GENERAL TERMS AND CONDITIONS
(“GENERAL TERMS AND CONDITIONS”)

In consideration of the payment of the premium, and in reliance upon the statements made to the Insurer by Application, the Insurer agrees as follows:

1. TERMS AND CONDITIONS

These General Terms and Conditions shall be applicable to all Coverage Sections. Terms appearing in bold in these General Terms and Conditions and not defined in Clause 2. DEFINITIONS of these General Terms and Conditions shall have the meaning provided for such terms in any applicable Coverage Section for purposes of coverage provided under such Coverage Section. The terms and conditions set forth in a Coverage Section shall only apply to that particular Coverage Section and shall in no way be construed to apply to any other Coverage Section of this policy.

2. DEFINITIONS

(a) “Application” means each and every signed application, any attachments to such applications, other materials submitted therewith or incorporated therein and any other statements, information, representations of any Insured or documents submitted by any Insured in connection with the underwriting of this policy or the underwriting of any other policy providing the same or similar coverage issued by the Insurer, or any of its affiliates, of which this policy is in whole or part a renewal or replacement or which it succeeds in time.

With respect to publicly held companies, Application shall also include each and every public filing by or on behalf of any Insured made with the SEC including, but not limited to, any Company’s Annual Report(s), 10-Ks, 10-Qs, 8-Ks and proxy statements, any financial information in such filings, and any certifications relating to the accuracy of the foregoing, provided that such public filing was filed during the period of time:

(i) beginning at the start of the twelve (12) month period immediately preceding the first submission to the Insurer in connection with the underwriting of this policy; and

(ii) ending at the inception of the Policy Period.

(b) “Claims-Made and Reported Coverage Section” means any Coverage Section designated as such.

(c) “Company” means the Named Entity and any Subsidiary thereof.

(d) “Continuity Date” means the date set forth in Item 6 of the Declarations with respect to each Coverage Section.

(e) “Control Group” means a Company’s Chief Executive Officer, Chief Financial Officer, Chief Security Officer, Chief Technology Officer, Chief Information Officer, Risk Manager and General Counsel (or equivalent positions, regardless of title).
(f) “Coverage Section” means each Coverage Section that is purchased by the Named Entity as indicated in Item 6 of the Declarations.

(g) “Discovery Coverage Section” means any Coverage Section designated as such.

(h) “Discovery Period” means any Automatic Discovery Period or Optional Discovery Period, as such terms are defined in Clause 9. of these General Terms and Conditions.

(i) “Domestic Partner” means any natural person legally recognized as a domestic or civil union partner under: (i) the provisions of any applicable federal, state or local law; or (ii) the provisions of any formal program established by a Company.

(j) “First Party Coverage Section” means any Coverage Section designated as such.

(k) “First Party Event” means the event(s) or circumstance(s) contained in the definition of First Party Event in a First Party Coverage Section.

(l) “Insurer” means the insurance company indicated in the Declarations.

(m) “Limit of Liability” means the amount stated in Item 5 of the Declarations.

(n) “Management Control” means: (i) owning interests representing more than fifty percent (50%) of the voting, appointment or designation power for the selection of a majority of: the board of directors of a corporation, the management committee members of a joint venture or partnership, or the members of the management board of a limited liability company; or (ii) having the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of a Company, to elect, appoint or designate a majority of: the board of directors of a corporation, the management committee of a joint venture or partnership, or the management board of a limited liability company.

(o) “Named Entity” means the entity listed in Item 1 of the Declarations.

(p) “Occurrence Coverage Section” means any Coverage Section designated as such.

(q) “Policy Period” means the period of time from the inception date stated in Item 2 of the Declarations to the earlier of the expiration date stated in Item 2 of the Declarations or the effective date of cancellation of this policy.

(r) “Related Acts” means all First Party Events and Third Party Events which are the same, related or continuous and all First Party Events and Third Party Events which arise from a common nucleus of facts. All Related Acts shall be considered to have occurred at the time the first such Related Act occurred.

(s) “Retroactive Date” means the date set forth in Item 6 of the Declarations as such for each Coverage Section.

(t) “Sublimit of Liability” means the applicable amount, if any, stated in Item 6 of the Declarations as such for each Coverage Section.

(u) “Subsidiary” means:
(1) any for-profit entity of which the **Named Entity** has or had **Management Control** ("Controlled Entity") on or before the inception date of the **Policy Period**, either directly or indirectly through one or more other **Controlled Entities**;

(2) any for-profit entity of which the **Named Entity** acquires **Management Control** during the **Policy Period**, either directly or indirectly, whose gross revenues for the most recent fiscal year prior to the inception of this policy do not exceed ten percent (10%) of the aggregate gross revenues of the **Companies** for the most recent fiscal year prior to the inception date of this policy;

(3) any for-profit entity of which the **Named Entity** acquires **Management Control** during the **Policy Period**, either directly or indirectly, whose gross revenues for the most recent fiscal year prior to the inception of this policy exceed ten percent (10%) of the aggregate gross revenues of the **Companies** for the most recent fiscal year prior to the inception date of this policy, but only once (a) the **Named Entity** shall have provided the **Insurer** with full particulars of such entity and agreed to any additional premium and amendments to this policy relating to such entity; and (b) the **Insurer** has ratified its acceptance of such entity as a **Subsidiary** by endorsement to this policy; and

(4) any not-for-profit entity sponsored exclusively by a **Company**.

Notwithstanding the foregoing, coverage afforded under this policy shall only apply to **Loss** arising out of **First Party Events** and **Third Party Events** occurring or allegedly occurring after the effective time that the **Named Entity** obtained **Management Control** of such **Subsidiary** and prior to the time that such **Named Entity** ceased to have **Management Control** of such **Subsidiary**.

(v) "**Third Party Event**" means the event(s) or circumstance(s) contained in the definition of **Third Party Event** in a **Third Party Coverage Section**.

(w) "**Third Party Coverage Section**" means any **Coverage Section** designated as such.

3. **EXTENSIONS**

Subject otherwise to the terms hereof, this policy shall cover **Loss** arising from any **Claim** made against (i) the estates, heirs, or legal representatives of deceased natural person **Insureds**, and the legal representatives of natural person **Insureds** in the event of incompetency, insolvency or bankruptcy, who were **Insureds** at the time the **Third Party Events** upon which such **Claims** are based occurred; or (ii) the lawful spouse (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) or **Domestic Partner** of a natural person **Insured** for all **Claims** arising solely out of his or her status as the spouse or **Domestic Partner** of a natural person **Insured**, including a **Claim** that seeks damages recoverable from marital community property, property jointly held by the natural person **Insured** and the spouse or **Domestic Partner**, or property transferred from the natural person **Insured** to the spouse or **Domestic Partner**; provided, however, that this extension shall not afford coverage for any **Claim** for any actual or alleged **Third Party Event** committed by or directly involving the spouse or **Domestic Partner**, but shall apply only to **Claims** arising out of any actual or alleged **Third Party Event** committed by or directly involving a natural person **Insured**, subject to the policy's terms, conditions and exclusions.

4. **LIMIT OF LIABILITY**
The **Limit of Liability** is the **Insurer’s** maximum liability for all **Loss** under all **Coverage Sections** combined and the **Insurer** shall not be responsible to pay any **Loss** upon exhaustion of the **Limit of Liability**.

If a **Sublimit of Liability** is stated in Item 6 of the Declarations with respect to a **Coverage Section**, then such **Sublimit of Liability** shall be the **Insurer’s** maximum liability for all **Loss** with respect to such **Coverage Section** and the **Insurer** shall not be responsible to pay any **Loss** under such **Coverage Section** upon exhaustion of such **Sublimit of Liability**. Each **Sublimit of Liability** shall be part of and not in addition to the **Limit of Liability** and shall in no way serve to increase the **Limit of Liability**.

The **Limit of Liability** and any applicable **Sublimits of Liability** for any **Discovery Period** shall be part of, and not in addition to, the **Limit of Liability** and the corresponding **Sublimits of Liability** for the **Policy Period**.

Solely with respect to any **Claims-Made and Reported Coverage Sections**, a **Claim** which is made subsequent to the **Policy Period** or **Discovery Period** pursuant to Clauses 6(b) and 6(c) respectively, which is considered made during the **Policy Period** or **Discovery Period** shall also be subject to the **Limit of Liability** and any applicable **Sublimit of Liability**.

5. **RETENTION**

The **Insurer** shall only be liable for the amount of **Loss** arising from each **Claim** or **First Party Event** that exceeds the Retention stated in Item 6 of the Declarations as applicable to the **Coverage Section** affording coverage to such **Claim** or **First Party Event**. Such Retention amounts must be borne by the **Insureds** and remain uninsured.

(a) **For Third Party Coverage Sections**

If a **Claim** triggers more than one **Third Party Coverage Section**, the highest applicable Retention amount shall apply to such **Claim**.

A single Retention amount shall apply to all **Claims** alleging **Related Acts**.

(b) **For First Party Coverage Sections**

If a **First Party Event** triggers more than one **First Party Coverage Section**, all applicable Retention amounts shall apply to such **First Party Event**.

A separate Retention amount shall apply to each respective **First Party Coverage Section** for **First Party Events** involving **Related Acts**.

(c) **For First Party Coverage Sections** and **Third Party Coverage Sections**

If a **First Party Event** or a **Third Party Event** and any **Related Acts** trigger coverage under one or more **First Party Coverage Sections** and one or more **Third Party Coverage Sections**, all **First Party Coverage Section** Retentions shall apply pursuant to (b) above, in addition to the applicable **Third Party Coverage Section** Retention pursuant to (a) above.

6. **NOTICE**
(a) The Insureds shall, as a condition precedent to the obligations of the Insurer under this policy, give written notice to the Insurer of any Claim made against an Insured or a First Party Event as soon as practicable after:

(1) any personnel in the office of any member of the Control Group first becomes aware of the Claim; or
(2) any First Party Event commences or, solely with respect to a Discovery Coverage Section, is discovered.

Notwithstanding the foregoing and regardless of whether any personnel described in (1) above has become aware, in all events each Claim under a Claims-Made and Reported Coverage Section must be reported no later than either:

(1) forty-five (45) days after the end of the Policy Period; or
(2) the end of any applicable Discovery Period.

(b) If written notice of a Claim or a First Party Event has been given to the Insurer pursuant to Clause (a) above, then:

(1) any subsequent Claim made against an Insured; or
(2) any subsequent First Party Event;

arising out of, based upon or attributable to the facts giving rise to such Claim or First Party Event for which such notice has been given, or alleging any Related Act thereto, shall be considered made at the time such notice was given; and

(c) Solely with respect to any Claims-Made and Reported Coverage Section, if during the Policy Period or during the Discovery Period (if applicable), an Insured shall become aware of any circumstances which may reasonably be expected to give rise to a Claim being made against an Insured and shall choose to give written notice to the Insurer of such circumstances, the Third Party Events, allegations anticipated and the reasons for anticipating such a Claim, with full particulars as to dates, persons and entities involved, then any Claim which is subsequently made against an Insured and reported to the Insurer alleging, arising out of, based upon or attributable to such circumstances or alleging any Related Act to that alleged or contained in such circumstances, shall be considered made at the time such notice of such circumstances was given.

(d) Notice as described herein shall be given in writing to the Insurer at the following address or email address:

AIG Property Casualty
Financial Lines Claims
P.O. Box 25947
Shawnee Mission, KS  66225

c-claim@aig.com

Any notice must reference the Policy Number set forth in the Declarations and the Coverage Section(s) under which an Insured is providing notice.
If mailed or transmitted by electronic mail, the date of such mailing or transmission shall constitute the date that such notice was given and proof of mailing or transmission shall be sufficient proof of notice.

7. INSURED’S OBLIGATIONS

In connection with all Claims and First Party Events under this policy, each Insured agrees to the following:

(a) such Insured shall send the Insurer copies of all demands, suit papers, other related legal documents and invoices for Defense Costs received by such Insured, as soon as practicable;

(b) such Insured shall immediately record the specifics of any Claim and First Party Event and the date such Insured first received such Claim or First Party Event;

(c) such Insured shall cooperate with and help the Insurer and/or any counsel appointed pursuant to the terms of this policy, including, without limitation, as follows:

(1) by not admitting liability;
(2) in making settlements;
(3) in enforcing any legal rights any Insured may have against anyone who may be liable to any Insured;
(4) by attending depositions, hearings and trials;
(5) by securing and giving evidence, and obtaining the attendance of witnesses;
(6) by furnishing any and all documentation within the possession of such Insured that may be required; and
(7) by taking such actions that such Insured and the Insurer agree are necessary and practicable to prevent or limit Loss arising from any First Party Event or Third Party Event.

(d) unless required to do so by law, Insureds shall not, without the Insurer’s prior written consent:

(1) assume any financial obligation or incur any cost unless specifically allowed to settle any Claim on behalf of all Insureds within the retention pursuant to a Coverage Section.
(2) take any action, or fail to take any required action which prejudices the Insurer’s rights under this policy.

8. CANCELLATION

(a) By the Named Entity: This policy may be canceled by the Named Entity at any time only by mailing written prior notice to the Insurer or by surrender of this policy to the Insurer’s authorized agent or to the Insurer.

(b) By the Insurer: This policy may be canceled by the Insurer’s delivering to the Named Entity by registered, certified, other first class mail or other reasonable delivery method, at the address of the Named Entity set forth in Item 1 of the Declarations, written notice stating when, not less than sixty (60) days thereafter (ten (10) days in the event of cancellation for non-payment of premium), the cancellation shall be effective. Proof of mailing or delivery of such notice as aforesaid shall be sufficient proof of notice and this policy shall be deemed canceled as to all Insureds at the date and hour specified in such notice.
Return of Premium: If this policy shall be canceled by the Named Entity, the Insurer shall retain the customary short rate proportion of the premium hereon. If this policy shall be canceled by the Insurer, the Insurer shall retain the pro rata proportion of the premium hereon.

9. DISCOVERY

This Clause applies solely to Claims-Made and Reported Coverage Sections of this policy but shall not apply in the event of cancellation for non-payment of premium:

(a) Automatic Discovery Period: If the Named Entity or the Insurer shall cancel or refuse to renew this policy or in the event of a Transaction (as that term is defined in Clause 10. below), the Named Entity shall have the right following the effective date of such cancellation or nonrenewal to a period of sixty (60) days (the “Automatic Discovery Period”) in which to give written notice to the Insurer of Claims first made against an Insured during the Automatic Discovery Period for any Third Party Events occurring prior to the end of the Policy Period and otherwise covered by this policy. The Automatic Discovery Period shall not apply where an Optional Discovery Period has been purchased or to Claims that are covered under any subsequent insurance an Insured purchases or that is purchased for an Insured’s benefit, or that would be covered by any subsequent insurance but for the exhaustion of the amount of insurance applicable to such Claims or any applicable Retention amount.

(b) Optional Discovery Period: Except as indicated below, if the Named Entity or the Insurer shall cancel or refuse to renew this policy or in the event of a Transaction (as that term is defined in Clause 10. below), the Named Entity shall have the right to a period of up to three years following the effective date of such cancellation or nonrenewal (an “Optional Discovery Period”), upon payment of an additional premium amount of up to:

(i) one hundred percent (100%) of the full annual premium, for a period of one (1) year,
(ii) one hundred and seventy-five percent (175%) of the full annual premium, for a period of two (2) years, or
(iii) two hundred percent (200%) of the full annual premium, for a period of three (3) years,

in which to give written notice to the Insurer of Claims first made against an Insured during the Optional Discovery Period for any Third Party Events occurring prior to the end of the Policy Period and otherwise covered by this policy.

If the Named Entity exercises its right to purchase an Optional Discovery Period, that period incepts at the end of the Policy Period and there shall be no Automatic Discovery Period.

As used herein, “full annual premium” means the premium amount set forth in the Declarations as such, plus an additional premium charged for any endorsements to this policy.

The right to purchase an Optional Discovery Period shall terminate unless written notice of election, together with any additional premium due, is received by the Insurer no later than thirty (30) days after the effective date of the cancellation, nonrenewal or transaction.

Any Discovery Period cannot be canceled and any additional premium charged for an Optional Discovery Period shall be fully earned at inception.
This Clause 9. **DISCOVERY** shall not apply to any cancellation resulting from non-payment of premium.

10. TRANSACTIONS

   (a) If during the **Policy Period**:

      (1) the **Named Entity** shall consolidate with or merge into, or sell all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or

      (2) any person or entity or group of persons or entities acting in concert shall acquire **Management Control** of the **Named Entity**;

(either of the above events herein referred to as the “**Transaction**”), then this policy shall continue in full force and effect only as to those **First Party Events** and **Third Party Events** occurring prior to the effective time of the **Transaction**.

This policy may not be canceled after the effective time of the **Transaction**.

   (b) Notwithstanding the foregoing, this policy may continue in full force and effect as to those **First Party Events** and **Third Party Events** occurring subsequent to the effective time of the **Transaction** if:

      (1) within thirty (30) days of such **Transaction** the **Insurer** has been provided with full particulars of the **Transaction**, the related or acquiring person(s) or entity(ies) and any other information requested by the **Insurer**; and

      (2) the **Insurer** waives the restrictions set forth in Paragraph 10(a) above with respect to such **Transaction** by written endorsement to this policy and the **Named Entity** or its successor has paid any additional premium and accepted any amendments to this policy required by the **Insurer**.

11. SUBROGATION

   An **Insured** may be able to recover all or part of **Loss** from someone other than the **Insurer**. Such **Insured** must do all that is possible after a **First Party Event** or **Third Party Event** to preserve any, and all, rights of recovery. As a condition of any payment by the **Insurer** under this policy, an **Insured**’s rights to recovery will be transferred to the **Insurer**. Each **Insured** will do whatever is necessary, including signing documents, to help the **Insurer** obtain that recovery.

A **Company** may waive an **Insured**’s rights to recovery against others if such **Company** does so in writing and before the **First Party Event** or **Third Party Event** occurred.

12. OTHER INSURANCE

   Such insurance as is provided by this policy shall apply only as excess over any other valid and collectible insurance, unless such other insurance is expressly written to be excess over the **Limit of Liability** or any applicable **Sublimit of Liability** provided by this policy.

13. NOTICE AND AUTHORITY
Except for the giving of a notice of Claim, which shall be governed by the provisions of Section 6 of these General Terms and Conditions, all notices required under this policy to be given by an Insured to the Insurer shall be given in writing to the Insurer at the address stated in Item 4(a) of the Declarations. It is agreed that the Named Entity shall act on behalf of all Insureds with respect to the giving of notice of a Claim, the giving and receiving of notice of cancellation and nonrenewal, the payment of premiums and the receiving of any return premiums that may become due under this policy, the receipt and acceptance of any endorsements issued to form a part of this policy, the exercising or declining of the right to tender the defense of a Claim to the Insurer and the exercising or declining to exercise any right to a Discovery Period.

14. ASSIGNMENT

This policy and any and all rights hereunder are not assignable without the prior written consent of the Insurer, which consent shall be in the sole and absolute discretion of the Insurer.

15. DISPUTE RESOLUTION PROCESS

It is hereby understood and agreed that all disputes or differences which may arise under or in connection with this policy, whether arising before or after termination of this policy, including any determination of the amount of Loss, must first be submitted to the non-binding mediation process as set forth in this Clause.

The non-binding mediation will be administered by any mediation facility to which the Insurer and the Named Entity mutually agree, in which all implicated Insureds and the Insurer shall try in good faith to settle the dispute by mediation in accordance with the American Arbitration Association’s (“AAA”) then-prevailing Commercial Mediation Rules. The parties shall mutually agree on the selection of a mediator. The mediator shall have knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute. The mediator shall also give due consideration to the general principles of the law of the state where the Named Entity is incorporated in the construction or interpretation of the provisions of this policy. In the event that such non-binding mediation does not result in a settlement of the subject dispute or difference:

(a) either party shall have the right to commence a judicial proceeding; or

(b) either party shall have the right, with all other parties consent, to commence an arbitration proceeding with the AAA that will be submitted to an arbitration panel of three (3) arbitrators as follows: (i) the implicated Insureds shall select one (1) arbitrator; (ii) the Insurer shall select one (1) arbitrator; and (iii) said arbitrators shall mutually agree upon the selection of the third arbitrator. The arbitration shall be conducted in accordance with the AAA’s then-prevailing Commercial Arbitration Rules.

Notwithstanding the foregoing, no such judicial or arbitration proceeding shall be commenced until at least 90 days after the date the non-binding mediation shall be deemed concluded or terminated. Each party shall share equally the expenses of the non-binding mediation.

The non-binding mediation may be commenced in New York, New York; Atlanta, Georgia; Chicago, Illinois; Denver, Colorado; or in the state indicated in Item 1 of the Declarations as the mailing address for the Named Entity. The Named Entity shall act on behalf of each and every Insured in connection with any non-binding mediation under this Clause, the selection of arbitration or judicial proceeding and/or the selection of mediators or arbitrators.
16. ACTION AGAINST INSURER

Except as provided in Clause 15 above, no action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of an Insured’s obligation to pay shall have been finally determined either by judgment against such Insured after actual trial or by written agreement of such Insured, the claimant and the Insurer.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Insurer as a party to any action against an Insured or a Company to determine an Insured’s liability, nor shall the Insurer be impleaded by an Insured or a Company or their legal representatives.

17. BANKRUPTCY

Bankruptcy or insolvency of any Company or any Insured or of their estates shall not relieve the Insurer of any of its obligations hereunder.

18. WORLDWIDE TERRITORY

Where legally permissible, this policy shall apply to First Party Events and Third Party Events occurring, Claims made or Losses suffered anywhere in the world.

19. HEADINGS

The descriptions in the headings of this policy are solely for convenience, and form no part of the terms and conditions of coverage.
Specialty Risk Protector®

CyberEdge℠ Security and Privacy Liability Insurance
(“SECURITY AND PRIVACY COVERAGE SECTION”)

THIS IS A CLAIMS MADE AND REPORTED COVERAGE SECTION AND A THIRD PARTY COVERAGE SECTION

Notice: Pursuant to Clause 1 of the General Terms and Conditions, the General Terms and Conditions are incorporated by reference into, made a part of and are expressly applicable to this Security and Privacy Coverage Section, unless otherwise explicitly stated to the contrary in the General Terms and Conditions or in this Security and Privacy Coverage Section.

1. INSURING AGREEMENTS

With respect to the SECURITY AND PRIVACY INSURING AGREEMENT, the DEFENSE provisions and the SETTLEMENT provisions of this Clause 1., solely with respect to Claims first made against an Insured during the Policy Period or the Discovery Period (if applicable) and reported to the Insurer pursuant to the terms of this policy, this Security and Privacy Coverage Section affords the following coverage:

SECURITY AND PRIVACY INSURING AGREEMENT

The Insurer shall pay on an Insured’s behalf all Loss in excess of the applicable Retention that such Insured is legally obligated to pay resulting from a Claim alleging a Security Failure or a Privacy Event.

DEFENSE

(a) The Insurer has the right and duty to defend a Suit or Regulatory Action alleging a Security Failure or a Privacy Event, even if the Suit or Regulatory Action is groundless, false or fraudulent.

(b) The Insurer has the right to investigate any Claim.

(c) The Insurer’s duty to defend ends if an Insured refuses to consent to a settlement that the Insurer recommends pursuant to the SETTLEMENT provision below and that the claimant will accept. As a consequence of such Insured’s refusal, the Insurer’s liability shall not exceed the amount for which the Insurer could have settled such Claim had such Insured consented, plus Defense Costs incurred prior to the date of such refusal, plus 50% of Defense Costs incurred with the Insurer’s prior written consent after the date of such refusal. This Clause shall not apply to any settlement where the total incurred Loss does not exceed the applicable Retention amount.

SETTLEMENT

(a) The Insurer has the right, with the written consent of an Insured, to settle any Claim if the Insurer...
believes that it is proper.

(b) An Insured may settle any Claim on behalf of all Insureds to which this insurance applies and which are subject to one Retention amount where the total incurred Loss does not exceed the Retention amount.

2. DEFINITIONS

(a) “Bodily Injury” means physical injury, sickness or disease, and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or death at any time.

(b) “Claim” means:

(1) a written demand for money, services, non-monetary relief or injunctive relief;
(2) a written request for mediation or arbitration, or to toll or waive an applicable statute of limitations;
(3) a Suit; or
(4) a Regulatory Action.

(c) “Computer System” means any computer hardware, software or any components thereof that are linked together through a network of two or more devices accessible through the Internet, internal network or connected with data storage or other peripheral devices (including, without limitation, wireless and mobile devices), and are under ownership, operation or control of, or leased by, a Company.

For this Coverage Section, “Computer System” also means “cloud computing” and other hosted resources operated by a third party service provider for the purpose of providing hosted computer resources to a Company as provided in a written contract between such third party and a Company.

(d) “Confidential Information” means any of the following in a Company’s or Information Holder’s care, custody or control or for which a Company or Information Holder is legally responsible:

(1) information from which an individual may be uniquely and reliably identified or contacted, including, without limitation, an individual’s name, address, telephone number, social security number, account relationships, account numbers, account balances, account histories and passwords;
(2) information concerning an individual that would be considered “nonpublic personal information” within the meaning of Title V of the Gramm-Leach Bliley Act of 1999 (Public Law 106-102, 113 Stat. 1338) (as amended) and its implementing regulations, or protected personal information under any similar federal, state, local or foreign law;
(3) information concerning an individual that would be considered “protected health information” or “electronic protected health information” within the Health Insurance Portability and Accountability Act of 1996 (as amended) (HIPAA) or the Health Information Technology for Economic and Clinical Health Act (HITECH Act), and their implementing regulations, or protected health-related information under any similar federal, state, local or foreign law;
(4) information used for authenticating customers for normal business transactions; or
(5) any third party’s trade secrets, data, designs, interpretations, forecasts, formulas, methods, practices, processes, records, reports or other item of information that is not available to the general public.
(e) “Defense Costs” means all reasonable and necessary fees charged by an attorney appointed by the Insurer (unless otherwise provided for by this policy) in connection with any Suit or Regulatory Action brought against an Insured, as well as all other reasonable and necessary fees, costs and expenses (including premiums for any appeal bond, attachment bond or similar bond arising out of a covered judgment, but without any obligation to apply for or furnish any such bond) incurred in the defense or investigation of a Claim by the Insurer or by an Insured with the Insurer’s written consent. Defense Costs shall not include: (i) compensation of any natural person Insured; or (ii) any fees, costs or expenses incurred prior to the time that a Claim is first made against an Insured.

(f) “Information Holder” means a third party that:
   (1) a Company has provided Confidential Information to; or
   (2) has received Confidential Information on behalf of a Company.

(g) “Insured” means:
   (1) a Company;
   (2) any past, present or future officer, director, trustee or employee of a Company acting in their capacity as such (and in the event a Company is a partnership, limited liability partnership or limited liability company, then any general or managing partner or principal thereof acting in their capacity as such); and
   (3) any entity which a Company is required by contract to add as an Insured under this Security and Privacy Coverage Section, but only for the acts of such Company that result in a Security Failure or a Privacy Event.

(h) “Loss” means compensatory damages, judgments, settlements, pre-judgment and post-judgment interest and Defense Costs, including without limitation:
   (1) punitive, exemplary and multiple damages where insurable by the applicable law which most favors coverage for such punitive, exemplary and multiple damages;
   (2) civil fines or penalties imposed by a governmental agency and arising from a Regulatory Action, unless the civil fine or penalty imposed is uninsurable under the law of the jurisdiction imposing such fine or penalty;
   (3) any monetary amounts an Insured is required by law or has agreed to by settlement to deposit into a consumer redress fund; and
   (4) amounts payable in connection with a PCI-DSS Assessment.

(i) “PCI Data Security Standards” means generally accepted and published Payment Card Industry standards for data security (commonly referred to as “PCI-DSS”).

(j) “PCI-DSS Assessment” means any written demand received by an Insured from a Payment Card Association (e.g., MasterCard, Visa, American Express) or bank processing payment card transactions (i.e., an “Acquiring Bank”) for a monetary assessment (including a contractual fine or penalty) in connection with an Insured’s non-compliance with PCI Data Security Standards which resulted in a Security Failure or Privacy Event.

(k) “Pollutants” means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. “Waste” includes, but is not limited to, materials to
be recycled, reconditioned or reclaimed and nuclear materials.

(l) “Privacy Event” means the following occurring on or after the Retroactive Date and prior to the end of the Policy Period:

(1) any failure to protect Confidential Information (whether by “phishing,” other social engineering technique or otherwise) including, without limitation, that which could result in an identity theft or other wrongful emulation of the identity of an individual or corporation;

(2) any failure to disclose an event referenced in Sub-paragraph (1) above in violation of any Security Breach Notice Law;

(3) any unintentional failure of an Insured to comply with those parts of a Company’s privacy policy that (a) prohibit or restrict the disclosure or sale of Confidential Information by an Insured, or (b) require an Insured to allow an individual to access or correct Confidential Information about such individual; or

(4) any violation of a federal, state, foreign or local privacy statute alleged in connection with a Claim for a failure described in Sub-paragraphs (1) or (2) above.

(m) “Property Damage” means damage to, loss of use of or destruction of any tangible property. For purposes of this definition, “tangible property” shall not include electronic data.

(n) “Regulatory Action” means a request for information, civil investigative demand or civil proceeding brought by or on behalf of a governmental agency, including requests for information related thereto.

(o) “Security Breach Notice Law” means any federal, state, local or foreign statute or regulation that requires an entity collecting or storing Confidential Information, or any entity that has provided Confidential Information to an Information Holder, to provide notice of any actual or potential unauthorized access by others to such Confidential Information, including but not limited to, the statute known as California SB 1386 ($1798.82, et. seq. of the California Civil Code).

(p) “Security Failure” means the following occurring on or after the Retroactive Date and prior to the end of the Policy Period:

(1) a failure or violation of the security of a Computer System including, without limitation, that which results in or fails to mitigate any unauthorized access, unauthorized use, denial of service attack or receipt or transmission of a malicious code;

(2) failure to disclose an event referenced in Sub-paragraphs (1) above in violation of any Security Breach Notice Law.

“Security Failure” includes any such failure or violation, resulting from the theft of a password or access code from an Insured’s premises, the Computer System, or an officer, director or employee of a Company by non-electronic means.

(q) “Suit” means a civil proceeding for monetary, non-monetary or injunctive relief, which is commenced by service of a complaint or similar pleading. Suit includes a binding arbitration proceeding to which
an **Insured** must submit or does submit with the **Insurer**’s consent.

(r) “Third Party Event” means a **Security Failure** or **Privacy Event**.

3. **EXCLUSIONS**

This policy shall not cover **Loss** in connection with a **Claim** made against an **Insured**:

(a) alleging, arising out of, based upon or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law, if committed by any:

(1) past or present director, officer, trustee, general or managing partner or principal (or the equivalent positions) of a **Company**, whether acting alone or in collusion with other persons; or
(2) past or present employee or independent contractor employed by a **Company** or an **Information Holder** if any person referenced in Sub-paragraph (1) above knew or had reason to know prior to the act of, participated in, approved of or acquiesced to the dishonest, fraudulent, malicious, or criminal act committed by such employee or independent contractor that caused a direct loss to an **Insured** or any other person;

provided, however, the **Insurer** will defend **Suits** that allege any of the foregoing conduct by such person, and that are not otherwise excluded, until there is a final, non-appealable judgment or adjudication as to such conduct in any action or proceeding other than an action or proceeding initiated by the **Insurer** to determine coverage under this policy, at which time the **Insureds** shall reimburse the **Insurer** for **Defense Costs**.

(b) alleging, arising out of, based upon or attributable to any infringement of patent, or any misappropriation of a trade secret by any **Insured**.

(c) alleging, arising out of, based upon or attributable to any (1) presence of **Pollutants**, (2) the actual or threatened discharge, dispersal, release or escape of **Pollutants**, or (3) direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, or in any way respond to or assess the effects of **Pollutants**.

(d) alleging, arising out of, based upon or attributable to any **Bodily Injury** or **Property Damage**.

(e) alleging, arising out of, based upon or attributable to any:

(1) fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused;
(2) strikes or similar labor action, war, invasion, military action (whether war is declared or not), civil war, mutiny, popular or military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against any of these events;
(3) electrical or mechanical failures of infrastructure not under the control of an **Insured**, including any electrical power interruption, surge, brownout or blackout; provided, however, this Sub-paragraph (3) shall not apply to a **Security Failure** or a **Privacy Event** that is caused by such electrical or mechanical failure;
(4) failure of telephone lines, data transmission lines or other telecommunications or networking infrastructure not under the control of an **Insured**; provided, however, this Sub-paragraph (4)
shall not apply to a **Security Failure** or a **Privacy Event** that is caused by such failure of telephone lines, data transmission lines or other telecommunication or networking infrastructure; or

(5) satellite failure.

(f) alleging, arising out of, based upon or attributable to any:

(1) purchase, sale, or offer or solicitation of an offer to purchase or sell securities;
(2) violation of any securities law, including the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or any regulation promulgated under the foregoing statutes, or any federal, state or local laws similar to the foregoing statutes (including “Blue Sky” laws), whether such law is statutory, regulatory or common law; provided, however, this exclusion does not apply to a **Claim** alleging a **Privacy Event** in violation of Regulation S-P (17 C.F.R. § 248); provided further, however, this exclusion does not apply to a **Claim** alleging a failure to disclose a **Security Failure** or **Privacy Event** in violation of any **Security Breach Notice Law**; or

(3) violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced And Corrupt Organizations Act, or “RICO”), as amended, or any regulation promulgated thereunder or any federal, state or local law similar to the foregoing, whether such law is statutory, regulatory or common law;

(g) alleging, arising out of, based upon or attributable to an **Insured**’s employment of any individual or any of an **Insured**’s employment practices (including, without limitation, wrongful dismissal, discharge or termination, discrimination, harassment, retaliation or other employment-related claim); provided, however, this exclusion shall not apply to any **Claim** by an individual to the extent such individual is alleging (1) a **Privacy Event** in connection with such individual’s employment or application for employment with a **Company**, or (2) a failure to disclose a **Security Failure** or **Privacy Event** in violation of any **Security Breach Notice Law**

(h) alleging, arising out of, based upon or attributable to antitrust, unfair competition, restraint of trade, including, without limitation, violations of any local, state or federal law regulating such conduct, or that is brought by or on behalf of the Federal Trade Commission (“FTC”) or any other federal, state or local government agency, or foreign government agency; provided, however, solely with respect to unfair competition, this Paragraph (h) shall not apply to any **Loss** arising out of a covered **Regulatory Action**.

(i) brought by or on behalf of:

(1) any **Insured**;
(2) any business entity that is controlled, managed or operated, directly or indirectly, in whole or in part, by an **Insured**; or
(3) any parent company, **Subsidiary**, successor or assignee of an **Insured**, or any person or entity affiliated with an **Insured** or such business entity through common **Management Control**;

provided, however, this exclusion shall not apply to (i) an **Insured** as described in Sub-paragraph (3) of the definition of **Insured**; or (ii) an **Insured** as described in Sub-paragraph (2) of the definition of **Insured** but only to the extent such **Insured** is alleging a **Privacy Event** or a failure to disclose a **Security Failure** or **Privacy Event** in violation of any **Security Breach Notice Law**.

(j) for any of the following:
(1) the return of an Insured’s fees or compensation;
(2) any profit or advantage to which an Insured is not legally entitled;
(3) an Insured’s expenses or charges, including employee compensation and benefits, overhead, over-charges or cost over-runs;
(4) an Insured’s cost of providing, correcting, re-performing or completing any services;
(5) civil or criminal fines or penalties imposed by law against an Insured and any matters deemed uninsurable under the law pursuant to which this policy shall be construed; provided, however, this Sub-paragraph (5) shall not apply to (a) any monetary amounts an Insured is required by law or has agreed to by settlement to deposit into a consumer redress fund, or (b) any civil fine or penalty imposed by a governmental agency arising from a Regulatory Action, unless the civil fine or penalty imposed is uninsurable under the law of the jurisdiction imposing such fine or penalty;
(6) an Insured’s costs and expenses of complying with any injunctive or other form of equitable relief;
(7) taxes incurred by an Insured;
(8) the amounts for which an Insured is not financially liable or which are without legal recourse to any Insured;
(9) amounts an Insured agrees to pay pursuant to a contract, including without limitation, liquidated damages, setoffs or penalties; provided, however, this exclusion shall not apply to any PCI-DSS Assessment.

(k) alleging, arising out of, based upon or attributable to any obligation an Insured has under contract; provided, however, this exclusion shall not apply to:

(1) the obligation to prevent a Security Failure or a Privacy Event, including without limitation, whether same is in violation of an implied or statutory standard of care;
(2) liability an Insured would have in the absence of such contract or agreement;
(3) the obligation to comply with PCI Data Security Standards; or
(4) with respect to a Privacy Event, any liability or obligation under the confidentiality or non-disclosure provisions of any agreement;

(l) alleging, arising out of, based upon or attributable to any Security Failure or Privacy Event, or any Related Acts thereto, alleged or contained in any Claim which has been reported, or in any circumstances of which notice has been given, under any policy of which this Security and Privacy Coverage Section is a renewal or replacement or which it may succeed in time.

(m) alleging, arising out of, based upon or attributable to any Security Failure or Privacy Event occurring prior to the Retroactive Date or any Related Acts thereto, regardless of when such Related Act occurs.

(n) alleging, arising out of, based upon or attributable to any Security Failure or Privacy Event occurring prior to the Continuity Date, or any Related Act thereto (regardless of when such Related Act occurs), if, as of the Continuity Date, an Insured knew or could have reasonably foreseen that such Security Failure or a Privacy Event did or would result in a Claim against an Insured.
(o) alleging, arising out of, based upon or attributable to any seizure, confiscation, nationalization, or destruction of a Computer System by order of any governmental or public authority.

(p) for (1) the theft of money or securities from an Insured; or (2) the transfer or loss of money or securities from or to an Insured’s accounts or accounts under an Insured’s control, including customer accounts. For purposes of this Sub-paragraph (p), the term “accounts” shall include, but are not limited to, deposit, credit, debit, prepaid and securities brokerage accounts.

4. LIMIT OF LIABILITY

The following provisions shall apply in addition to the provisions of Clause 4. LIMIT OF LIABILITY of the General Terms and Conditions:

Notwithstanding anything in the policy to the contrary, the maximum liability of the Insurer for all Loss arising from a Regulatory Action shall be the Regulatory Action Sublimit of Liability set forth in Item 6 of the Declarations. This amount shall be part of and not in addition to the Limit of Liability and any applicable Sublimit of Liability.

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Specialty Risk Protector®

CyberEdge℠ Security Failure/Privacy Event Management Insurance
(“EVENT MANAGEMENT COVERAGE SECTION”)

THIS IS A DISCOVERY COVERAGE SECTION AND A FIRST PARTY COVERAGE SECTION

Notice: Pursuant to Clause 1 of the General Terms and Conditions, the General Terms and Conditions are incorporated by reference into, made a part of and are expressly applicable to this Event Management Coverage Section, unless otherwise explicitly stated to the contrary in the General Terms and Conditions or in this Event Management Coverage Section.

1. INSURING AGREEMENTS

With respect to the EVENT MANAGEMENT INSURING AGREEMENT of this Clause 1., solely with respect to a Security Failure or Privacy Event first discovered during the Policy Period and reported to the Insurer pursuant to the terms of this policy, this Event Management Coverage Section affords the following coverage:

EVENT MANAGEMENT INSURING AGREEMENT

The Insurer shall pay all Loss, in excess of the applicable Retention, that an Insured incurs solely as a result of an alleged Security Failure or Privacy Event that has actually occurred or is reasonably believed by such Insured and the Insurer to have occurred.

2. DEFINITIONS

(a) “Bodily Injury” means physical injury, sickness or disease and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or death at any time.

(b) “Computer System” means any computer hardware, software or any components thereof that are linked together through a network of two or more devices accessible through the Internet, internal network or connected with data storage or other peripheral devices (including, without limitation, wireless and mobile devices), and are under ownership, operation or control of, or leased by, a Company.

For this Coverage Section, “Computer System” also means “cloud computing” and other hosted resources operated by a third party service provider for the purpose of providing hosted computer resources to a Company as provided in a written contract between such third party and a Company.

(c) “Confidential Information” means any of the following in a Company’s or Information Holder’s care, custody or control or for which a Company or Information Holder is legally responsible:

(1) information from which an individual may be uniquely and reliably identified or contacted,
including, without limitation, an individual’s name, address, telephone number, social security number, account relationships, account numbers, account balances, account histories and passwords;

(2) information concerning an individual that would be considered “nonpublic personal information” within the meaning of Title V of the Gramm-Leach Bliley Act of 1999 (Public Law 106-102, 113 Stat. 1338) (as amended) and its implementing regulations, or protected personal information under any similar federal, state, local or foreign law;

(3) information concerning an individual that would be considered “protected health information” or “electronic protected health information” within the Health Insurance Portability and Accountability Act of 1996 (as amended) (HIPAA) or the Health Information Technology for Economic and Clinical Health Act (HITECH Act), and their implementing regulations, or protected health-related information under any similar federal, state, local or foreign law;

(4) information used for authenticating customers for normal business transactions; or

(5) any third party’s trade secrets, data, designs, interpretations, forecasts, formulas, methods, practices, processes, records, reports or other item of information that is not available to the general public.

(d) “Electronic Data” means any software or electronic data stored electronically on a Computer System, including without limitation Confidential Information.

(e) “First Party Event” means any Privacy Event or Security Failure.

(f) “Information Holder” means a third party that:

(1) an Insured has provided Confidential Information to; or

(2) has received Confidential Information on behalf of a Company.

(g) “Insured” means a Company.

(h) “Loss” means the following reasonable and necessary expenses and costs incurred by an Insured within one year of the discovery of the Security Failure or Privacy Event:

(1) to conduct an investigation (including a forensic investigation) to determine the cause of the Security Failure or Privacy Event;

(2) for a public relations firm, crisis management firm or law firm agreed to by the Insurer to advise an Insured on minimizing the harm to such Insured, including, without limitation, maintaining and restoring public confidence in such Insured;

(3) to notify those whose Confidential Information is the subject of the Security Failure or Privacy Event and advise of any available remedy in connection with the Security Failure or Privacy Event, including, without limitation, those expenses and costs for printing, advertising and mailing of materials;

(4) for identity theft education and assistance, identity theft call center services, credit file or identity monitoring and victim reimbursement insurance made available to those persons notified about a Security Failure or Privacy Event pursuant to subparagraph (3) above;

(5) for any other services approved by the Insurer at the Insurer’s sole and absolute discretion;

(6) to restore, recreate or recollect Electronic Data; or

(7) to determine whether Electronic Data can or cannot be restored, recollected or recreated.
Provided, however, Loss shall not include compensation, fees, benefits, overhead or internal charges of any Insured.

(i) “Pollutants” means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. “Waste” includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.

(j) “Privacy Event” means any failure to protect Confidential Information (whether by “phishing,” other social engineering technique or otherwise), including, without limitation, that which could result in an identity theft or other wrongful emulation of the identity of an individual or corporation.

(k) “Property Damage” means damage to, loss of use of or destruction of any tangible property. For purposes of this definition, “tangible property” shall not include electronic data.

(l) “Security Failure” means a failure or violation of the security of a Computer System, including, without limitation, that which results in or fails to mitigate any unauthorized access, unauthorized use, denial of service attack or receipt or transmission of a malicious code. “Security Failure” includes any such failure or violation resulting from the theft of a password or access code from an Insured’s premises, the Computer System, or an officer, director or employee of a Company by non-electronic means.

3. EXCLUSIONS

The Insurer shall not be liable to make any payment for Loss:

(a) arising out of, based upon or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law, if committed by any:

(1) past or present director, officer, trustee, general or managing partner or principal (or the equivalent positions) of a Company, whether acting alone or in collusion with other persons; or
(2) past or present employee (other than those referenced in Sub-paragraph (1) above) or independent contractor employed by a Company if any person referenced in Sub-paragraph (1) above participated in, approved of, acquiesced to, or knew or had reason to know prior to the act of, the dishonest, fraudulent, malicious, or criminal act committed by such employee or independent contractor that caused a direct loss to an Insured or any other person.

(b) arising out of, based upon or attributable to any misappropriation of an Insured’s trade secret, any misappropriation of a trade secret by an Insured or any employee of an Insured or any infringement of patent, copyright, trademark or trade dress.

(c) arising out of, based upon or attributable to any (1) presence of Pollutants; (2) the actual or threatened discharge, dispersal, release or escape of Pollutants; or (3) direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, or in any way respond to or assess the effects of Pollutants.
(d) for any Bodily Injury or Property Damage.

(e) arising out of, based upon or attributable to any:

1. fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused;
2. war, invasion, military action (whether war is declared or not), civil war, mutiny, popular or military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against any of these events; or
3. satellite failure.

(f) arising out of, based upon or attributable to any seizure, confiscation, nationalization, or destruction of a Computer System or Electronic Data by order of any governmental or public authority.

(g) arising out of, based upon or attributable to any Security Failure or Privacy Event, or any Related Acts thereto, which has been reported, or in any circumstances of which notice has been given, under any policy of which this Event Management Coverage Section is a renewal or replacement or which it may succeed in time.

(h) for any profit or advantage to which any Insured is not legally entitled.

(i) arising out of, based upon or attributable to any amounts for: (i) the original creation of; (ii) diminution of value of; (iii) lost profits of; (iv) or loss of use of, a trade secret, patent, copyright, trademark, trade dress or any other intellectual property.

4. NOTICE

In addition to the applicable items of Clause 6. NOTICE of the General Terms and Conditions, and before coverage will apply for Loss under this Event Management Coverage Section, each Insured must also:

(a) complete and sign a written, detailed and affirmed proof of loss within ninety (90) days after the discovery of any Loss (unless such period has been extended by the Insurer in writing) which shall include, among any other pertinent information:

1. a full description of such Loss and the circumstances surrounding such Loss, which shall include, among any other necessary information, the time, place and cause of the Loss;
2. a detailed calculation of any Loss; and
3. all underlying documents and materials that reasonably relate to or form any part of the proof of such Loss.

(b) upon the Insurer's request, submit to an examination under oath.

(c) immediately record the specifics of any Loss, Security Failure or Privacy Event and the date such Insured first became aware of such Loss, Security Failure or Privacy Event.

(d) provide the Insurer with any cooperation and assistance that the Insurer may request, including
assisting the Insurer in:

(1) any investigation of a Security Failure, Privacy Event, Loss or circumstance;
(2) enforcing any legal rights an Insured or the Insurer may have against anyone who may be liable to an Insured; and
(3) executing any documents that the Insurer deems necessary to secure its rights under this policy.

All adjusted claims shall be due and payable thirty (30) days after the presentation and written acceptance by the Insurer of satisfactory proof of Loss to the address set forth in the General Terms and Conditions. The costs and expenses of establishing or proving an Insured's Loss under this Event Management Coverage Section, including, without limitation, those connected with preparing a proof of loss, shall be such Insured’s obligation, and are not covered under this policy.

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Specialty Risk Protector®

CyberEdge℠ Network Interruption Insurance
(“NETWORK INTERRUPTION COVERAGE SECTION”)

THIS IS AN OCCURRENCE COVERAGE SECTION AND A FIRST PARTY COVERAGE SECTION

Notice: Pursuant to Clause 1 of the General Terms and Conditions, the General Terms and Conditions are incorporated by reference into, made a part of and are expressly applicable to this Network Interruption Coverage Section, unless otherwise explicitly stated to the contrary in the General Terms and Conditions or in this Network Interruption Coverage Section.

1. INSURING AGREEMENTS

With respect to the NETWORK INTERRUPTION INSURING AGREEMENT of this Clause 1., solely with respect to a Security Failure first occurring during the Policy Period and reported to the Insurer pursuant to the terms of this policy, this Network Interruption Coverage Section affords the following coverage:

NETWORK INTERRUPTION INSURING AGREEMENT

The Insurer shall pay all Loss in excess of the Remaining Retention that an Insured incurs after the Waiting Hours Period and solely as a result of a Security Failure.

2. DEFINITIONS

(a) “Bodily Injury” means physical injury, sickness or disease and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or death at any time.

(b) “Computer System” means any computer hardware, software or any components thereof that are linked together through a network of two or more devices accessible through the Internet, internal network or connected with data storage or other peripheral devices (including, without limitation, wireless and mobile devices), and are under the ownership, operation or control of, or leased by, a Company.

For this Coverage Section, “Computer System” also means computer hardware, software or any components thereof that are under the ownership, operation or control of an Outsource Provider.

(c) “First Party Event” means any Security Failure.

(d) “Insured” means a Company.

(e) “Loss” means the below listed costs incurred from the beginning of a Material Interruption through the 120th day after the end of the Material Interruption (or 120 days after the Material Interruption would have ended if an Insured exercised due diligence and dispatch):
1. COVERAGE

(1) costs that would not have been incurred but for a Material Interruption; and

(2) the sum of all of following, which shall be calculated on an hourly basis:
   (a) Net Income (Net Profit or Loss before income taxes) that would have been earned; and
   (b) Continuing normal operating expenses incurred, including payroll.

(f) “Material Interruption” means the actual and measurable interruption or suspension of an Insured’s business directly caused by a Security Failure.

(g) “Outsource Provider” means an entity not owned, operated or controlled by an Insured that such Insured depends on to conduct its business.

(h) “Pollutants” means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. “Waste” includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.

(i) “Property Damage” means damage to, loss of use of or destruction of any tangible property. For purposes of this definition, “tangible property” shall not include electronic data.

(j) “Remaining Retention” means the Retention set forth in Item 6 of the Declarations for this Network Interruption Coverage Section less the amount of Loss incurred by any Insured during the Waiting Hours Period. If the Loss incurred by any Insured during the Waiting Hours Period is greater than the applicable Retention set forth in the Declarations, the Remaining Retention equals zero.

(k) “Security Failure” means a failure or violation of the security of a Computer System, including, without limitation, that which results in or fails to mitigate any unauthorized access, unauthorized use, denial of service attack or receipt or transmission of a malicious code. “Security Failure” includes any such failure or violation resulting from the theft of a password or access code from a Company’s premises, a Company’s Computer System, or an officer, director or employee of a Company by non-electronic means.

(l) “Waiting Hours Period” means the number of hours set forth in Item 6 of the Declarations that must elapse once a Material Interruption has begun.

3. EXCLUSIONS

The Insurer shall not be liable to make any payment for Loss:

(a) arising out of, based upon or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law, if committed by any:

   (1) past or present director, officer, trustee, general or managing partner or principal (or the equivalent positions) of a Company, whether acting alone or in collusion with other persons; or
   (2) past or present employee (other than those referenced in Sub-paragraph (1) above) or independent contractor employed by a Company if any of those referenced in Sub-paragraph (1) above participated in, approved of, acquiesced to, or knew or had reason to know prior to the act of, the dishonest, fraudulent, malicious, or criminal act committed by such employee or independent contractor that caused a direct loss to an Insured or any other person.
(b) arising out of, based upon or attributable to any misappropriation or theft of trade secret or infringement of patent, copyright, trademark, trade dress or any other intellectual property right.

(c) arising out of, based upon or attributable to any (1) presence of Pollutants; (2) the actual or threatened discharge, dispersal, release or escape of Pollutants; or (3) direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, or in any way respond to or assess the effects of Pollutants.

(d) arising out of, based upon or attributable to any Bodily Injury or Property Damage.

(e) arising out of, based upon or attributable to any:

(1) fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused;
(2) war, invasion, military action (whether war is declared or not), civil war, mutiny, popular or military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against any of these events; or
(3) satellite failure.

(f) arising out of, based upon or attributable to any seizure, confiscation, nationalization, or destruction of a Computer System by order of any governmental or public authority.

(g) arising out of, based upon or attributable to any Security Failure or Related Act thereto which has been reported, or in any circumstances of which notice has been given, under any policy of which this Network Interruption Coverage Section is a renewal or replacement or which it may succeed in time.

(h) for any profit or advantage to which any Insured is not legally entitled.

(i) arising out of, based upon or attributable to: (1) any liability to third-parties for whatever reason; (2) legal costs or legal expenses of any type; (3) updating, upgrading, enhancing, or replacing any Computer System to a level beyond that which existed prior to sustaining Loss; (4) unfavorable business conditions; or (5) the removal of software program errors or vulnerabilities.

4. LIMIT OF LIABILITY

The following provisions shall apply in addition to the provisions of Clause 4. LIMIT OF LIABILITY of the General Terms and Conditions:

Notwithstanding anything in the policy to the contrary, the maximum liability of the Insurer for all Loss arising from a Security Failure of the Computer System of an Outsource Provider shall be $100,000. This amount shall be part of and not in addition to the Limit of Liability or any applicable Sublimit of Liability.

5. RETENTION

The following provisions shall apply in addition to the provisions of Clause 5. RETENTION of the General Terms and Conditions:
Solely with respect to this Network Interruption Coverage Section, the applicable Retention shall be the Remaining Retention.

6. NOTICE

In addition to the applicable items of Clause 6. NOTICE of the General Terms and Conditions, and before coverage will apply for Loss under this Network Interruption Coverage Section, each Insured must also:

(a) complete and sign a written, detailed and affirmed proof of loss within ninety (90) days after the discovery of any Loss (unless such period has been extended by the Insurer in writing) which shall include, among any other pertinent information:

(1) a full description of such Loss and the circumstances surrounding such Loss, which shall include, among any other necessary information, the time, place and cause of the Loss;
(2) a detailed calculation of any Loss; and
(3) all underlying documents and materials that reasonably relate to or form a part of the basis of the proof of such Loss.

(b) upon the Insurer’s request, submit to an examination under oath.

(c) immediately record the specifics of any Loss or Security Failure and the date such Insured first became aware of such Loss or Security Failure.

(d) provide the Insurer with any cooperation and assistance that the Insurer may request, including assisting the Insurer in:

(1) any investigation of a Security Failure, Loss or circumstance;
(2) enforcing any legal rights an Insured or the Insurer may have against anyone who may be liable to an Insured;
(3) executing any documents that the Insurer deem necessary to secure its rights under this policy; and
(4) any calculation or appraisal conducted by or on behalf of the Insurer pursuant to this Network Interruption Coverage Section.

All adjusted claims shall be due and payable thirty (30) days after the presentation and written acceptance by the Insurer of satisfactory proof of Loss to the address set forth in the General Terms and Conditions. The costs and expenses of establishing or proving an Insured’s Loss under this Network Interruption Coverage Section, including, without limitation, those connected with preparing a proof of loss, shall be such Insured’s obligation, and are not covered under this policy.

7. NET PROFIT CALCULATIONS

In determining the amount of net profit (or net loss) and charges and expenses covered hereunder for the purpose of ascertaining the amount of Loss (and otherwise) under this Network Interruption Coverage Section, due consideration shall be given to the prior experience of an Insured’s business before the beginning of the Security Failure and to the probable business an Insured could have performed had no Security Failure occurred. Provided, however, that such net profit (or net loss)
calculations shall not include, and this policy shall not cover, net income that would likely have been earned as a result of an increase in volume of business due to favorable business conditions caused by the impact of Security Failures on other businesses. All such net profit (or net loss) and charges and expenses shall be calculated on an hourly basis and based on such an Insured’s actual net profit (or net loss) and charges and expenses.

8. APPRAISAL

If any Insured and the Insurer disagree on the amount of Loss, either may make a written demand for an appraisal of such Loss. If such demand is made, each party will select a competent and impartial appraiser. The appraisers will then jointly select an umpire. If the appraisers cannot agree on an umpire, they may request that selection be made by a judge of a court having jurisdiction. Each appraiser will separately state the amount of Loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two of these three will be binding.

Such Insured and the Insurer will:

(1) pay their respective chosen appraiser; and
(2) bear the expenses of the umpire equally.

Any appraisal of Loss shall be calculated in accordance with all terms, conditions and exclusions of this policy.

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Specialty Risk Protector®

CyberEdge℠ Cyber Extortion Insurance
(“CYBER EXTORTION COVERAGE SECTION”)

THIS IS AN OCCURRENCE COVERAGE SECTION AND A FIRST PARTY COVERAGE SECTION

Notice: Pursuant to Clause 1 of the General Terms and Conditions, the General Terms and Conditions are incorporated by reference into, made a part of and are expressly applicable to this Cyber Extortion Coverage Section, unless otherwise explicitly stated to the contrary in either the General Terms and Conditions or in this Cyber Extortion Coverage Section.

1. INSURING AGREEMENTS

With respect to the CYBER EXTORTION INSURING AGREEMENT of this Clause 1., solely with respect to a Security Threat or Privacy Threat first occurring during the Policy Period and reported to the Insurer pursuant to the terms of this policy, this Cyber Extortion Coverage Section affords the following coverage:

CYBER EXTORTION INSURING AGREEMENT

The Insurer shall pay all Loss in excess of the applicable Retention that an Insured incurs solely as a result of a Security Threat or Privacy Threat.

2. DEFINITIONS

(a) “Bodily Injury” means physical injury, sickness or disease and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or death at any time.

(b) “Computer System” means any computer hardware, software or any components thereof that are under the ownership, operation or control of, or that are leased by, a Company and are linked together through a network of two or more devices accessible through the Internet, internal network or connected with data storage or other peripheral devices.

(c) “Confidential Information” means any of the following in a Company's care, custody or control or for which a Company is legally responsible:

(1) information from which an individual may be uniquely and reliably identified or contacted, including, without limitation, an individual’s name, address, telephone number, social security number, account relationships, account numbers, account balances, account histories and passwords;

(2) information concerning an individual that would be considered “nonpublic personal information” within the meaning of Title V of the Gramm-Leach Bliley Act of 1999 (Public Law 106-102, 113 Stat. 1338) (as amended) and its implementing regulations, or protected personal information under any similar federal, state, local or foreign law;

(3) information concerning an individual that would be considered “protected health information” or “electronic protected health information” within the Health Insurance Portability and Accountability Act of 1996 (as amended) (HIPAA) or the Health Information Technology for
Economic and Clinical Health Act (HITECH Act), and their implementing regulations, or protected health-related information under any similar federal, state, local or foreign law; (4) information used for authenticating customers for normal business transactions; or (5) any third party’s trade secrets, data, designs, interpretations, forecasts, formulas, methods, practices, processes, records, reports or other item of information that is not available to the general public.

(d) “First Party Event” means any Security Threat or Privacy Threat.

(e) “Insured” means a Company.

(f) “Loss” means:

1. monies paid by an Insured with the Insurer's prior written consent to terminate or end a Security Threat or Privacy Threat that would otherwise result in harm to an Insured; and
2. the costs to conduct an investigation to determine the cause of a Security Threat or Privacy Threat.

(g) “Pollutants” means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. “Waste” includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.

(h) “Privacy Threat” means any threat or connected series of threats to unlawfully use or publicly disclose Confidential Information misappropriated from an Insured for the purpose of demanding money, securities or other tangible or intangible property of value from an Insured.

(i) “Property Damage” means damage to, loss of use of or destruction of any tangible property. For purposes of this definition, “tangible property” shall not include electronic data.

(j) “Security Threat” means any threat or connected series of threats to commit an intentional attack against a Computer System for the purpose of demanding money, securities or other tangible or intangible property of value from an Insured.

3. EXCLUSIONS

The Insurer shall not be liable to make any payment for Loss:

(a) arising out of, based upon or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law, if committed by any:

1. past or present director, officer, trustee, general or managing partner or principal (or the equivalent positions) of a Company, whether acting alone or in collusion with other persons; or
2. past or present employee (other than those referenced in Sub-paragraph (1) above) or independent contractor employed by a Company if any of those referenced in Sub-paragraph (1) above participated in, approved of, or knew or had reason to know prior to the act of, or acquiesced to the dishonest, fraudulent, malicious, or criminal act committed by such employee or independent contractor that caused a direct loss to an Insured or any other person.

(b) arising out of, based upon or attributable to any misappropriation of an Insured’s trade secret or
infringement of patent, copyright, trademark, trade dress or any other intellectual property right.

(c) arising out of, based upon or attributable to any (1) presence of Pollutants; (2) the actual or threatened discharge, dispersal, release or escape of Pollutants; or (3) direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, or in any way respond to or assess the effects of Pollutants.

(d) for any Bodily Injury or Property Damage.

(e) arising out of, based upon or attributable to any war, invasion, military action (whether war is declared or not), civil war, mutiny, popular or military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against any of these events.

(f) arising out of, based upon or attributable to any Security Threat or Privacy Threat made by any government entity or public authority.

(g) arising out of, based upon or attributable to any Security Threat or Privacy Threat or Related Act thereto which has been reported, or in any circumstances of which notice has been given, under any policy of which this Cyber Extortion Coverage Section is a renewal or replacement or which it may succeed in time.

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Specialty Risk Protector®

Media Content Insurance
(“MEDIA CONTENT COVERAGE SECTION”)

THIS IS A CLAIMS MADE AND REPORTED COVERAGE SECTION AND A THIRD PARTY COVERAGE SECTION

Notice: Pursuant to Clause 1 of the General Terms and Conditions, the General Terms and Conditions are incorporated by reference into, made a part of and are expressly applicable to this Media Content Coverage Section, unless otherwise explicitly stated to the contrary in the General Terms and Conditions or in this Media Content Coverage Section.

1. INSURING AGREEMENTS

With respect to the MEDIA CONTENT INSURING AGREEMENT, the DEFENSE provisions and the SETTLEMENT provisions of this Clause 1., solely with respect to Claims first made against an Insured during the Policy Period or Discovery Period (if applicable) and reported to the Insurer pursuant to the terms of this policy, this Media Content Coverage Section affords the following coverage:

MEDIA CONTENT INSURING AGREEMENT

The Insurer shall pay on an Insured’s behalf all Loss in excess of the applicable Retention that such Insured is legally obligated to pay resulting from a Claim alleging a Wrongful Act.

DEFENSE

(a) The Insurer has the right and duty to defend a Suit for a Wrongful Act, even if the Suit is groundless, false or fraudulent.

(b) The Insurer has the right to investigate any Claim.

(c) The Insurer’s duty to defend ends if an Insured refuses to consent to a settlement that the Insurer recommends pursuant to the SETTLEMENT provision below and that the claimant will accept. As a consequence of such Insured’s refusal, the Insurer’s liability shall not exceed the amount for which the Insurer could have settled such Claim had such Insured consented, plus Defense Costs incurred prior to the date of such refusal, plus 50% of Defense Costs incurred with the Insurer’s prior written consent after the date of such refusal. This Clause shall not apply to any settlement where the total incurred Loss does not exceed the applicable Retention amount.

SETTLEMENT

(a) The Insurer has the right, with the written consent of an Insured, to settle any Claim if the Insurer believes that it is proper.

(b) An Insured may settle any Claim on behalf of all Insureds to which this insurance applies and which are subject to one Retention amount where the total incurred Loss does not exceed the Retention
amount.

2. DEFINITIONS

(a) “Bodily Injury” means physical injury, sickness or disease, and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or death at any time.

(b) “Claim” means:

(1) a written demand for money, services, non-monetary relief or injunctive relief;
(2) a written request for mediation or arbitration, or to toll or waive an applicable statute of limitations; or
(3) a Suit.

(c) “Defense Costs” means all reasonable and necessary fees charged by an attorney appointed by the Insurer (unless otherwise provided for by this policy) in connection with any Suit brought against an Insured alleging a Wrongful Act, as well as all other reasonable and necessary fees, costs and expenses (including premiums for any appeal bond, attachment bond or similar bond arising out of a covered judgment, but without any obligation to apply for or furnish any such bond) incurred in the defense or investigation of a Claim by the Insurer or by an Insured with the Insurer’s written consent. Defense Costs shall not include: (i) compensation of any natural person Insured; or (ii) any fees, costs or expenses incurred prior to the time that a Claim is first made against an Insured.

(d) “Insured” means:

(1) a Company;
(2) any past, present or future officer, director, trustee or employee of a Company (and in the event that a Company is a partnership, limited liability partnership or limited liability company, then any general or managing partner or principal thereof), but only while acting within the scope of his or her duties in connection with the provision of Material for such Company;
(3) any independent contractors, agents, third-party distributors, licensees and sub-licensees, but only:
   (i) with respect to Material that they provide to a Company; and
   (ii) when such Company has, prior to the commission of a Wrongful Act, expressly agreed in writing to indemnify and defend such party against liability arising out of such Wrongful Act;
(4) any person or entity that a Company has expressly agreed in writing, prior to the commission of a Wrongful Act, to add as an Insured under this policy, but only for the Wrongful Acts of a Company; and
(5) any other person or entity listed as Insured by endorsement to this policy, but only for the Wrongful Acts of a Company.

(e) “Loss” means compensatory damages, judgments, settlements, pre-judgment and post-judgment interest and Defense Costs, including punitive, exemplary and multiple damages where insurable by the applicable law which most favors coverage for such punitive, exemplary and multiple damages.

(f) “Material” means media content in any form, including, without limitation, advertising and written, printed, video, electronic, digital or digitized content, of:
(1) broadcasts, including without limitation, broadcasts via television, motion picture, cable, satellite television, radio, wireless devices or the Internet; or
(2) publications, including without limitation, publications via newspaper, newsletter, magazine, book and other literary, monograph, brochure, directory, screen play, film script, playwright and video publications.

(g) “Pollutants” means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. “Waste” includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.

(h) “Property Damage” means damage to, loss of use of or destruction of any tangible property. For purposes of this definition, “tangible property” shall not include electronic data.

(i) “Suit” means a civil proceeding for monetary, non-monetary or injunctive relief, which is commenced by service of a complaint or similar pleading. Suit includes a binding arbitration proceeding to which an Insured must submit or does submit with the Insurer’s consent.


(k) “Wrongful Act” means any act, error, omission, negligent supervision of an employee, misstatement or misleading statement by an Insured in connection with Material occurring on or after the Retroactive Date and prior to the end of the Policy Period (including without limitation, any of the foregoing conduct in the gathering, collection, broadcast, creation, distribution, exhibition, performance, preparation, printing, production, publication, release, display, research, or serialization of Material by an Insured) that results solely in:

(1) infringement of copyright, title, slogan, trademark, trade name, trade dress, mark, service mark, service name, infringement of domain name, deep-linking or framing, including, without limitation, unfair competition in connection with such conduct;
(2) plagiarism, piracy or misappropriation or theft of ideas under implied contract or other misappropriation or theft of ideas or information; including, without limitation, unfair competition in connection with such conduct;
(3) invasion, infringement or interference with rights of privacy or publicity, false light, public disclosure of private facts, intrusion and commercial appropriation of name, persona or likeness; including, without limitation, emotional distress or mental anguish in connection with such conduct;
(4) defamation, libel, slander, product disparagement or trade libel or other tort related to disparagement or harm to character or reputation; including, without limitation, unfair competition, emotional distress or mental anguish in connection with such conduct;
(5) wrongful entry or eviction, trespass, eavesdropping or other invasion of the right to private occupancy, or false arrest, detention or imprisonment or malicious prosecution; including, without limitation, any emotional distress or mental anguish in connection with such conduct; or
(6) negligent or intentional infliction of emotional distress, outrage or prima facie tort in connection with Material.

3. EXCLUSIONS
This policy shall not cover Loss in connection with a Claim made against an Insured:

(a) alleging, arising out of, based upon or attributable to a dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law; provided, however, the Insurer will defend Suits that allege any of the foregoing conduct, and that are not otherwise excluded, until there is a final, non-appealable judgment or adjudication against an Insured as to such conduct in any action or proceeding other than an action or proceeding initiated by the Insurer to determine coverage under this policy, at which time the Insureds shall reimburse the Insurer for Defense Costs.

(b) alleging, arising out of, based upon or attributable to any misappropriation of trade secret or infringement of patent.

(c) alleging, arising out of, based upon or attributable to any (1) presence of Pollutants, (2) the actual or threatened discharge, dispersal, release or escape of Pollutants, or (3) direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, or in any way respond to or assess the effects of Pollutants.

(d) alleging, arising out of, based upon or attributable to any Bodily Injury or Property Damage.

(e) alleging, arising out of, based upon or attributable to any:

(1) fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused;
(2) strikes or similar labor action, war, invasion, military action (whether war is declared or not), civil war, mutiny, civil commotion, popular or military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against any of these events;
(3) electrical or mechanical failures of infrastructure not under the control of an Insured, including any electrical power interruption, surge, brownout or blackout;
(4) failure of telephone lines, data transmission lines or other telecommunications or networking infrastructure not under the control of an Insured; or
(5) satellite failure.

(f) alleging, arising out of, based upon or attributable to any:

(1) purchase, sale, or offer or solicitation of an offer to purchase or sell securities;
(2) violation of any securities law, including the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or any regulation promulgated under the foregoing statutes, or any federal, state or local laws similar to the foregoing statutes (including “Blue Sky” laws), whether such law is statutory, regulatory or common law;
(3) violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced And Corrupt Organizations Act, or “RICO”), as amended, or any regulation promulgated thereunder or any federal, state or local law similar to the foregoing, whether such law is statutory, regulatory or common law;
(4) antitrust violations, restraint of trade, unfair competition, or violations of the Sherman Act, Clayton Act or the Robinson-Patman Act, as amended; provided, however, that this exclusion shall not apply to unfair competition as referenced in sub-paragraphs (1), (2) or (4) of the definition of Wrongful Act; or

(g) alleging, arising out of, based upon or attributable to an Insured’s employment of any individual or any of an Insured’s employment practices (including, without limitation, wrongful dismissal, discharge or termination, discrimination, harassment, retaliation or other employment-related claim).

(h) alleging, arising out of, based upon or attributable to any unfair or deceptive business practices, including, without limitation, violations of any local, state or federal consumer protection laws; provided, however, this exclusion shall not apply to Claims in connection with the collection of Material.

(i) brought by or on behalf of:

(1) any Insured;
(2) any business entity that is controlled, managed or operated, directly or indirectly, in whole or in part, by an Insured; or
(3) any parent company, Subsidiary, successor or assignee of an Insured, or any person or entity affiliated with an Insured or such business entity through common Management Control;

provided, however, this exclusion shall not apply to an Insured as described in Sub-paragraph (d)(4) or (d)(5) of the definition of Insured.

(j) for any of the following:

(1) the return of an Insured’s fees or compensation;
(2) any profit or advantage to which an Insured is not legally entitled;
(3) an Insured’s expenses or charges, including employee compensation and benefits, overhead, over-charges or cost over-runs;
(4) civil or criminal fines or penalties imposed against an Insured and any matters deemed uninsurable under the law pursuant to which this policy shall be construed;
(5) an Insured’s costs and expenses of complying with any injunctive or other form of equitable relief;
(6) taxes incurred by an Insured;
(7) the amounts for which an Insured is not financially liable or which are without legal recourse to any Insured;
(8) production costs or the cost of recall, reproduction, reprinting, return or correction of Material by any person or entity; or
(9) amounts an Insured agrees to pay pursuant to a contract, including without limitation, liquidated damages, setoffs or penalties.

(k) alleging, arising out of, based upon or attributable to any obligation that an Insured has under a contract, other than liability from a Wrongful Act where such liability has been assumed by an Insured in the form of a written hold harmless or indemnity agreement that predates the first such Wrongful Act.

(l) alleging, arising out of, based upon or attributable to any Wrongful Acts, or any Related Acts thereto, alleged or contained in any Claim which has been reported, or in any circumstances of which notice has been given, under any policy of which this Media Content Coverage Section is a
renewal or replacement or which it may succeed in time.

(m) alleging, arising out of, based upon or attributable to any Wrongful Act occurring prior to the Retroactive Date or any Related Act thereto, regardless of when such Related Act occurs.

(n) alleging, arising out of, based upon or attributable to any Wrongful Act occurring prior to the Continuity Date, or any Related Act thereto (regardless of when such Related Act occurs), if, as of the Continuity Date, an Insured knew or could have reasonably foreseen that such Wrongful Act did or would result in a Claim against such Insured.

(o) alleging, arising out of, based upon or attributable to any breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violations of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended, or similar statutory or common law of the United States of America or any state or jurisdiction therein.

(p) alleging, arising out of, based upon or attributable to (1) false advertising or misrepresentation in advertising of an Insured’s products or services, (2) any failure of goods, products or services to conform with an advertised quality or performance, or (3) any infringement of trademark or trade dress by any goods, products or services, including any goods or products displayed or contained in any Material.

(q) brought by or on behalf of: (i) ASCAP, SESAC, BMI, RIAA or other music licensing organizations; (ii) the Federal Trade Commission; (iii) the Department of Health and Human Services or Office of Civil Rights; (iv) the Federal Communications Commission; or (v) any other federal, state, local or foreign government, agency or office.

(r) brought by or on behalf of any independent contractor, third-party distributor, licensee, sub-licensee, joint venturer, venture partner, any employee of the foregoing, or any employee or agent of an Insured alleging, arising out of, based upon or attributable to disputes over the (i) ownership or exercise of rights in Material; or (ii) services supplied by such independent contractor, third-party distributor, licensee, sub-licensee, joint venturer, venture partner or employee or agent.

(s) alleging, arising out of, based upon or attributable to any infringement of copyright related to software, source code or software license; provided, however, that this exclusion shall not apply to any otherwise covered Claim alleging an infringement of copyright, trademark or servicemark with respect to Material generated or displayed in a publication or broadcast by the use of software.

(t) alleging, arising out of, based upon or attributable to the failure to protect information used for authenticating or identifying an Insured’s customers, vendors, suppliers or independent contractors in the normal course of an Insured’s business.

(u) alleging, arising out of, based upon or attributable to any:

(1) accounting or recovery of profits, royalties, fees or other monies claimed to be due from an Insured, or any Claim brought by any such party against an Insured claiming excessive or unwarranted fees, compensation or charges of any kind made by an Insured; or

(2) licensing fees or royalties ordered, directed or agreed to be paid by an Insured pursuant to a judgment, arbitration award, settlement agreement or similar order or agreement, for the
continued use of a person or entity’s copyright, title, slogan, trademark, trade name, trade dress, service mark, service name, or other intellectual property right.

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Specialty Risk Protector®

ReputationGuard® Insurance
(“REPUTATIONGUARD COVERAGE SECTION”)

THIS IS A DISCOVERY COVERAGE SECTION AND A FIRST PARTY COVERAGE SECTION

Notice: Pursuant to Clause 1 of the General Terms and Conditions, the General Terms and Conditions are incorporated by reference into, made a part of and are expressly applicable to this ReputationGuard Coverage Section, unless otherwise explicitly stated to the contrary in the General Terms and Conditions or in this ReputationGuard Coverage Section.

1. INSURING AGREEMENT

With respect to the REPUTATION THREAT INSURING AGREEMENT and the REPUTATION ATTACK INSURING AGREEMENT of this Clause 1., solely with respect to a Reputation Threat or Reputation Attack first discovered during the Policy Period for which the Named Entity has first retained a Panel PR Firm during the Policy Period, this ReputationGuard Coverage Section affords the following coverage:

REPUTATION THREAT INSURING AGREEMENT

The Insurer shall pay the Proactive Costs in excess of the applicable Retention that an Insured incurs in seeking to avoid or minimize the potential impact of a specific Reputation Threat.

REPUTATION ATTACK INSURING AGREEMENT

The Insurer shall pay the Response Costs in excess of the applicable Retention that an Insured incurs in seeking to minimize the potential impact of a specific Reputation Attack.

2. DEFINITIONS

“Bold” terms in this policy have the meaning and/or values ascribed to them in this Clause and/or in Item 6 of the Declarations.

(a) “Consultation Costs” mean the:

(1) fees for crisis communications services provided by a Panel PR Firm to an Insured to the extent that such services are provided specifically in response to a Reputation Threat or Reputation Attack; and
(2) expenses of such Panel PR Firm in rendering such crisis communications services.

(b) “Covered Brand” means the brand of the Named Entity and any other brands owned exclusively by an Insured.
(c) “Crisis Preparedness Program” means one or more crisis preparedness activities (including, but not limited to, a vulnerabilities assessment, development of a multi-scenario crisis communications plan or crisis response team infrastructure, internal roll-out and employee training on that plan, and simulation exercises) purchased by the Insureds and performed by a Panel PR Firm as part of the normal course of business management prior to the identification or occurrence of a covered Reputation Threat or a Reputation Attack.

(d) “First Party Event” means any Reputation Threat or Reputation Attack.

(e) “Insured” means the Named Entity or any of its Subsidiaries.

(f) “Loss” means any: (1) Proactive Costs; and (2) Response Costs. Loss, Proactive Costs and Response Costs shall not mean: (i) payments made, directly or indirectly, to any person or entity to avoid Publication of a Reputation Threat by such person or entity; (ii) attorney’s fees, accountant’s fees or expenses incurred by or in connection with the retention of any attorney or accountant; (iii) employee compensation, benefits or overhead; (iv) cost of any services provided by an Insured or any of its affiliates; (v) costs or expenses incurred to withdraw or recall any good, product or service from the marketplace other than Consultation Costs and Targeted Communications Costs; (vi) forensic investigation costs; (vii) amounts paid to third parties alleged to be harmed in connection with a Reputation Threat or Reputation Attack, including but not limited to amounts deposited in a consumer redress fund or similar accounts; (viii) cost of a Crisis Preparedness Program; (ix) amounts incurred in connection with seeking or opposing the consummation of any transaction that requires a security holder, debt holder or other stakeholder or management vote or approval; or (x) other expenses or charges that an Insured had committed to prior to, or planned to incur in the absence of, a Reputation Threat or Reputation Attack.

(g) “Panel Affiliate” means any entity that a Panel PR Firm directly or indirectly controls, is controlled by or is in common control with, and that is specifically retained by the Named Entity in connection with a Reputation Threat or a Reputation Attack at the specific written recommendation of such Panel PR Firm.

(h) “Panel PR Firm” means any public relations, crisis management or brand management firm specifically retained by the Named Entity in connection with a Reputation Threat or a Reputation Attack but only if such firm is listed at http://www.aig.com/us/panelcounseldirectory under the “ReputationGuard®” link as an approved ReputationGuard® Panel PR Firm at the time the firm is retained.

If no firm listed under the ReputationGuard® link is willing and able to provide crisis communication services to an Insured in connection with a specific Reputation Threat or Reputation Attack, the Named Entity may retain a Panel Affiliate, and such Panel Affiliate shall be treated as a Panel PR Firm solely for that specific Reputation Threat or a Reputation Attack against that specific Insured.

If no firm listed under the ReputationGuard® link and no Panel Affiliate is willing and able to provide crisis communication services to an Insured in connection with a specific Reputation Threat or Reputation Attack, then a public relations, crisis management or brand management firm retained by the Named Entity with the
Insurer’s prior written consent shall be treated as a Panel PR Firm solely for that specific Reputation Threat or a Reputation Attack against that specific Insured.

(i) “Proactive Costs” means Consultation Costs incurred by an Insured in connection with a Reputation Threat prior to the earlier of: (1) a Reputation Attack that arises out of the subject of the Reputation Threat, or (2) the ninetieth (90th) day after the date a Panel PR Firm was first hired in response to the Reputation Threat.

(j) “Publication” means the dissemination via any medium (including but not limited to dissemination via print, video, audio, electronic, or digital or digitized form) of previously non-public information or opinion specifically concerning an Insured or a Covered Brand; provided, however, that “Publication” does not mean the reporting or disclosure of any financial information, financial projections or estimates, any communication seeking or opposing the consummation of any transaction that requires a security holder, debt holder or other stakeholder or management vote or approval, or any internal communication directed only to an Insured’s executives and/or employees.

(k) “Related Event” means any Reputation Threat or Reputation Attack that: (1) is an extension, expansion or Publication of another Reputation Threat or Reputation Attack; or (2) arises out of, is based upon or is attributable to the same or related facts that are or were the subject of another Reputation Threat or Reputation Attack.

(l) “Reputation Attack” means any Publication by a Third Party that the Named Entity believes: (1) will be seen by any Insured’s stakeholders (including, but not limited to, actual or potential customers, investors, creditors, vendors, employees, suppliers or regulators) as a material breach of trust, and (2) is likely to have an adverse impact on the public perception of an Insured or a Covered Brand.

(m) “Reputation Threat” means any act or event that the Named Entity believes would, if disclosed in a Publication: (1) be seen by any Insured’s stakeholders (including, but not limited to, actual or potential customers, investors, creditors, vendors, employees, suppliers or regulators) as a material breach of trust, and (2) have an adverse impact on the public perception of an Insured or a Covered Brand. A “Reputation Threat” ceases upon the earlier of any Publication or any Reputation Threat becoming the subject of a Reputation Attack.

(n) “Response Costs” means, to the extent incurred by an Insured specifically in response to a Reputation Attack:

(1) Consultation Costs; and
(2) Targeted Communications Costs;

provided, however, Response Costs shall not include the cost of providing any notice or making any disclosure required by law or contract.

(o) “Targeted Communications Costs” means any public relations, communications and marketing expenses (including, but not limited to, the cost of crisis communications-related advertising, printing, mailing, brand monitoring and the operation of a
telephone or internet hotline or answer line) incurred within the Communication Cost Period commencing at the time of the first Publication of a Reputation Attack, but only to the extent that such public relations, communications and marketing expenses are incurred at the recommendation of a Panel PR Firm as a targeted response, specifically designed to address a Reputation Attack.

(p) “Third Party” means any person or entity other than an Insured, the directors or officers of any Insured, or any of their respective affiliates, agents, successors or assigns.

3. EXCLUSIONS

The Insurer shall not be liable to make any payment for Loss in connection with any Reputation Attack or Reputation Threat arising out of, based upon or attributable to any:

(a) change in population, economic conditions, customer tastes or competitive or business environment;
(b) bankruptcy or insolvency of any Insured; provided, however, the Insurer shall pay Loss in connection with a public announcement arising out of the actual or anticipated filing of a bankruptcy petition by or on behalf of an Insured, subject to a sublimit of $50,000 for all such Loss; provided further that such amount is part of, and not in addition to, the Limit of Liability and the Sublimit of Liability applicable to this Coverage Section.
(c) criticism of an Insured’s financial performance, or any change in the financial rating of an Insured or of any security issued by an Insured;
(d) direct and foreseeable consequence of an Insured’s decision to change or discontinue the use of any business strategy, manufacturing process, vendor, supplier or distributor;
(e) acquisition or merger strategy, any actual or threatened acquisition of or by an Insured, or any merger of an Insured by or with any other entity; or
(f) strike or similar labor action, war, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions.
4. COINSURANCE

The Coinsurance percentage applicable to this Coverage Section shall be borne by the Insureds and remain uninsured. Payments of any Coinsurance percentage by an Insured shall not reduce the Limit of Liability or the Sublimit of Liability for this Coverage Section.

5. REPUTATION THREAT OR REPUTATION ATTACK TERMS AND CONDITIONS

Before coverage will apply for Loss under this ReputationGuard Coverage Section:

(a) The Named Entity shall provide written notice to the Insurer of a Reputation Threat or Reputation Attack as soon as practicable after the Named Entity first retains a Panel PR Firm in connection with such Reputation Threat or Reputation Attack. Such notice must be provided no later than fourteen (14) days after the Named Entity’s retention of such Panel PR Firm; provided, however, if the Named Entity has purchased a Crisis Preparedness Program from such Panel PR Firm, notice may be given no later than thirty (30) days after the Named Entity’s retention of such Panel PR Firm.

(b) If a Reputation Threat or Reputation Attack in response to which the Named Entity has first retained a Panel PR Firm during the Policy Period is reported in accordance with paragraphs (a) of this Clause, then the Named Entity shall be deemed to have first retained a Panel PR Firm during the Policy Period for any subsequent Related Events.

(c) Each Insured shall give the Insurer full cooperation and such information as it may reasonably require.

(d) Payment of covered Loss shall be made by the Insurer no later than ninety (90) days after the presentation and written acceptance by the Insurer of satisfactory proof of loss. The cost and expense of establishing or proving an Insured’s Loss under this ReputationGuard Coverage Section, including but not limited to the cost and expense of preparing a proof of loss, shall be such Insured’s obligation, and are not covered under this policy.

Right to Void Coverage: The Insurer shall have the right to void coverage under this ReputationGuard Coverage Section, ab initio, whether by rescission or otherwise, in the event that:

(1) the application, statements, warranties or representations materially affected either the acceptance of the risk or the hazard assumed by the Insurer under this Coverage Section and any Insured knew that the application or such statements, warranties and representations were not accurate and complete; or

(2) any Insured had knowledge of any fact or information as of the Continuity Date that would lead a reasonable person to believe that a Reputation Threat or Reputation Attack might occur during the Policy Period.
This endorsement, effective at 12:01 AM forms a part of

Policy number

Issued to:

By:

PCI-DSS ASSESSMENT COVERAGE ENDORSEMENT
(SUBLIMIT)

This endorsement modifies insurance provided under the following:

Specialty Risk Protector®
Security and Privacy Coverage Section

In consideration of the premium charged, it is hereby understood and agreed that Clause 4. LIMIT OF LIABILITY of the Security and Privacy Coverage Section is amended by adding the following paragraph to the end thereof:

The maximum liability of the Insurer for all amounts payable in connection with PCI-DSS Assessments shall be $[AMOUNT]. The amount set forth in this paragraph shall be part of and not in addition to the Limit of Liability and the Sublimit of Liability for the Security and Privacy Coverage Section.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.
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__________________________________
AUTHORIZED REPRESENTATIVE
This endorsement, effective at 12:01 AM forms a part of

Policy number

Issued to:

By:

**CYBEREDGE CYBER MEDIA ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**Specialty Risk Protector®**  
**Media Content Coverage Section**

In consideration of the premium charged, it is hereby understood and agreed that the **Media Content Coverage Section** is amended as follows:

1. In Clause 2. **DEFINITIONS** of the Media Content Coverage Section, paragraph (f) “Material” is deleted in its entirety and replaced as follows:

   (f) “Material” means electronic, digital or digitized media content displayed on a Company’s website, including advertising, audio, video and written content.

2. In Clause 2. **DEFINITIONS** of the Media Content Coverage Section, paragraph (k) “Wrongful Act” is deleted in its entirety and replaced as follows:

   (k) “Wrongful Act” means any act, error, omission, negligent supervision of an employee, misstatement or misleading statement by an Insured solely in connection with Material occurring on or after the **Retroactive Date** and prior to the end of the **Policy Period** that results solely in:

   (1) infringement of copyright, title, slogan, trademark, trade name, trade dress, mark, service mark, service name, infringement of domain name, deep-linking or framing, including, without limitation, unfair competition in connection with such conduct;

   (2) plagiarism, piracy or misappropriation or theft of ideas under implied contract or other misappropriation or theft of ideas or information; including, without limitation, unfair competition in connection with such conduct;

   (3) invasion, infringement or interference with rights of privacy or publicity, false light, public disclosure of private facts, intrusion and commercial appropriation of name, persona or likeness; including, without limitation, emotional distress or mental anguish in connection with such conduct; or

   (4) defamation, libel, slander, product disparagement or trade libel or other tort related to disparagement or harm to character or reputation; including, without limitation, unfair competition, emotional distress or mental anguish in connection with such conduct.
3. In Clause 3. EXCLUSIONS, paragraphs (h), (p) and (s) are deleted in their entirety and replaced with the following:

(h) alleging, arising out of, based upon or attributable to any unfair or deceptive business practices, including, without limitation, violations of any local, state or federal consumer protection laws.

(p) alleging, arising out of, based upon or attributable to (1) false advertising or misrepresentation in advertising, (2) any failure of goods, products or services to conform with an advertised quality or performance, or (3) any infringement of trademark or trade dress by any goods, products or services displayed or contained in any Material.

(s) alleging, arising out of, based upon or attributable to any infringement of copyright related to software, source code or software license.

4. The following paragraph is added to Clause 3. EXCLUSIONS:

This policy shall not cover Loss in connection with a Claim made against an Insured alleging, arising out of, based upon or attributable to: (1) corporate financial data of a Company; (2) infringement of copyright, trademark, trade dress or other intellectual property right by a Company’s name or by a product manufactured or sold by a Company; or (3) Material posted on a Company’s internal system or intranet.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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AUTHORIZED REPRESENTATIVE