insured** cancel or non-renew this Policy for any reason; or
2. the **Insurer** cancels or non-renews a **Named Insured Member's Certificate of Coverage** or the **Named Insured** cancels or non-renews a **Certificate of Coverage** at the request of a **Named Insured Member**, for any reasons other than:
 - (a) non-payment of premium;
 - (b) non-payment of **Deductible**;
 - (c) non-compliance with any terms and conditions of this Policy; or
 - (d) fraud or material misrepresentation;

then the **Named Insured Member** shall be entitled to purchase an OERP from the options set forth in Section IX.C. of the Policy. If elected, the OERP will begin on the date the **Certificate of Coverage** expires or is cancelled and would entitle the **Named Insured Member** to notify the **Insurer** in writing of **Claims** which are first made against the **Named Insured Member** during the OERP and which arise from: (1) a **Cyber Event** that first occurs before the end of the **Certificate of Coverage Period**; or (2) **Internet Media Material** first disseminated before the end of the **Certificate of Coverage Period**.

12. Section X., Other Condition N., Other Insurance, is deleted in its entirety and replaced with the following.

N. Other Insurance

1. With respect to Coverage A., **Breach Costs**: this Policy shall be primary of any other insurance policy.
2. With respect to Coverages B., C., D and E.: all **Loss** payable under this Policy shall be in excess of and shall not contribute with other existing insurance including, but not limited to, any insurance under which there is a duty to defend regardless of whether any **Loss** is collectible or recoverable under such other insurance, unless such other insurance is written specifically excess of this Policy. This Policy shall not be subject to the terms or conditions of any other insurance.

All other terms, conditions and limitations of the Policy remain unchanged.

SERVICE OF PROCESS CLAUSE

The Insurance Commissioner, Director of Insurance, Superintendent of Insurance, or other officer specified by law, pursuant to the laws of the state where this policy is delivered, is hereby designated as the true and lawful attorney of the Company upon whom may be served all lawful process in any action, suit, or proceeding arising out of this policy. The Company further designates:

Name: Marc Adee, President
Name of Company or Firm: Crum & Forster Specialty Insurance Company
Mailing Address: 305 Madison Avenue
Morristown, NJ 07960

as its person to whom such process shall be forwarded by the Insurance Commissioner, Director of Insurance, Superintendent of Insurance, or other officer specified by law.

All other terms and conditions of the policy remain unchanged.

SPECIMEN

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured: Identity Crime Prevention Inc. (dba Data Theft Risk Purchasing Group)	Endorsement Number: 006
Policy Number: CYB-100406	Insurer: Crum & Forster Specialty Insurance Company

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

FRANCHISOR ENDORSEMENT

This endorsement modifies insurance provided under the following:

CYBER MASTER INSURANCE POLICY

In consideration of the premium charged, it is agreed that:

1. Section III., Definition AA., **Supplemental Insured**, is amended to add the following at the end thereof:
 6. Only as respects Coverage B., Cyber Liability, if a **Named Insured Member** has executed a franchise agreement with a franchisor, the franchisor is a **Supplemental Insured** but only for the vicarious liability of such **Supplemental Insured** for the wrongful acts of the **Named Insured Member**.
2. Section IV., Exclusions, is amended to add the following at the end thereof:
 - any theft, loss or **Unauthorized Disclosure of Protected Information** or other information that is in the care, custody or control of a franchisor;
 - any access to, or the use of, a computer system owned by or operated on behalf of a franchisor by a person or organization that is not authorized to access or use such computer system.

All other terms, conditions and limitations of the Policy remain unchanged.

C&F Simple Cyber

CYBER MASTER INSURANCE POLICY

As respects each **Certificate of Coverage** issued during the **Policy Period** and in consideration of: (1) the premium paid; (2) the **Named Insured's** and **Named Insured Member's** compliance with the conditions of this Policy; and (3) subject to its terms (including all endorsements); and in reliance on: (a) the statements made in the Application; and (b) the information and documents provided to the **Insurer** by the **Named Insured** and **Named Insured Member**; all of which are made a part of this Policy, the **Insurer** agrees with the **Named Insured** and **Named Insured Member** as follows:

I. INSURING AGREEMENTS

Only those Insuring Agreements shown in Item 3. of the **Certificate of Coverage** issued to the **Named Insured Member** as PURCHASED shall be applicable to the **Named Insured Member's** coverage hereunder. If the **Certificate of Coverage** does not show that a Coverage was purchased: (a) that Coverage of this Policy has not been purchased by the **Named Insured Member**; and (b) no coverage shall apply to the **Named Insured Member** for the corresponding Insuring Agreement(s).

Coverage A: Breach Costs (Liability Mitigation)

The **Insurer** will reimburse the **Named Insured Member** for all **Breach Costs** in excess of the **Deductible** resulting from an actual or reasonably suspected **Cyber Event** that the **Named Insured Member**: (1) first discovers during the **Certificate of Coverage Period**; and (2) that is reported to the **Insurer** in full compliance with the **Notice Requirements**.

Provided that when the **Named Insured Member** agrees to utilize vendors nominated by the Cyber Response Team shown in Item 10. of the Declarations, the **Insurer** shall pay on behalf of the **Named Insured Member** those **Breach Costs** set forth in the paragraph above applicable to such vendor nominated by the Cyber Response Team.

Coverage B: Cyber Liability

The **Insurer** will pay on behalf of the **Named Insured Member** such: (1) **Damages**; and (2) **Claims Expenses**; in excess of the **Deductible** that a **Named Insured Member** is legally obligated to pay because of a **Claim** first made against a **Named Insured Member** during the **Certificate of Coverage Period** because of a **Cyber Event**; provided that such **Claim** is reported to the **Insurer** in full compliance with the **Notice Requirements**.

Coverage C: eCrime Loss (Liability Mitigation)

The **Insurer** will indemnify the **Named Insured Member** for direct financial loss: (1) in excess of the **Deductible**; and (2) resulting from an **eCrime Event** that the **Named Insured Member** first discovers during the **Certificate of Coverage Period**; provided that such event is reported to the **Insurer** in full compliance with the **Notice Requirements**.

Coverage D: First Party Loss (Liability Mitigation)

The **Insurer** will indemnify the **Named Insured Member** for **First Party Loss**: (1) in excess of the **Deductible**; and (2) resulting from a **Cyber Event** that the **Named Insured Member** first discovers during the **Certificate of Coverage Period**; provided that such event is reported to the **Insurer** in full compliance with the **Notice Requirements**.

With respect to each Insuring Agreement stated above, the amount that the **Insurer** is obligated to pay is limited based on the applicable Limit of Liability as described in Section VI., Limits of Liability.

In addition, in connection with any **Cyber Event** that results in: (1) **Breach Costs**; or (2) **First Party Loss**; that exceeds the **Deductible**, the **Insurer** will also provide **Supplemental Payments & Services** which shall be: (a) part of; and (b) not in addition to; the Aggregate Limit of Liability shown in Item 4. of the **Certificate of Coverage**.

II. DEFENSE AND SETTLEMENT OF CLAIMS

A. Defense of **Claims**:

If another insurer has a duty to defend a **Claim** under any other insurance policy, the **Insurer** shall have no duty to defend such **Claim**, but will have the right to associate with the defense of such **Claim**.

If: (1) no other insurer has a duty to defend a **Claim** under any other insurance policy; or (2) such other insurer's duty to defend a **Claim** has ended; the **Insurer** shall have the right and duty to defend, subject to all the provisions, terms and conditions of this Policy, any **Claim** made against a **Named Insured Member** seeking **Damages** which are payable under the terms of this Policy, even if any of the allegations of the **Claim** are groundless, false or fraudulent. When the **Insurer** has a duty to defend a **Claim**, defense counsel shall be selected by the **Insurer**.

B. Settlement of **Claims**:

The **Insurer** may not settle any **Claim** without the written authorization of the **Named Insured Member**. If the **Named Insured Member** refuses to consent to any settlement or compromise recommended by the **Insurer** and acceptable to the claimant and elects to contest the **Claim**, then the **Insurer** will have the right to withdraw from the further defense of such **Claim** and the **Insurer's** liability for **Damages** and **Claims Expenses** shall not exceed:

1. the amount for which the **Claim** could have been settled, less the remaining **Deductible**, plus the **Claims Expenses** incurred up to the time of such refusal; or
2. the applicable Limit of Liability, whichever is less.

The **Named Insured Member** may settle any **Claim** where the **Damages** and **Claims Expenses** do not exceed the **Deductible**; provided that: (a) the entire **Claim** is resolved; and (b) the **Named Insured Member** obtains a full release on behalf of the **Named Insured Member** and the **Insurer** from all claimants.

III. DEFINITIONS

A. **Breach Costs** means the following reasonable and necessary expenses incurred by the **Named Insured Member** with respect to a **Cyber Event** and with the prior written consent of the **Insurer**; provided that if services are recommended by the Cyber Response Team shown in Item 11. of the **Certificate of Coverage**, and the **Named Insured Member** agrees to utilize the applicable vendors nominated by the Cyber Response Team, then prior consent of the **Insurer** shall not be required:

1. for an attorney to provide necessary legal advice to the **Named Insured Member** to evaluate the **Named Insured Member's** legal obligations in connection with an actual or reasonably suspected **Cyber Event**;
2. for a computer security expert, or experts, to determine the existence, cause and scope of a **Cyber Event** as well as the costs to contain an ongoing **Cyber Event**, including the cost to retain a PCI Forensic Investigator if required by a written agreement between the **Named Insured Member** and: (a) a financial institution; (b) a credit or debit card company; (c) a credit or debit card processor; (d) a merchant bank; or (e) any other entity; offering or providing merchant card transaction processing or payment gateway services to the **Named Insured Member**;
3. to notify individuals or entities whose **Protected Information** was potentially impacted by a **Cyber Event**. This shall include costs incurred by the **Named Insured Member** to directly notify individuals on behalf of a third party that has the legal obligation to notify such individuals; provided that such third party agrees to allow the **Named Insured Member** to notify such individuals on their behalf;
4. for a call center to respond to inquiries from individuals that the **Named Insured Member** has notified because their **Protected Information** was potentially impacted by a **Cyber Event**;
5. to provide a credit monitoring or identity monitoring product to individuals that the **Named Insured Member** has notified because their **Protected Information** was potentially impacted by a **Cyber Event**. Such credit monitoring or identity monitoring product will be provided for a period of 12 months unless the **Named Insured Member** is required by law or regulation to provide such a credit monitoring or identity monitoring product for a longer period of time. In that case, such credit monitoring or identity monitoring product will be provided for the period of time required by law or regulation; and

6. for public relations and crisis management costs directly related to mitigating harm to the **Named Insured Member** which are approved in advance by the **Insurer**.
- B. **Certificate of Coverage** means the certificate that is issued to a **Named Insured Member** which evidences the coverage provided by the **Insurer** to that **Named Insured Member** under this Policy.
- C. **Certificate of Coverage Period** means the length of time between the effective date shown in Item 3. of the **Certificate of Coverage** and the earlier of:
1. the expiration date shown in Item 3. of the **Certificate of Coverage**; or
 2. the cancellation date of the **Certificate of Coverage**.

Each **Named Insured Member** will have a separate **Certificate of Coverage Period** as set forth in the applicable **Certificate of Coverage** issued to that **Named Insured Member**. In no event may a **Named Insured Member** be added to this Policy after the expiration date of the **Policy Period**. If this Policy expires or is cancelled, coverage will continue until the expiration or cancellation of the **Certificate of Coverage Period** for the applicable **Named Insured Member**.

- D. **Claim** means a written demand for money, services, non-monetary relief or injunctive relief, including service of suit or arbitration proceedings made against the **Named Insured Member**. Only as respects Coverage B., Cyber Liability: **Claim** also means a request for information from, or civil proceeding against, the **Named Insured Member** brought by a **Regulatory Body** directly arising from a **Named Insured Member's** actual or alleged violation of any **Privacy Law**.

Multiple **Claims** arising from: (1) the same or a series of related or repeated acts, errors or omissions; (2) any continuing acts, errors or omissions; or (3) a series of related or repeated **Cyber Events**; shall be considered a single **Claim** for the purposes of this Policy, regardless of the number of claimants or persons, entities or organizations involved in the **Claim**. All such **Claims** shall be deemed to have been made at the time of the first such **Claim**.

- E. **Claims Expenses** means:

1. reasonable and necessary legal fees, costs and expenses directly resulting from the investigation, adjustment, settlement and/or defense of a **Claim**; and
2. the premiums for appeal, attachment or similar bonds, but only for bond amounts within the applicable Limits of Liability. The **Insurer** does not have to furnish these bonds.

Claims Expenses do not include:

- a. salaries, wages, fees, remuneration, overhead, benefits or expenses of a **Named Insured Member**;
- b. **Damages**, fines, penalties, fees, or taxes levied or assessed against a **Named Insured Member**;
- c. fees, costs, or expenses incurred by the **Named Insured Member** prior to the time that a **Claim** is made or which are paid or incurred without the **Insurer's** prior written consent. These unilaterally incurred fees, costs or expenses will not: (i) be reimbursed by the **Insurer**; and (ii) reduce any **Deductible** under the Policy; or
- d. the costs and expenses required to comply with any injunctive or other non-monetary, equitable, declaratory, regulatory or administrative relief including, but not limited to, specific performance, or any agreement to provide such relief.

- F. **Continuity Date** means the date shown in Item 7. of the **Certificate of Coverage**.

- G. **Control Group** means any: (1) principal; (2) partner; (3) corporate officer; (4) director; (5) general counsel (or most senior legal counsel); or (6) risk manager; of the **Named Insured Member** and any individual in a substantially similar position.

- H. **Cyber Event** means:

1. a **Cyber Extortion Threat**;
2. an unintentional and unplanned interruption of any computer system;

3. a theft, loss or **Unauthorized Disclosure of Protected Information** that is in the care, custody or control of the **Named Insured Member** or a third party for whose theft, loss or **Unauthorized Disclosure of Protected Information** the **Named Insured Member** is legally responsible for;
 4. the storage, collection, use or disclosure of **Protected Information** by or on behalf of a **Named Insured Member** that is in violation of a **Privacy Law**;
 5. the failure to notify a third party of a theft, loss or **Unauthorized Disclosure of Protected Information** in violation of a **Privacy Law**; or
 6. the access to, or the use of, a computer system by a person or organization that is not authorized to do so.
- I. **Cyber Extortion Threat** means a demand made against the **Named Insured Member** for the payment of monies (including a digital currency), marketable goods or services in order to prevent or terminate the:
1. disclosure of **Protected Information**;
 2. introduction of unauthorized, unwanted or harmful program, computer code or script into a computer system. An unwanted or harmful program, computer code or script includes: (a) a computer virus; (b) Trojan horses; (c) worms; (d) time or logic bombs; (e) spyware; (f) malware; (g) spiderware; or (h) ransomware;
 3. corruption, alerting, deletion or destruction of data or software stored on a computer system;
 4. restriction or hindering of access to a computer system or to data stored on a computer system;
 5. interruption or suspension of a computer system; or
 6. electronic communication with the **Named Insured Member's** customers impersonating the **Named Insured Member** in order to obtain **Protected Information**.
- J. **Damages** means a monetary judgment, award or settlement including prejudgment and post-judgment interest, and punitive damages, exemplary damages or any damages which are a multiple of compensatory damages (if insurable under the applicable law most favorable to the insurability of punitive, exemplary or multiple damages), which the **Named Insured Member** becomes legally obligated to pay as the direct result of a covered **Claim**.

Solely with respect to Coverage B., Cyber Liability, **Damages** also include:

1. civil fines or penalties levied upon a **Named Insured Member** by a **Regulatory Body**; provided that this does not include amounts for matters uninsurable under the law;
2. any: (a) fine; (b) penalty; (c) reimbursement; (d) fraud recovery; or (e) assessment; imposed upon or owed by a **Named Insured Member** under the terms of a written agreement between the **Named Insured Member** and: (i) a financial institution; (ii) a credit or debit card company; (iii) a credit or debit card processor; (iv) a merchant bank; or (v) any other entity; offering or providing merchant card transaction processing or payment gateway services to the **Named Insured Member**; provided that this does not include any charge back amounts, interchange fees, discount fees, or other prospective fees owed under such an agreement; and
3. up to \$2,500 for the costs and expenses of complying with any injunctive or other non-monetary relief.

As respects all coverage parts under this Policy, **Damages** do not include:

- a. any amount for which the **Named Insured Member** is not liable or is not legally obligated to pay;
- b. except as noted in paragraph 1. and 2. above, any fines or monetary penalties or multiples thereof;
- c. taxes or the loss of tax benefits;
- d. liquidated damages, but only to the extent that such damages exceed the amount for which the **Named Insured Member** would have been liable in the absence of such liquidated damages agreement;
- e. matters uninsurable under the laws applicable to this Policy;
- f. past, present and future earned and unearned: (i) royalties; (ii) profits; (iii) fees; (iv) costs; (v) expenses; (vi) commissions; and (vii) profits; unlawfully or unjustly held or obtained including, but not limited to, the return, offset, disgorgement or restitution of such royalties, profits, fees, costs, expenses, commissions, and profits unlawfully or unjustly held or obtained;
- g. except as noted in paragraph 3. above, the costs and expenses of complying with any injunctive or other non-monetary equitable, declaratory, regulatory or administrative relief including, but not limited to, specific performance, or any agreement to provide such relief; and
- h. discounts, prizes, awards, coupons or other incentives offered to the **Named Insured Member's** clients or customers.

- K. **Deductible** means the amount shown in Item 6. of the **Certificate of Coverage** and described in Section VII. of this Policy.

L. **Dependent Systems Event** means the unintentional and unplanned interruption of computers or associated hardware, software, or firmware, including network devices and backup components, owned, leased, operated or controlled by a third party.

M. **eCrime Event** means:

1. the loss of the **Named Insured Member's** money or securities that results solely from a wrongful transfer, payment or delivery of such money or securities by such **Named Insured Member** as a sole result of fraudulent electronic or telephone instructions provided by a third party, that is intended to mislead the **Named Insured Member** through the misrepresentation of a material fact which is relied upon in good faith by such **Named Insured Member**, including such loss resulting from business e-mail compromise, social engineering, spear-phishing and e-mail spoofing;
2. the loss of money or securities from an account at a financial institution resulting solely from fraudulent electronic or telephone instructions issued by a third party to a financial institution directing such institution to transfer, pay or deliver money or securities from any account maintained by the **Named Insured Member** at such institution, without such **Named Insured Member's** knowledge or consent; or
3. the act of a third party gaining access to and using the **Named Insured Member's** telephone system in an unauthorized manner.

eCrime Event does not include:

- a. any loss arising, directly or indirectly from a **Named Insured Member's** acceptance, deposit or handling of:
 - i. counterfeit currency or bank drafts;
 - ii. a bank draft, check or other financial instrument returned due to insufficient funds;
 - iii. counterfeit bonds, securities or financial instruments; or
 - iv. counterfeit goods of any kind;including, but not limited to, loss arising from a transfer of money by a **Named Insured Member** to a third party associated with such **Named Insured Member's** acceptance, deposit or handling of such items;
 - b. any loss arising, directly or indirectly, from: (i) loan fraud; (ii) mortgage fraud; or (iii) accounting fraud; including, but not limited to, check kiting, money laundering or fraudulent loan schemes. This includes loss arising from a transfer of money by a **Named Insured Member** to a third party associated with any such fraud;
 - c. any actual or alleged use of credit, debit, charge, access, convenience, customer identification or other cards;
 - d. any transfer involving a third party who is not a natural person **Supplemental Insured**, but had authorized access to the **Named Insured Member's** authentication mechanism;
 - e. the processing of, or the failure to process: (i) credit; (ii) check; (iii) debit; (iv) electronic benefit transfers; or (v) mobile payments; for merchant accounts;
 - f. any accounting or arithmetical errors or omissions, or the: (i) failure; (ii) malfunction; (iii) inadequacy; or (iv) illegitimacy; of any product or service; or
 - g. any fraudulent, dishonest or criminal act committed by any natural person **Supplemental Insured**.
- N. **First Party Loss** means the value of monies (including money in the form of a digital currency), marketable goods or services paid or delivered under duress by or on behalf of the **Named Insured Member**, with the **Insurer's** prior written consent, solely for the purpose of terminating a **Cyber Extortion Threat**.

If the Declarations indicates that the **Named Insured Member** has purchased "Extended" **First Party Loss** coverage, then **First Party Loss** also means:

1. the reasonable and necessary costs charged by a vendor designated or approved in writing by the **Insurer** to restore, replace or recreate software or electronic data to its condition immediately prior to the **Cyber Event** but only for such costs that are as a direct result of the **Cyber Event**;
2. the reasonable and necessary expenses incurred by the **Named Insured Member** during the **Indemnity Period** to continue or maintain normal operations that are over and above those expenses the **Named Insured Member** would have incurred had no **Cyber Event** occurred;
3. the net profit or loss without interest and before tax that the **Named Insured Member** would have earned or incurred during the **Indemnity Period** due to the actual interruption or impairment of the **Named Insured**

Member's business operations as a direct result of the **Cyber Event**, plus the continuing normal operating expenses incurred by the **Named Insured Member** during the **Indemnity Period** (including payroll) but only to the extent that such operating expenses must necessarily continue during the **Indemnity Period**; and

4. the cost to repair or replace computer hardware or equipment that is damaged or impaired and must be replaced.

First Party Loss does not include, except as described in Section V., **Supplemental Payments & Services**, any costs attributed to an upgrade or improvement of: (a) electronic data; (b) software; or (c) computer systems; beyond what existed prior to the **Cyber Event** unless such upgrade or improvement is reasonable because of improvements in the available technology.

O. **Indemnity Period** means:

1. in the case of the actual interruption or impairment of the **Named Insured Member's** business operations, the period of time that: (a) begins after the elapse of the **Waiting Period** shown in Item 8. of the **Certificate of Coverage**; and (b) ends 30 days after the time when the **Named Insured Member** could have resumed normal operations with the exercise of due diligence and dispatch; or
2. in all other cases, 30 days after the **Named Insured Member's** discovery of a **Cyber Event**.

The time frames indicated in paragraphs 1. and 2. above are not limited by the expiration date of this Policy. Despite any other provisions in this Policy, the maximum **Indemnity Period** is 180 days.

P. **Insurer** means the insurance company shown in the Declarations.

Q. **Loss** means: (1) **Breach Costs**; (2) **First Party Loss**; (3) financial loss from an **eCrime Event**; (4) **Damages**; and (5) **Claims Expenses**.

Multiple **Losses** arising from: (1) the same or a series of related or repeated acts, errors or omissions; (2) any continuing acts, errors or omissions; or (3) a series of related or repeated **Cyber Events**; shall be considered a single **Loss** for the purposes of this Policy. All such **Loss** shall be deemed to have been made at the time of the first such **Loss**.

R. **Named Insured** means the entity named in Item 1. of the Policy Declarations or Item 2. of a **Certificate of Coverage**.

S. **Named Insured Member** means: (1) the entity named in Item 1. of a **Certificate of Coverage** who is a member of the **Named Insured** and has become insured under this Policy as shown in our records and evidenced by the issuance of a **Certificate of Coverage** to that **Named Insured Member** by the **Insurer**; (2) each **Subsidiary**; (3) each **Newly Acquired Entity**; and (4) each **Supplemental Insured**.

T. **Newly Acquired Entity** means any entity: (1) formed or acquired by the **Named Insured Member** during the **Certificate of Coverage Period**; and (2) in which the **Named Insured Member** has more than 50% of the legal or beneficial interest; provided that if the trailing 12 month revenues for such entity exceed 15% of the **Named Insured Member's** annual revenues for the same trailing 12 month period, then only if all of the following conditions are met:

1. within 90 days of the formation of a **Newly Acquired Entity**, the **Named Insured Member** notifies the **Insurer** in writing of the details of such: (a) merger; (b) acquisition; or (c) newly created joint venture or partnership;
2. the **Named Insured Member** agrees to any changes in terms and conditions of this Policy or such **Named Insured Member's Certificate of Coverage** related to the **Newly Acquired Entity** including, but not limited to, the payment of additional premium, if any, charged by the **Insurer**; and
3. the **Insurer** has issued a written endorsement specifically noting the addition of the **Newly Acquired Entity** as a covered **Named Insured Member** under such **Named Insured Member's Certificate of Coverage**.

U. **Notice Requirements** means the requirements described in Section VIII. of this Policy.

- V. **Policy Period** means the length of time between the effective date shown in Item 2. of the Declarations and the earlier of:
1. the expiration date shown in Item 2. of the Declarations; or
 2. the cancellation date of this Policy.
- W. **Privacy Law** means a federal, state or foreign statute or regulation:
1. requiring the **Named Insured Member** to protect the confidentiality or security of **Protected Information**;
 2. requiring notice by the **Named Insured Member** to a person or organization whose **Protected Information** was accessed or reasonably may have been accessed by an unauthorized person; or
 3. governing the collection, use or storage of **Protected Information** by the **Named Insured Member**.
- X. **Protected Information** means the following information that a **Named Insured Member** has a legal obligation to safeguard, protect or maintain in confidence:
1. non-public individually identifiable information as defined by any: (a) federal; (b) state; (c) local; or (d) foreign; statute, rule or regulation;
 2. an individual's: (a) social security number; (b) taxpayer identification number; (c) unpublished telephone number; (d) driver's license number; (e) state identification number; (f) passport number; (g) financial account number; (h) credit card number; (i) debit card number; or (j) the magnetic strip information from a credit or debit card; and
 3. any: (a) trade secret; (b) data; (c) design; (d) interpretation; (e) forecast; (f) formula; (g) method; (h) record; (i) report; or (j) other item of information; of a third party that is not available to the general public.
- Y. **Regulatory Body** means any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity.
- Z. **Subsidiary** means any entity in which the **Named Insured Member** as of the effective date of the **Certificate of Coverage**, either:
1. directly or indirectly owns more than 50% of the issued and outstanding voting equity securities; or
 2. controls voting rights representing the present right to vote for election or to appoint more than 50% of the directors or trustees.
- AA. **Supplemental Insured** means:
1. any past or present: (a) employee (including a part time, temporary, leased or seasonal employee); (b) the principals; (c) the partners ; or (d) executive officers or directors; of a **Named Insured Member** but only while acting within the scope of their duties as such;
 2. any past or present natural person independent contractor who performs labor or service for the **Named Insured Member** pursuant to a written contract or agreement, where such labor or service is under the exclusive direction of the **Named Insured Member**, but only while acting in the scope of their duties as such and in the performance of labor or service to the **Named Insured Member**. The status of an individual as an independent contractor shall be determined as of the date of an alleged act, error or omission by any such independent contractor;
 3. any: (a) spouse; or (b) the legally recognized domestic partner (whether by state or federal law); of any person otherwise qualifying as an **Supplemental Insured** but only with respect to their status as such;
 4. in the event of: (a) death; (b) incapacity; (c) bankruptcy; or (d) insolvency; of any **Supplemental Insured**, such **Supplemental Insured's**: (i) heirs; (ii) estate; (iii) executors; (iv) administrators; and (v) legal representative in his or her capacity as such; but only with respect to matters for which the **Supplemental Insured** otherwise would have been entitled to coverage under this Policy; and
 5. only as respects Coverage B., Cyber Liability: any person or entity that the **Named Insured Member** has agreed in writing to add as an additional insured under this Policy prior to the commission of any act for which such person or entity would be provided coverage under this Policy, but only for the vicarious liability of such additional insured for the wrongful acts of the **Named Insured Member**.
- BB. **Supplemental Payments & Services** means the amounts described in Section V. of this Policy.

CC. **Unauthorized Disclosure** means the disclosure (including disclosure resulting from phishing) of or access to information in a manner that is not authorized by the **Named Insured Member** and is without: (1) knowledge; (2) consent; or (3) acquiescence; of any member of the **Control Group**.

DD. **Waiting Period** means the period: (1) starting upon the actual interruption or impairment of the **Named Insured Member's** business operations caused by a **Cyber Event**; and (2) ending after the number of hours shown in Item 8. of the **Certificate of Coverage**.

IV. EXCLUSIONS

The **Insurer** shall not be liable to defend, pay, indemnify or reimburse the **Named Insured Member** with respect to any **Claim** or **Loss** based upon, resulting from, arising out of, in consequence of, or in any way connected with or involving, directly or indirectly:

- A. the actual or alleged: (1) distribution of unsolicited email, text messages, direct mail, facsimiles or other communications (including, but not limited to, any actual or alleged violation of the Telephone Consumer Protection Act of 1991 or the CAN-SPAM Act of 2003); (2) wire tapping; (3) audio or video recording; or (4) telemarketing; if such distribution, wire tapping, recording or telemarketing is done by or on behalf of the **Named Insured Member** (including a **Supplemental Insured**); however this exclusion will not apply to **Claims Expenses** incurred in defending the **Named Insured Member** against allegations of unlawful audio or video recording;
- B. any: (1) act; (2) error; (3) omission; (4) incident; or (5) event; committed or occurring prior to the effective date of this Policy if any member of the **Control Group** on or before the **Continuity Date** knew or could have reasonably foreseen that such act, error or omission, incident or event might be expected to be the basis of a **Claim** or **Loss**;
- C. any: (1) **Claim**; (2) **Loss**; (3) incident; or (4) circumstance; for which notice has been provided under any prior policy of which this Policy is a renewal or replacement;
- D. any criminal, dishonest, fraudulent, or malicious act or omission, or intentional or knowing violation of the law, if committed by or on behalf of a **Named Insured Member**, or committed by others if a **Named Insured Member** colluded or participated in any such conduct or activity; but this exclusion will not apply to:
 1. **Claims Expenses** incurred in defending any **Claim** alleging the foregoing until there is a final non-appealable adjudication establishing such conduct, at which time the **Named Insured Member** shall reimburse the **Insurer** for all **Claims Expenses** incurred defending such **Claim**;
 2. any natural person **Supplemental Insured**, if such **Supplemental Insured** did not personally commit, participate in or know about any: (a) act; (b) error; (c) omission; (d) incident; or (e) event; giving rise to such **Claim** or **Loss**; and
 3. the **Named Insured Member**; provided that no member of the **Control Group** personally committed, participated in or knew about any: (a) act; (b) error; (c) omission; (d) incident; or (e) event; giving rise to such **Claim** or **Loss**;
- E. any actual or alleged infringement, misuse or abuse of patent or patent rights;
- F. any actual or alleged infringement, use, misappropriation or disclosure of any intellectual property including, but not limited to, trade secret misappropriation, copyright infringement, trademark infringement, trademark dilution or trade dress infringement; but this exclusion will not apply to any **Claim** or **Loss** resulting from a theft, use or disclosure of **Protected Information** by a person who is not a past, present or future: (a) employee; (b) director; (c) officer; (d) partner; or (e) independent contractor; of a **Named Insured Member** and without the: (i) knowledge; (ii) consent; or (iii) acquiescence; of any member of the **Control Group**;
- G. any actual or alleged use or misappropriation of any ideas or trade secrets by, or on behalf of, a **Named Insured Member**, or by any other person or entity if such use or misappropriation is done with the knowledge, consent or acquiescence of any member of the **Control Group**;

- H. a **Claim** made by or on behalf of:
1. any **Named Insured Member**; but this exclusion will not apply to a **Claim** made by an individual that is not a member of the **Control Group** under Coverage B., Cyber Liability, or a **Claim** made by any person or entity that the **Named Insured Member** has agreed in writing to add as an additional insured under this Policy; or
 2. any business enterprise in which a **Named Insured Member** has greater than 15% ownership interest or made by any parent company or other entity which owns more than 15% of the **Named Insured Member**;
- I. any loss, transfer or theft of monies, securities or tangible property of the **Named Insured Member** or others in the care, custody or control of a **Named Insured Member**, but this exclusion will not apply to coverage under Coverage C., eCrime Loss;
- J. (1) nuclear reaction; (2) nuclear radiation; (3) radioactive contamination; (4) radioactive substance; (5) electromagnetic field; (6) electromagnetic radiation; or (7) electromagnetism;
- K. (1) declared war;
(2) armed conflict or actions that occur in association with armed conflict. Armed conflict includes, but is not limited to, overt or covert military action, a coup, rebellion, revolution, insurrection or other hostilities which involve infliction of bodily harm, physical damage or utilizing physical force; or
(3) overt action of a foreign government or military.
- L. any economic or trade sanction imposed by the United States including, but not limited to, sanctions administered and enforced by The United States Treasury Department's Office of Foreign Assets Control ("OFAC");
- M. any presence, discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, oil or other petroleum substances or derivatives, waste materials or other irritants, contaminants, pollutants or any other substances including, but not limited to, asbestos, fungus, mold and lead, which are or may be injurious to public health, property or the environment ("hazardous substances") or the cost to:
1. clean up or removal of hazardous substances;
 2. monitor, assess or evaluate, the: (a) presence; (b) discharge; (c) dispersal; (d) escape; (e) release; or (f) threat of same; of hazardous substances;
 3. dispose of hazardous substances or take such other action as may be necessary to temporarily or permanently: (a) prevent; (b) minimize; or (c) mitigate; damage to the public health or welfare or to property or the environment, which may otherwise result; or
 4. directly or indirectly respond to or address any government direction or request that the **Named Insured Member**: (a) test for; (b) monitor; (c) clean up; (d) remove; (e) contain; (f) treat; (g) detoxify; or (h) neutralize; hazardous substances;
- N. solely with respect to Coverages B., Cyber Liability:
1. any actual or alleged violation of the federal Fair Debt Collection Practices Act (FDCPA);
 2. any actual or alleged violation from the failure to properly truncate credit, debit or payment card information on receipts or statements as required by the Fair and Accurate Credit Transactions Act of 2003 (FACTA);
 3. any **Claim** covered under the terms of: (a) a commercial general liability insurance policy; (b) a professional liability insurance policy; (c) a management liability insurance policy; or (d) an employment practices liability insurance policy; maintained by the **Named Insured Member**; provided that this shall not apply to **Damages** or **Claims Expenses** in excess of the limits of liability of any such insurance policy;
 4. any employment or labor relations: (a) policies; (b) practices; (c) acts or omissions; or (d) any actual or alleged refusal to employ any person, or misconduct with respect to employees; whether such **Claim** is brought by an employee, former employee, applicant for employment, or relative or domestic partner of such person; provided that this exclusion shall not apply to an otherwise covered **Claim** by a current or former employee of the **Named Insured Member** for **Damages** arising strictly from a **Cyber Event**; and
 5. the: (a) ownership, sale or purchase of; or (b) offer to sell or purchase; stock or other securities, or an actual or alleged violation of a securities law or regulation;

- O. solely with respect to Coverage C., eCrime Loss: any loss covered under the terms of: (1) a commercial crime insurance policy; or (2) a professional liability policy; maintained by the **Named Insured Member**; provided that this shall not apply to direct financial loss in excess of the limits of liability of any such insurance policy;
- P. solely with respect to Coverage D., **First Party Loss**, any **First Party Loss**:
1. arising from the: (a) seizure; (b) nationalization; (c) confiscation; or (d) destruction; of property or data by order of any governmental or public authority;
 2. arising from: (a) fire; (b) flood; (c) earthquake; (d) volcanic eruption; (e) explosion; (f) lightning; (g) wind; (h) hail; (i) damage by water; (j) landslide; (k) act of God; or (l) any other physical event;
 3. for additional costs to: (a) update; (b) replace; (c) restore; (d) assemble; (e) reproduce; (f) recollect; or (g) enhance; data or computer systems to a level beyond that which existed prior to a **Cyber Event**, except as covered under Section V., **Supplemental Payments & Services**;
 4. from any:
 - a. failure or malfunction of satellites;
 - b. failure, malfunction or outage of electrical power, unless such failure, malfunction or outage was under the **Named Insured Member's** direct operational control;
 - c. failure or outage of any electricity, gas, water or sewerage utility service; or
 - d. failure, malfunction or outage of Internet or telecommunications infrastructure that is not under the **Named Insured Member's** direct operational control including, but not limited to, a data or telecommunications trunk line, root name server or any portion of the domain name system; or
 5. covered under the terms of a property insurance policy providing coverage for risks of direct physical loss to property maintained by the **Named Insured Member**; provided that this shall not apply to **First Party Loss** in excess of the limits of liability of any such insurance policy.

V. SUPPLEMENTAL PAYMENTS & SERVICES

In addition to the amounts described in Section I., Insuring Agreements, of this Policy, in the event of an actual **Cyber Event** that results in **Breach Costs** or **First Party Loss** that exceeds the **Deductible**, the **Insurer** shall also pay the following costs but only to reasonably and significantly reduce the possibility of a similar **Cyber Event** from occurring in the future:

- A. up to \$10,000 for a third party consultant recommended by the **Insurer** to provide ongoing assistance to the **Named Insured Member** to improve and upgrade computer security; and
- B. up to \$5,000 for the purchase of computer equipment or computer software recommended by such third party consultant recommended by the **Insurer**.

Such payments shall be part of, and not in addition to, the Aggregate Limit of Liability shown in Item 5. of the **Certificate of Coverage**.

VI. LIMITS OF LIABILITY

- A. The Aggregate Limit of Liability as shown in Item 5. of the **Certificate of Coverage** is the most the **Insurer** will pay for all **Loss** as respects each **Named Insured Member**. Once the Aggregate Limit of Liability has been exhausted, the **Insurer** shall have no further duty to defend a **Named Insured Member** for any **Claim** which may otherwise be covered by this Policy.
- B. The eCrime Loss Sublimit of Liability shown in Item 5. of the **Certificate of Coverage** is the maximum amount the **Insurer** is obligated to pay in the aggregate as respects each **Named Insured Member** for all direct financial loss arising from **eCrime Events** first discovered during the **Certificate of Coverage Period**. The eCrime Loss Sublimit of Liability shall be part of, and not in addition to the Aggregate Limit of Liability.
- C. The Dependent Business Sublimit of Liability shown in Item 5. of the **Certificate of Coverage** is the maximum amount the **Insurer** is obligated to pay in the aggregate as respects each **Named Insured Member** for **First Party Loss** arising from all **Dependent Systems Events**. The Dependent Business Sublimit of Liability shall be part of, and not in addition to the Aggregate Limit of Liability.

- D. The Aggregate Limit of Liability shown in Item 5. of the **Certificate of Coverage** is the maximum the **Insurer** will pay as respects each **Named Insured Member** regardless of the number of: (1) individuals or organizations that make a **Claim**; (2) entities, organizations or individuals that **Claims** are made against; (3) the number of **Claims** made; (4) the number of incidents; or (4) the number of **Dependent System Events, Cyber Events, eCrime Events, Supplemental Payments & Services** or actual or alleged wrongful acts.
- E. The Limits of Liability for a **Named Insured Member** are separate and apart from the Limits of Liability for other **Named Insured Members**. These Limits of Liability are on file with the **Insurer** and set forth in the **Certificate of Coverage** issued to the **Named Insured Member** and shall not exceed the Aggregate Limit of Liability for each **Named Insured Member** shown in Item 5. of such **Named Insured Member's Certificate of Coverage**.

VII. DEDUCTIBLE

The **Deductible**, as shown in Item 6. of the **Certificate of Coverage**, applies separately to each incident or event giving rise to **Breach Costs, Claims Expenses, Damages**, direct financial loss or **First Party Loss** under Coverages A., B., C., and D.; provided, however, that multiple incidents or events arising from the same or a series of related or repeated acts or from any continuing acts, shall be considered a single incident or event for the purposes of this Policy and only one **Deductible** shall apply to all resulting **Loss**.

The **Insurer** shall only be obligated to pay any **Loss** under this Policy in excess of the **Deductible**; provided that if services are recommended by the Cyber Response Team shown in Item 11. of the **Certificate of Coverage**, and the **Named Insured Member** agrees to utilize only those vendors nominated by the Cyber Response Team, then the **Deductible** shall not apply to the following **Breach Costs**:

- A. for an attorney to provide necessary legal advice to a **Named Insured Member** to evaluate the **Named Insured Member's** legal obligations in connection with an actual or reasonable suspected **Cyber Event**; and
- B. for a computer security expert, or experts, to determine the existence, cause and scope of a **Cyber Event** as well as the costs to contain an ongoing **Cyber Event**, including the cost to retain a PCI Forensic Investigator if required by a written agreement between the **Named Insured Member** and: (1) a financial institution; (2) a credit or debit card company; (3) a credit or debit card processor; (4) a merchant bank; or (5) any other entity; offering or providing merchant card transaction processing or payment gateway services to the **Named Insured Member**.

The **Deductible** shall be borne by the **Named Insured Member**. In the event that this Policy provides coverage for **Loss** in excess of the limits available under other insurance, then the **Insurer** shall recognize payment by the **Named Insured Member** of any retention or deductible applicable to such other insurance against the **Deductible**.

The **Deductible** for a **Named Insured Member** is separate and apart from the **Deductible** for other **Named Insured Members**. These **Deductibles** are on file with the **Insurer** and set forth in the **Certificate of Coverage** issued to the **Named Insured Member**.

VIII. NOTICE REQUIREMENTS

- A. The **Named Insured Member** must give the **Insurer** written notice of any **Claim** as soon as practicable, but in no event later than: (1) 60 days after the end of the **Certificate of Coverage Period**; or (2) the expiration of any applicable Extended Reporting Period. Notice must be provided through the contacts shown in Item 10. of the **Certificate of Coverage**.

All notices of **Claims** must provide the following information: (a) the potential claimant(s) by name or description; (b) the names of each entity, organization or individuals involved that are part of the **Named Insured Member**; (c) the time, date, location and the description of the specific incident which forms the basis of the **Claim** including the nature of the potential **Damages** arising from such specific **Claim** or incident; (d) the circumstances by which the **Named Insured Member** first became aware of the specific **Claim**; and (e) the reason the **Named Insured Member** reasonably believes the subject **Claim** is likely to trigger coverage under this Policy.

- B. With respect to **Breach Costs**: the **Named Insured Member** must notify the **Insurer** of any actual or reasonably suspected **Cyber Event** as soon as practicable after discovery by the **Control Group** but in no event later than 60 days after the end of the **Certificate of Coverage Period**. Notice may be provided to the Cyber Response Team shown in Item 11. of the **Certificate of Coverage**. Otherwise notice must be provided through the contacts

shown in Item 10. of the **Certificate of Coverage**. Notice of an actual or reasonably suspected **Cyber Event** in conformance with this paragraph will also constitute notice of a circumstance that could reasonably be the basis for a **Claim**.

- C. With respect to a **Cyber Extortion Threat**: the **Named Insured Member** must notify the **Insurer** via the email address shown in Item 10. of the **Certificate of Coverage** as soon as practicable after discovery of a **Cyber Extortion Threat** but in no event later than 60 days after the end of the **Certificate of Coverage Period**. The **Named Insured Member** must obtain the **Insurer's** consent prior to paying any ransom or demand related to a **Cyber Extortion Threat**.
- D. With respect to any other **First Party Loss** or a loss from an **eCrime Event**: the **Named Insured Member** must notify the **Insurer** through the contacts shown in Item 10. of the **Certificate of Coverage** as soon as practicable after discovery of the **Cyber Event** or **eCrime Event**. The **Named Insured Member** must provide the **Insurer** a proof of **First Party Loss** or financial loss under the eCrime Loss Coverage. All loss described in this paragraph must be reported, and all proofs of loss must be provided, to the **Insurer** no later than six months after the end of the **Certificate of Coverage Period** unless the **Insurer** has agreed in writing to extend this deadline.
- E. Any **Claim** arising out of a **Loss** that is covered under Coverages A., **Breach Costs**, C., eCrime Loss or D., **First Party Loss**, and that is reported to the **Insurer** in conformance with paragraphs B., C. or D. above will be considered to have been made during the **Certificate of Coverage Period**.
- F. With respect to any circumstance that could reasonably be the basis for a **Claim**, the **Named Insured Member** may give written notice of such circumstance to the **Insurer** through the contacts shown in Item 10. of the **Certificate of Coverage**. Such notice must include:
 - 1. the specific details of the act, error, omission or event that could reasonably be the basis for a **Claim**;
 - 2. the injury or damage which may result or has resulted from the circumstance; and
 - 3. the facts by which the **Named Insured Member** first became aware of the act, error, omission or event.

If such notice that meets the requirements outlined above is made during the **Certificate of Coverage Period**, then any subsequent **Claim** made against the **Named Insured Member** arising out of any circumstance reported to the **Insurer** will be considered to have been made at the time written notice complying with the above requirements was first given to the **Insurer**.

IX. EXTENDED REPORTING PERIOD

As a condition precedent to obtaining an Automatic Extended Reporting Period (AERP) or an Optional Extended Reporting Period (OERP) for a **Named Insured Member's Certificate of Coverage**, the full premium of such **Certificate of Coverage**, premium for any endorsements, and payment of **Deductibles** must have been paid in full. Neither the AERP nor the OERP reinstate or increase the Limits of Liability of a **Certificate of Coverage**. Neither the AERP nor the OERP extend the **Certificate of Coverage Period** or change the scope of coverage afforded by this Policy.

A. Automatic Extended Reporting Period

- 1. If the **Insurer** or **Named Insured** cancel or non-renew this Policy for any reason; or
- 2. the **Insurer** cancels or non-renews a **Named Insured Member's Certificate of Coverage** or the **Named Insured** cancels or non-renews a **Certificate of Coverage** at the request of a **Named Insured Member**, for any reason other than:
 - (a) non-payment of premium;
 - (b) non-payment of **Deductible**;
 - (c) non-compliance with any terms and conditions of this Policy; or
 - (d) fraud or material misrepresentation;

then the **Named Insured Member** shall be entitled to an AERP of 60 days from the date of **Certificate of Coverage** expiration or cancellation to report **Claims** in writing to the **Insurer** which are first made against the **Named Insured Member** during the AERP and which arise from a **Cyber Event** that first occurs before the end of the **Certificate of Coverage Period**. If the OERP in subsection B. below is purchased, then this AERP shall be included within such OERP and will not further extend such OERP.

B. Optional Extended Reporting Period

1. If the **Insurer** or **Named Insured** cancel or non-renew this Policy for any reason; or
2. the **Insurer** cancels or non-renews a **Named Insured Member's Certificate of Coverage** or the **Named Insured** cancels or non-renews a **Certificate of Coverage** at the request of a **Named Insured Member**, for any reasons other than:
 - (a) non-payment of premium;
 - (b) non-payment of **Deductible**;
 - (c) non-compliance with any terms and conditions of this Policy; or
 - (d) fraud or material misrepresentation;

then the **Named Insured Member** shall be entitled to purchase an OERP from the options below. If elected, the OERP will begin on the date the **Certificate of Coverage** expires or is cancelled and would entitle the **Named Insured Member** to notify the **Insurer** in writing of **Claims** which are first made against the **Named Insured Member** during the OERP and which arise from a **Cyber Event** that first occurs before the end of the **Certificate of Coverage Period**.

C. OERP Options

1. 12 months for a premium not to exceed 100% of the annual premium shown on the **Certificate of Coverage**;
or
2. 36 months for a premium not to exceed 195% of the annual premium shown on the **Certificate of Coverage**.

D. In order to purchase the OERP, the **Named Insured**: (1) must provide the **Insurer** with written notice of the **Named Insured Member's** intention to do so no later than 30 days after the expiration or cancellation date of the **Certificate of Coverage** issued to the **Named Insured Member**; and (2) must include full payment of premium for the OERP at that time. The entire OERP premium is fully earned and non-refundable as of the date the **Named Insured** notifies the **Insurer** of its intent to purchase the OERP and full payment must be made at that time for the OERP to apply.

E. In the event that the **Insurer** or **Named Insured** cancel or non-renew this Policy for any reason as indicated in A.1. and B.1. above, an Extended Reporting Period (ERP) shall also apply to this Policy. Such ERP will begin on the date the Policy expires or is cancelled and will continue until the latest expiration date of all of the OERP's purchased by any **Named Insured Members**. Coverage under this ERP does not apply to the **Named Insured**. AERP coverage and, if purchased, OERP coverage, applies only to the individual **Named Insured Members** as set forth in the paragraphs above.

X. OTHER CONDITIONS

A. Cooperation

The **Named Insured Member** shall immediately send the **Insurer** copies of all: (1) demands; (2) notices; (3) summonses; or (4) legal papers; received in connection with a **Claim** or **Loss**. The **Named Insured Member** must do whatever is necessary to secure and affect any rights of indemnity, contribution or apportionment that the **Named Insured Member** may have. The **Named Insured Member** shall: (a) cooperate with counsel; and (b) refrain from discussing any **Claim** or **Cyber Event** with anyone other than counsel retained to represent the **Named Insured Member** or the **Insurer's** representatives.

The **Named Insured Member** (including a **Supplemental Insured**) must fully assist and cooperate with the **Insurer** in the conduct, defense, investigation, negotiation and settlement of any **Claim** or **Loss**. At the **Insurer's** request, the **Named Insured Member** (including a **Supplemental Insured**) must submit to an examination under oath, provide the **Insurer** with written statements as requested by the **Insurer**, attend meetings and negotiations; and produce and make available all information, records, documents and other materials which the **Insurer** deems relevant to the **Claim** or **Loss**.

As respects any **Claim**, the **Named Insured Member** (including a **Supplemental Insured**) must attend hearings, depositions, proceedings, trials and appeals; and assist the **Insurer** in affecting settlements, securing and giving

evidence and obtaining the attendance of witnesses, and pursuing or enforcing any right of contribution or indemnity against a person or entity who may be liable to any **Insured**.

Except as otherwise provided in Section II., Defense and Settlement of **Claims**, Part A., no **Named Insured Member** (including a **Supplemental Insured**) will, except at its own cost: (1) admit liability; (2) settle a **Claim** or **Loss**; (3) incur any expense to investigate a **Claim** or **Loss**; (4) retain attorneys; (5) incur **Claims Expenses**; (6) assume any other obligation with respect to a **Claim** or **Loss**; or (7) incur any other expense with respect to a **Claim** or **Loss**; without the **Insurer's** prior written consent. Compliance with a statute or regulation that requires notice to government authorities, regulatory authorities or to persons whose personal information may have been accessed by an unauthorized individual, will not be considered an admission of liability for purposes of this clause.

B. Due Dispatch

The **Named Insured Member** shall make every reasonable effort to restore operations as quickly as possible after a **Cyber Event**. If the **Named Insured Member** does not resume operations, or does not resume operations as quickly as possible, the **Insurer** may reduce the payment of **First Party Loss** to the amount of **First Party Loss** based on the length of time it would have taken to resume operations as quickly as possible.

C. Action Against the **Insurer** and Bankruptcy

1. No action shall be taken against the **Insurer** unless, as a condition precedent thereto, the **Named Insured** and the **Named Insured Member** shall have fully complied with all the terms and conditions of this Policy, nor until the amount of the **Named Insured Member's** obligation to pay **Damages** for any **Claim** shall have been fully and finally determined either by judgment against the **Named Insured Member** or by written agreement between the **Named Insured Member**, the claimant, and the **Insurer**.
2. Nothing contained herein shall give any person or entity any right to join the **Insurer** as a party to any **Claim** against the **Named Insured** or the **Named Insured Member** to determine their liability. Nor shall the **Insurer** be impleaded by the **Named Insured** or the **Named Insured Member** or their legal representative in any **Claim**.
3. Bankruptcy or insolvency of the **Named Insured** or the **Named Insured Member** or of the estate of the **Named Insured** or the **Named Insured Member** shall not relieve the **Insurer** of its obligations nor deprive the **Insurer** of its rights or defenses under this Policy.

D. Cancellation and Nonrenewal

1. Cancellation

- a. The **Named Insured** can cancel a **Certificate of Coverage** at the request of a **Named Insured Member** by written notice to the **Insurer**, stating at what future date cancellation is to be effective. If the **Named Insured** cancels, earned premium shall be computed using the customary short rate table. Provided, however, the premium shall be deemed fully earned if any **Claim** or **Loss** or other circumstance that could reasonably be the basis for a **Claim** or **Loss**, is reported to the **Insurer** on or before the date of cancellation.
- b. The **Insurer** can cancel a **Named Insured Member's Certificate of Coverage** by written notice to the **Named Insured**, at the address shown in Item 1. of the Declarations. The **Named Insured** shall forward written notice of such cancellation to the **Named Insured Member** at the address shown in Item 1. of such **Named Insured Member's Certificate of Coverage**. The **Insurer** will provide written notice at least 30 days before cancellation is to be effective and the earned premium will be computed pro-rata. However, if the **Insurer** cancels because the **Named Insured** has failed to pay a premium or **Deductible** when due, only 10 days written notice of cancellation will be required.
- c. The **Named Insured** can cancel this Policy by written notice to the **Insurer**, stating at what future date cancellation is to be effective. The **Named Insured** shall also give written notice of such cancellation to the **Named Insured Members**. Coverage will continue until: (1) the earlier of the expiration of the individual **Named Insured Member's Certificate of Coverage Period** or cancellation of such **Named**

Insured Member's Certificate of Coverage; or (2) the expiration of any Extended Reporting Period applicable to such **Named Insured Member's Certificate of Coverage**; whichever is later.

- d. The **Insurer** can cancel the Policy by written notice to the **Named Insured**, at the address shown in Item 1. of the Declarations. The **Named Insured** shall give written notice of such cancellation to the **Named Insured Members** at the address shown in Item 1. of each **Named Insured Member's Certificate of Coverage**. The **Insurer** will provide written notice at least 30 days before cancellation is to be effective. Coverage will continue until: (1) the earlier of the expiration of the individual **Named Insured Member's Certificate of Coverage Period** or cancellation of such **Named Insured Member's Certificate of Coverage**; or (2) the expiration of any Extended Reporting Period applicable to such **Named Insured Member's Certificate of Coverage**; whichever is later.
- e. This Policy or a **Certificate of Coverage** will terminate on the effective date of such cancellation. Return of unearned premium is not a condition of cancellation. Unearned premium will be returned as soon as practicable.

2. Nonrenewal

- a. The **Insurer** will not be required to renew a **Named Insured Member's Certificate of Coverage** upon its expiration. If the **Insurer** elects not to renew a **Certificate of Coverage**, the **Insurer** will mail to the **Named Insured**, at the address shown in Item 1. of the Declarations, written notice of nonrenewal at least 30 days prior to the expiration date of such **Certificate of Coverage**. The **Named Insured** shall forward written notice of such nonrenewal to the **Named Insured Member** at the address shown in Item 1. of such **Named Insured Member's Certificate of Coverage**. Any offer of renewal on terms involving a change of **Deductible**, premium, Limit of Liability, or other terms and conditions shall not constitute, nor be construed as, a failure or refusal by the **Insurer** to renew a **Certificate of Coverage**.
- b. The **Insurer** will not be required to renew this Policy upon its expiration. If the **Insurer** elects not to renew this Policy, the **Insurer** will mail to the **Named Insured**, at the address shown in Item 1. of the Declarations, written notice of nonrenewal at least 30 days prior to the expiration date of this Policy. The **Named Insured** shall forward such written notice of nonrenewal to the **Named Insured Members** at the addresses shown in Item 1. of each **Named Insured Member's Certificate of Coverage**. Coverage will continue until: (1) the earlier of the expiration of the individual **Named Insured Member's Certificate of Coverage Period** or cancellation of such **Named Insured Member's Certificate of Coverage**; or (2) the expiration of any Extended Reporting Period applicable to such **Named Insured Member's Certificate of Coverage**; whichever is later. Any offer of renewal on terms involving a change of **Deductible**, premium, Limit of Liability, or other terms and conditions shall not constitute, nor be construed as, a failure or refusal by the **Insurer** to renew this Policy.

Proof of mailing of any notice of cancellation or nonrenewal shall be sufficient proof of notice.

E. Assignment of the **Named Insured Member's** Interest

The interest of the **Named Insured Member** under this Policy is not assignable to any other person or organization, except with the **Insurer's** prior written consent.

F. Subrogation

If any payment is made under this Policy and there is available to the **Insurer** any of the **Named Insured Member's** rights of recovery against any other party, then the **Insurer** will maintain all such rights of recovery. The **Named Insured Member** will do whatever is reasonably necessary to secure such rights and will not do anything after an act, incident or event giving rise to a **Claim** or **Loss** to prejudice such rights. If the **Named Insured Member** has waived its right to subrogate against a third party through written agreement made before an act, incident or event giving rise to a **Claim** or **Loss** has occurred, then the **Insurer** will waive its rights to subrogation against such third party. Any recoveries will be applied first to subrogation expenses, second to **Loss** paid by the **Insurer**, and lastly to the **Deductible**. Any additional amounts recovered will be paid to the **Named Insured Member**.

G. Changes Made to this Policy

The terms and conditions of this Policy cannot be waived or changed except by specific written endorsement issued by **Insurer** and made part of the Policy.

H. Application

The statements contained in the **Named Insured Member's** Application, and any and all attachments, constitute the representations of the entire **Named Insured Member** and are material. Each **Certificate of Coverage** is issued and continued in force by the **Insurer** in reliance upon the truth, accuracy and completeness of such representations, which are the basis of this Policy and the **Named Insured Member's Certificate of Coverage** and current as of the date of binding. Upon the binding of coverage, the Application and any and all attachments are incorporated in and form a part of the Policy and the **Named Insured Member's Certificate of Coverage**.

No knowledge or information possessed by any individual, entity or organization within the **Named Insured Member** shall be imputed to any other individual, entity or organization within such **Named Insured Member**, except for material facts or information known to the person or persons who signed the Application. In the event of any material untruth, misrepresentation or omission in connection with any of the particulars or statements in the Application, such **Named Insured Member's Certificate of Coverage** shall be void with respect to any individual, entity or organization within the **Named Insured Member** who knew of such untruth, misrepresentation or omission or to whom such knowledge is imputed.

I. False or Fraudulent Claims

If a **Named Insured Member** reports any **Claim** or **Loss** knowing such to be false or fraudulent, such **Named Insured Member's Certificate of Coverage** shall become void and all insurance coverage hereunder shall be forfeited as to the inception date of such **Named Insured Member's Certificate of Coverage**.

J. Terms and Conditions of Policy Conformed to Statute

Where necessary, the terms and conditions of this Policy will be amended to conform to applicable law.

K. Change in Risk

If, during the **Certificate of Coverage Period**: (1) a **Named Insured Member** is dissolved, sold, acquired by, merged into, or consolidated with another entity such that the **Named Insured Member** is not the surviving entity; or (2) a third party receiver, conservator, trustee, liquidator, rehabilitator or any similar official is appointed for or with respect to the **Named Insured Member**; then coverage under this Policy and such **Named Insured Member's Certificate of Coverage** shall continue in full force and effect until the expiration date or any earlier cancellation or termination date, but only with respect to events, acts or incidents that occur prior to such consolidation, merger or acquisition.

L. **Named Insured** as Agent

The **Named Insured** named in Item 1. of the Declarations and Item 2. of the **Certificate of Coverage** will be considered the agent of all **Named Insured Members** with respect to the giving of or receipt of all notices pertaining to this Policy (except for those notices required by a **Named Insured Member** pursuant to Section VIII., Notice Requirements and Section X.A., Cooperation) and may cancel this Policy or negotiate changes to this Policy on behalf of all **Named Insured Members**. The **Named Insured** is responsible for the payment of all premiums and **Deductibles** and for receiving any return premiums.

M. **Named Insured Member** as Agent

The entity named in Item 1. of a **Certificate of Coverage** will be considered the agent of individuals, organizations or entities comprising the **Named Insured Member**, and will act on behalf of all such individuals, organizations or entities with respect to the giving of or receipt of all notices pursuant to Section VIII., Notice Requirements and Section X.A., Cooperation.

N. Other Insurance

1. With respect to Coverage A., **Breach Costs**: this Policy shall be primary of any other insurance policy.
2. With respect to Coverages B., C. and D.: all **Loss** payable under this Policy shall be in excess of and shall not contribute with other existing insurance including, but not limited to, any insurance under which there is a duty to defend regardless of whether any **Loss** is collectible or recoverable under such other insurance, unless such other insurance is written specifically excess of this Policy. This Policy shall not be subject to the terms or conditions of any other insurance.

O. Policy Territory

This insurance applies to **Claims** made and acts, errors or omissions committed, or **Loss** occurring anywhere in the world except countries or states against which the United States has implemented trade or diplomatic sanctions.

P. Economic and Trade Sanctions or Violations of Law

Any **Loss, Claim**, covered event or other transaction or matter which is uninsurable under any: (1) act; (2) statute; (3) rule; (4) regulation; (5) ordinance; (6) common law; or (7) other law; of the United States of America concerning trade or economic sanctions or export control laws is not covered under this Policy.

Q. Entire Agreement

All of the individuals, organizations or entities comprising the **Named Insured Member** named in Item 1. of a **Certificate of Coverage** and the **Named Insured** named in Item 1. of the Declarations agree that this Policy, including the: (1) Application; (2) Declarations; (3) **Certificate of Coverage** and (4) any endorsements; constitutes the entire agreement between them and the **Insurer** or any of its agents relating to this insurance.