

ADMIRALPRO DELTA[®] TEC

TECHNOLOGY E&O AND CYBER LIABILITY

THIS IS A CLAIMS-MADE AND REPORTED POLICY WHICH APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD AND, AS APPLICABLE, THE EXTENDED REPORTING PERIOD. THE POLICY'S LIMITS OF LIABILITY WILL BE REDUCED BY THE AMOUNTS PAID FOR DAMAGES AND CLAIM EXPENSES. PLEASE READ THE ENTIRE POLICY CAREFULLY.

Words in bold are defined terms within SECTION IV, the Definitions section of this Policy. Throughout this Policy, the words you and your refer to the **Insured** as defined in SECTION IV. The words we, us and our or company refer to Admiral Insurance Company. The word Policy refers to this Policy of insurance.

In consideration of the premium paid and in reliance on the statements made in the application and the information and documents provided to the Company by the **Insured**, all of which are made a part of this Policy, and subject to its terms and conditions (including all endorsements), the Company agrees with the **Insured** as follows:

SECTION I. THIRD PARTY INSURING AGREEMENTS—WHAT THE COMPANY INSURES

COVERAGE A. – TECHNOLOGY ERRORS AND OMISSIONS AND PROFESSIONAL LIABILITY

We will pay on behalf of the **Insured** those amounts, in excess of the **Third Party Wrongful Act Deductible** and subject to the Third Party Limits of Liability as stated on the Declarations, which the **Insured** is legally obligated to pay as **Damages** and **Claim Expenses** because of a **Claim**, and which directly results from the following **Wrongful Acts** committed by the **Insured**:

- A. **Professional Services Wrongful Acts**; or
- B. **Technology Products Wrongful Acts**;

Provided that:

1. the **Wrongful Act** took place within the **Policy Territory**, and
2. the **Wrongful Act** was committed on or after the Third Party **Wrongful Acts** retroactive date and prior to the expiration or termination date of this Policy, and
3. the resulting **Claim** is first made against you during the **Policy Period** and reported to us in writing either during the **Policy Period** or during any applicable extended reporting period as described in SECTION VI. Extended Reporting Period.

COVERAGE B. – NETWORK SECURITY AND DATA PRIVACY LIABILITY

We will pay on behalf of the **Insured** those amounts, in excess of the **Third Party Wrongful Act Deductible** and subject to the Third Party Limits of Liability as stated on the Declarations, which the **Insured** is legally obligated to pay as **Damages** and **Claim Expenses** because of a **Claim** and which directly results from a **Network Security and Data Privacy Wrongful Act** provided that:

- A. the **Network Security and Data Privacy Wrongful Act** took place within the **Policy Territory**, and
- B. such **Network Security and Data Privacy Wrongful Act** was committed on or after the Third Party **Wrongful Acts** retroactive date and prior to the expiration or termination date of this Policy, and
- C. the resulting **Claim** is first made against you during the **Policy Period** and reported to us in writing either during the **Policy Period** or during any applicable extended reporting period as described in SECTION VI. Extended Reporting Period.

COVERAGE C. – MEDIA AND CONTENT LIABILITY

We will pay on behalf of the **Insured** those amounts, in excess of the **Third Party Wrongful Act Deductible** and subject to the Third Party Limits of Liability as stated on the Declarations, which the **Insured** is legally obligated to pay as **Damages** and **Claim Expenses** because of a **Claim**, or liability **Assumed Under Contract**, and which directly results from a **Media Wrongful Act** committed by the **Insured**, provided that:

- A. the **Media Wrongful Act** took place within the **Policy Territory**, and
- B. such **Media Wrongful Act** was committed on or after the Third Party **Wrongful Acts** retroactive date and prior to the expiration or termination date of this Policy, and
- C. the resulting **Claim** is first made against you during the **Policy Period** and reported to us in writing either during the **Policy Period** or during any applicable extended reporting period as described in SECTION VI. Extended Reporting Period.

COVERAGE D. – REGULATORY PROCEEDINGS COVERAGE

We will pay on behalf of the **Insured** those **Claim Expenses** and **Fines and Penalties**, in excess of the **Third Party Wrongful Act Deductible** and subject to the Third Party Limits of Liability as stated on the Declarations, which are imposed on the **Insured** by civil authorities following a **Regulatory Proceeding** addressing a covered **Privacy Breach Event**, provided that:

- A. the **Privacy Breach Event** was first committed or first occurred on or after the Third Party **Wrongful Acts** retroactive date and prior to the expiration or termination date of this Policy, and
- B. the **Regulatory Proceeding** is brought within the **Policy Territory**, and
- C. the **Regulatory Proceeding** is first brought against you during the **Policy Period** and reported to us in writing either during **Policy Period** or during any applicable extended reported period as described in SECTION VI. Extended Reporting Period.

SECTION II. FIRST PARTY INSURING AGREEMENTS-WHAT THE COMPANY INSURES

Only those insuring agreements indicated in the Declarations with a First Party Limit of Liability other than NIL shall be applicable to the **Insured's** coverage hereunder. If the First Party Limit of Liability on the Declarations shows NIL, that portion of this Policy was not purchased by the **Insured** and no coverage shall apply for the corresponding insuring agreement(s).

COVERAGE A. – PRIVACY BREACH EXPENSES

We will pay on behalf of the **Insured** those **Privacy Breach Expenses** in excess of the **First Party Deductible** and subject to the **Privacy Breach Expenses** Limit of Liability as shown on the Declarations, directly resulting from a **Privacy Breach Event**, provided that:

- A. the **Privacy Breach Event** takes place within the **Policy Territory**, and
- B. the **Privacy Breach Event** first occurs on or after the First Party retroactive date and prior to the expiration or termination date of this Policy, and
- C. the **Privacy Breach Event** is first discovered during the **Policy Period**, and
- D. the **Privacy Breach Event** is reported to us immediately but in no event longer than the minimum time period required by any applicable **Privacy Law**.

COVERAGE B. – BUSINESS INTERRUPTION AND ELECTRONIC DATA RESTORATION COVERAGE

We will reimburse the **Insured** those **Electronic Data Restoration Expenses**, the loss of **Business Income** and **Extra Expense**, in excess of the **First Party Deductible** subject to the Business Interruption and **Electronic Data Restoration Expense** Limit of Liability as shown on the Declarations and which directly result from a **Privacy Breach Event** or an **Electronic Data Loss Event**, provided that:

- A. the **Privacy Breach Event** or **Electronic Data Loss Event** takes place within the **Policy Territory**, and
- B. the **Privacy Breach Event** or **Electronic Data Loss Event** first occurs on or after the First Party retroactive date and prior to the expiration or termination date of this Policy, and
- C. the **Privacy Breach Event** or **Electronic Data Loss Event** is first discovered during the **Policy Period**, and
- D. the **Privacy Breach Event** or **Electronic Data Loss Event** is reported to us immediately during the **Policy Period** or any applicable extended reported period as described in SECTION VI. Extended Reporting Period, and
- E. the **Electronic Data Restoration Expenses** and loss of **Business Income** are incurred within the **Indemnity Period**.

SECTION III. THE COMPANY'S RIGHTS AND DUTIES

- A. We have the right and duty to defend and pay on behalf of the **Insured** any **Claim Expenses** directly resulting from any covered **Claim** to which this insurance applies and will do so even if the allegations of the **Claim** are groundless, false or fraudulent. The **Insured** may recommend counsel whom it wishes to retain to defend any covered **Claim**; provided, however, we have the right to appoint counsel of our choosing to defend the **Insured**. Our duty ends when we have used up the Policy's applicable Limit of Liability in the payment of **Damages** and/or **Claim Expenses** or have deposited the Policy's remaining applicable Limit of Liability with a court of competent jurisdiction. We have no obligation or duty to defend any **Claim** for which coverage is excluded or not otherwise afforded by the Policy and we are not obligated to pay any **Claim Expenses** incurred by the **Insured** in the defense of any **Claim** excluded or otherwise not covered by the Policy.
- B. We have the right and duty to pay on behalf of the **Insured** any **Privacy Breach Expenses** to which this insurance applies that directly result from a covered **Privacy Breach Event**. Our duty ends when we have used up the Policy's applicable Limit of Liability in the payment of **Privacy Breach Expenses** or have deposited the Policy's remaining applicable Limit of Liability with a court of competent jurisdiction. We have no obligation or duty to respond to or cover any **Privacy Breach Expenses** directly relating to, in connection with or arising from a **Privacy Breach Event** for which coverage is excluded or not otherwise afforded by the Policy. We are not obligated to pay any **Privacy Breach Expenses** incurred by the **Insured** prior to the **Insured's** reporting the **Privacy Breach Event** to us or which are excluded or otherwise not covered by the Policy.
- C. We have the right and duty to reimburse the **Insured** for any **Electronic Data Restoration Expenses** or loss of **Business Income** to which this insurance applies directly resulting from a covered **Electronic Data Loss Event** or **Privacy Breach Event**. Our duty to reimburse ends when we have used up the Policy's applicable Limit of Liability in the payment of **Electronic Data Restoration Expenses** or loss of **Business Income**. We have no duty to reimburse any **Electronic Data Restoration Expenses** or loss of **Business Income** directly relating to, in connection with or arising from an **Electronic Data Loss Event** or **Privacy Breach Event** for which coverage is excluded or not otherwise afforded by the Policy. We have no duty to reimburse any **Electronic Data Restoration Expenses** or loss of **Business Income** incurred by the **Insured** prior to the **Insured's** reporting the **Electronic Data Loss Event** or **Privacy Breach Event** to us or which is excluded or otherwise not covered by the Policy.
- D. We have the right to investigate, direct the defense, negotiate and, with the consent of the **Named Insured**, settle any **Claim** as we deem practical. If the **Named Insured** refuses to accept the judgment of the trial or appellate court or refuses to consent to any settlement we can negotiate, then subject to the Policy's remaining applicable Limit of Liability, our liability for such **Claim** is limited to and shall not exceed:
1. the amount for which such **Claim** could have been resolved and **Claim Expenses** incurred through the date of the **Named Insured's** refusal; and
 2. eighty percent (80%) of any further covered **Claim Expenses** incurred following the date of the **Named Insured's** refusal, with the remaining twenty percent (20%) of such further **Claim Expenses** and all **Damages** in excess of the amount for which the **Claim** could have been settled to be the sole responsibility of, and paid by the **Named Insured**.

SECTION IV. DEFINITIONS

- A. **Assumed Under Contract** means liability for **Damages** resulting from a **Media Wrongful Act**, where such liability has been assumed by an **Insured** in the form of a written hold harmless or written indemnity agreement that predates the actual or alleged **Media Wrongful Act**.
- B. **Bodily Injury** means physical injury, sickness, disease or mental anguish including resultant death sustained by any person.
- C. **Business Income** means the net income before income taxes which would have been earned had no **Privacy Breach Event** or **Electronic Data Loss Event** occurred, and any reasonable, continuing, and normal operating expenses that were a result of the **Privacy Breach Event** or **Electronic Data Loss Event**, and were incurred during the **Indemnity Period**. Calculation of the loss of **Business Income** shall be based on an analysis of the revenues and costs generated during each month of the twelve months prior to the loss occurring and will also take into account the reasonable projection of future profitability or otherwise had no loss occurred and will include all material changes in market conditions which would affect the future profits generated. Your requests for reimbursement shall be accompanied by a computation of the loss. This shall set out in detail how the loss has been calculated and what assumptions have been

made. You will produce any documentary evidence, including any applicable reports, books of accounts, bills, invoices and other vouchers and copies which we may require. You will afford every assistance in our investigations including submitting, under oath, to the sworn statement of the validity of such loss and its calculation. Any payments under **Business Income** will be reduced, where applicable, by the extent to which you:

1. Use damaged or undamaged **Electronic Data**, or
2. make use of available stock, merchandise or other **Electronic Data**, and
3. use substitute facilities, equipment or personnel; and

are subject to our final determination of the loss of **Business Income**.

D. **Business Information** means information of a third party held by an **Insured** that is subject to a written confidentiality agreement or confidentiality provision of a written contract between the **Named Insured** and the third party owner of the information.

E. **Claim** means:

With respect to SECTION I. Coverages A., B., and C., a written demand for money, services, non-monetary relief or injunctive relief, including service of **Suit** or arbitration proceedings made against any **Insured**, in connection with or arising from **Wrongful Acts** otherwise covered by this Policy, and with respect to SECTION I. Coverage D., a **Regulatory Proceeding** instituted against an **Insured**.

F. **Claim Expenses** means:

1. As respects a **Claim** covered under SECTION I. Coverages A., B., and C.,
 - a. Reasonable and necessary legal fees, costs and expenses directly resulting from the investigation, adjustment, settlement and/or defense of a **Claim**;
 - b. Reasonable and necessary expenses charged by a vendor designated or approved in writing by us to investigate the **Unauthorized Access or Unauthorized Use** of the **Insured's Computer System** from which **Protected Information** has been accessed in order to determine the manner in which such information was accessed. Such expenses will not include (a) salaries, wages, fees, remuneration, overhead, benefits or expenses of an **Insured**, or (b) costs or expenses incurred to prevent future or subsequent **Unauthorized Access or Unauthorized Use** of the **Insured's Computer System**;
 - c. All interest on the full amount of any covered judgment that accrues after entry of the judgment and before we have paid, offered to pay, or have deposited into a court of competent jurisdiction that part of the judgment which is within the remaining applicable Limits of Liability; and
 - d. The premiums for appeal, attachment or similar bonds, but only for bond amounts within the applicable Limits of Liability. We do not have to furnish these bonds.
2. As respects a covered **Regulatory Proceeding** as detailed in SECTION I. Coverage D.;
 - a. Reasonable and necessary legal fees, costs and expenses directly resulting from the investigation and defense of a **Regulatory Proceeding**; and
 - b. Reasonable and necessary expenses charged by a vendor designated or approved in writing by us to investigate the **Privacy Breach Event** which directly resulted in the **Regulatory Proceeding**, however such costs do not include (a) salaries, wages, fees, remuneration, overhead, benefits or expenses of an **Insured**, or (b) costs or expenses incurred to prevent future or subsequent **Unauthorized Access or Unauthorized Use** of the **Insured's Computer System**.
3. **Claim Expenses** as respects SECTION I. Coverages A., B., C., and D., do not include:
 - a. salaries, wages, fees, remuneration, overhead, benefits or expenses of an **Insured**;
 - b. **Damages**, fines, penalties, fees, or taxes levied or assessed against an **Insured**;
 - c. fees, costs, or expenses incurred by the **Insured** prior to the time that a **Claim** is made or which are paid or incurred without our prior written consent. These unilaterally incurred fees, costs or expenses will not be reimbursed by us and will not reduce any deductible under the Policy;

- d. the costs incurred or to be incurred by or on behalf of an **Insured** in connection with the inspection, investigation, withdrawal, alteration, recall, reprocessing, restoration, replacement, retraction, amendment, reprinting, reproduction, remediation, correction, enhancement, upgrading or other modification of audio, visual, digital or informational material;
 - e. the costs of inspecting, investigating, correcting, performing, re-performing, modifying or improving the **Insured's Professional Services**, whether by the **Insured** or another person or entity, when the **Insured** had the opportunity to inspect, investigate, correct, perform, re-perform, modify or improve on the conduct or service that gave rise to the **Claim**;
 - f. the costs and expenses required to comply with any injunctive or other non-monetary equitable, declaratory, regulatory or administrative relief, including specific performance, or any agreement to provide such relief;
 - g. any **Privacy Breach Expenses**, or costs to implement, upgrade or maintain any security measures of the **Insured's Computer System**; or
 - h. any **Electronic Data Restoration Expenses**.
- G. **Damages** means any monetary judgment, award, or settlement including prejudgment and post-judgment interest and punitive or exemplary damages (if insurable under the applicable law most favorable to the insurability of punitive or exemplary damages), which the **Insured** becomes legally obligated to pay as the direct result of a covered **Claim**.
- Damages** do not include:
- 1. any amount for which the **Insured** is not liable or is not legally obligated to pay,
 - 2. taxes, fines or monetary penalties; or multiples thereof; unless such **Fines And Penalties** are as a result of a covered **Regulatory Proceeding**,
 - 3. liquidated damages, or the multiple portion of any multiplied damages,
 - 4. matters uninsurable under the laws applicable to this Policy,
 - 5. past, present and future earned and unearned royalties, profits, fees, costs, expenses, commissions, and profits unlawfully or unjustly held or obtained, including the return, offset, disgorgement or restitution of such royalties, profits, fees, costs, expenses, commissions, and profits unlawfully or unjustly held or obtained,
 - 6. the costs and expenses of complying with any injunctive or other non-monetary equitable, declaratory, regulatory or administrative relief, including specific performance, or any agreement to provide such relief,
 - 7. discounts, prizes, awards, coupons or other incentives offered to the **Insured's** clients or customers, or
 - 8. any **Privacy Breach Expenses**, or costs to implement, upgrade or maintain any security measures for the **Insured's Computer System**, or
 - 9. any **Electronic Data Restoration Expenses** or loss of **Business Income**.
- H. **Electronic Data** means intangible electronic property, information, or software stored or utilized by the **Insured's Computer System** in the ordinary course of their business operations, however it does not include funds, securities, currency or financial instruments of any kind, whether electronic or not.
- I. **Electronic Data Loss Event** means:
- 1. an **Unauthorized Access or Unauthorized Use** which renders **Electronic Data** corrupted, unusable, irretrievable, destroyed or otherwise results in the inability of the **Insured** to access **Electronic Data**.
 - 2. the introduction of **Malicious Code** which renders **Electronic Data** corrupted, unusable, irretrievable, destroyed or otherwise results in the inability of the **Insured** to access **Electronic Data**.
- J. **Electronic Data Restoration Expenses** means the reasonable and necessary costs charged by a vendor designated or approved in writing by us to restore, replace or recreate **Electronic Data** to its condition immediately prior to the **Electronic Data Loss Event** or **Privacy Breach Event** but only for such costs that are as a direct result of a covered **Electronic Data Loss Event** or **Privacy Breach Event**.

Electronic Data Restoration Expenses do not include:

1. any costs attributed to an upgrade or improvement of the **Insured's Computer Systems** beyond what existed prior to the **Electronic Data Loss Event** or **Privacy Breach Event**,
2. salaries, wages, fees, remuneration, overhead, benefits or expenses of any **Insured**, or
3. costs to repair or replace the **Insured's Computer System**.

K. **Employee** means:

1. any person who has an assigned work schedule for the **Insured** and is on the **Insured's** regular payroll; and
2. any person who is leased to the **Insured** through a staffing or temporary agency and is working for the **Insured** under the **Insured's** supervision;
3. any volunteer, student or intern working under the **Insured's** supervision in the pursuit of the **Insured's Professional Services**.

An **Employee's** status as an **Insured** will be determined as of the date of the **Wrongful Act** upon which a **Claim** involving that **Employee** is based.

L. **Event** means a **Privacy Breach Event** or an **Electronic Data Loss Event**.

M. **Extra Expense** means:

1. reasonable and necessary costs incurred by the **Insured** in order to verify an **Electronic Data Loss Event** or **Privacy Breach Event**; these costs may include but are not limited to those costs charged by third party consultants or computer forensic experts;
2. reasonable and necessary costs incurred by the **Insured** in order to continue your **Professional Services** after an **Electronic Data Loss Event** or **Privacy Breach Event**, however these costs are only reimbursable if incurred with the companies prior written consent and do not include any expenses that would not have been incurred in the absence of an **Electronic Data Loss Event** or **Privacy Breach Event**;
3. other reasonable and necessary costs incurred by the **Insured** in order to mitigate the **Electronic Data Loss Expenses** or loss of **Business Income** after an **Electronic Data Loss Event** or **Privacy Breach Event** has been verified, however these costs are reimbursable only if incurred with our prior written consent.

N. **Fines and Penalties** means civil fines or penalties levied upon the **Insured** by a governmental or industry regulatory body arising from a covered **Regulatory Proceeding**. Such amounts are subject to the Third Party Aggregate Limit of Liability.

Fines and Penalties do not include:

1. matters uninsurable under the law, or
2. any costs incurred to comply with or to fulfill an injunction or non-monetary judgment or order, or
3. any costs incurred to comply with or to fulfill a contractual requirement or mandate.

O. **First Party Deductible** means the deductible amount stated on the Declarations which will apply to **Privacy Breach Expenses**, **Electronic Data Restoration Expenses** and loss of **Business Income** as a result of an **Event** to which this insurance applies.

P. **Indemnity Period** means the period beginning 12 hours after the date and time of the discovery of the **Privacy Breach Event** or **Electronic Data Loss Event** and ending not later than three months thereafter.

Q. **Insured** means:

1. the **Named Insured**;
2. any **Subsidiary** or **Newly Acquired Entity**;
3. any past or present **Employees**, principals, partners, executive officers or directors but only while acting within the scope of their duties as such;
4. any past or present independently contracted natural person but only while acting on behalf of, at the direction of and under the control of the **Named Insured** or its **Employees**, principals, partners, executive officers or directors; except where the natural person is an **Outsourced Service Provider**;

5. any spouse or the legally recognized domestic partner (whether by state or federal law) of any person otherwise qualifying as an **Insured** but only with respect to their status as such;
 6. in the event of death, incapacity, bankruptcy or insolvency of any **Insured**, such **Insured's** heirs, estate, executors, administrators and legal representative in his or her capacity as such, but only with respect to matters for which the **Insured** otherwise would have been entitled to coverage under this Policy.
- R. **Insured's Computer System** means computers and associated hardware, software, or firmware, including network devices and backup components owned, leased, operated or controlled by the **Named Insured**, or an **Outsourced Service Provider**, whether on-site or off-site, and used in the ordinary course of the **Named Insured's Professional Services**; however it does not include hardware, firmware or software of any third party provider of connectivity, terrestrial or satellite communication services to the **Insured**.
- S. **Malicious Code** means an unauthorized, unwanted or harmful program, code or script, including, but not limited to, viruses, trojan horses, worms, time or logic bombs, spyware, malware, spiderware, ransomware or other electronic infections.
- T. **Media** means material or information in audio, digital, electronic, broadcast or printed format including software.
- U. **Media Wrongful Act** means any of the following actual or alleged unintentional and unknowing conduct directly relating to, in connection with or arising out of the publication, transmission, display, broadcast, web cast, dissemination, distribution or release of **Media** by the **Insured** or on behalf of the **Insured**, whether for itself or for others for a fee:
1. libel, slander or defamation;
 2. invasion or infringement of an individual's right to privacy or publicity;
 3. disparagement of another's goods, products or services;
 4. plagiarism or misappropriation of ideas;
 5. infringement of copyright, trademark, title, slogan, trade name, trade dress, service mark, service name; or
 6. detrimental reliance upon the negligent content of **Media**.
- V. **Mediation** means the voluntary and nonbinding process by which the **Insured** and claimants agree to use a neutral and qualified third party to intercede between the **Insured** and claimants with the intention to reconcile the **Insured** and claimant to resolve a **Claim**. Court ordered or imposed mediation or other court ordered dispute resolution are not considered **Mediation** for the purposes of this coverage.
- W. **Named Insured** means the entity or individual named on the Declarations.
- X. **Network Security and Data Privacy Wrongful Act** means the **Insured's** unintentional and unknowing failure to prevent a **Privacy Breach Event** or failure to prevent **Unauthorized Access or Unauthorized Use** that directly results in:
1. the inability of an authorized third party user to access the **Insured's Computer System**,
 2. the inability of an authorized third party user to access its own computer, communication or network systems;
 3. the failure or corruption of a third party's computer, communication or network systems;
 4. the transmittal or distribution of **Malicious Code** from the **Insured's Computer System** to a third party's computer, communication or network systems;
 5. the perpetuation of a denial of service attack on a third party's computer, communication or network systems;
 6. the violation of a **Privacy Law**;
 7. invasion of an individual person's right to privacy or publicity; or
 8. unauthorized disclosure, release, theft or loss of **Protected Information** including **Protected Information** in the care, custody or control of an **Outsourced Service Provider**.
- Y. **Newly Acquired Entity** means any entity formed or acquired by the **Named Insured** and in which the **Named Insured** has more than 50% of the legal or beneficial interest, or a joint venture or partnership that the **Named Insured** becomes a member of, during the **Policy Period** but only if all of the following conditions are met:
1. within 90 days of the formation of a **Newly Acquired Entity**, the **Named Insured** notifies the Company in writing of the details of such merger, acquisition, or newly created joint venture or partnership; and

2. the **Named Insured** has agreed in writing to any changes in terms and conditions of this Policy related to the **Newly Acquired Entity** and paid any additional premium, if any, charged by the Company; and
 3. the Company has issued a written endorsement specifically noting the addition of the **Newly Acquired Entity** as a **Named Insured** under this Policy.
- Z. **Other Insurance** includes, but is not limited to, coverage or benefits provided by self-insurance arrangements, pools, self-insurance trusts, captive insurance companies, inter-insurance exchanges, mutual insurance companies, stock insurance companies, risk retention groups, reciprocal exchanges, mutual benefit or assistance programs, or any other plan or agreement of risk assumption.
- AA. **Outsourced Service Provider** means a third party independent contractor that provides processing, maintaining or storing of **Electronic Data** or hosting of computer applications for the **Named Insured** under a written contract with the **Named Insured**.
- BB. **Personally Identifiable Information** means, private, personal non-public information concerning a natural person that is protected from unauthorized dissemination by **Privacy Law**, regardless of its format and that has been lawfully collected, stored or otherwise maintained by an **Insured** or **Outsourced Service Provider** acting at the direction of the **Named Insured**.
- CC. **Policy Period** means the period from the inception date stated in the Declarations to the expiration date stated in the Declarations, or its earlier termination date, if any.
- DD. **Policy Territory** means anywhere in the world except countries or states against which the United States has implemented trade or diplomatic sanctions.
- EE. **Privacy Breach Event** means the unintentional failure of the **Insured**, or an **Outsourced Service Provider**, to prevent the theft, accidental release or unintentional and unauthorized disclosure of **Protected Information**.
- FF. **Privacy Breach Expenses** mean the following reasonable and necessary expenses incurred by the **Insured** or for the **Insured**, which are required in order for the **Insured** to comply with applicable **Privacy Laws** or to minimize potential **Damages** which may otherwise covered under this Policy:
1. Notification Expense
Expenses charged by a vendor designated or approved in writing by us to notify an individual person of the release of **Personally Identifiable Information** as a result of a **Privacy Breach Event**.
 2. Credit Monitoring Expense
Expenses charged by a vendor designated or approved in writing by us to provide credit monitoring services to an individual person affected by a **Privacy Breach Event** and for a period of 12 months from the date of enrollment in such credit monitoring services.
 3. Cyber Investigation Expense
Expenses charged by a law firm or vendor designated or approved in writing by us to investigate a **Privacy Breach Event** in order to determine whether the **Insured** has an obligation to provide notice under **Privacy Law**. Such costs do not include (a) salaries, wages, fees, remuneration, overhead, benefits or expenses of an **Insured**, or (b) costs or expenses incurred to prevent future or subsequent **Privacy Breach Events**.
Cyber Investigation Expense does not mean the costs or expenses charged or incurred to restore, replace, remediate, repair, correct, enhance, upgrade or otherwise modify, improve or make changes to the **Insured's Computer System** following, or as a result of, an actual or attempted **Privacy Breach Event**.
 4. Crisis Management Expense
Expenses charged by a public relations firm, law firm or crisis management firm designated or approved in writing by us to perform crisis management services in order to minimize potential **Damages** resulting from a **Privacy Breach Event**.

5. Cyber Extortion Expense

Monies paid at the request of a person or organization, with the company's prior written consent and the cooperation of law enforcement authorities, for the purpose of ending a threat to:

- a. Disclose **Protected Information**,
- b. Introduce **Malicious Code** into the **Insured's Computer System**,
- c. Corrupt, damage or destroy the **Insured's Computer System**,
- d. Restrict or hinder access to the **Insured's Computer System**,
- e. Electronically communicate with the **Named Insured's** customers and impersonate the **Named Insured** in order to obtain **Protected Information**.

Such costs do not include salaries, wages, fees, remuneration, overhead, or benefits of an **Insured** however the reasonable and necessary expenses incurred by the **Insured** with our prior written consent in order to investigate or end the threat are considered Cyber Extortion Expenses.

6. Call Center Expenses

Expenses charged by a third party call center, designated or approved in writing by us, to answer the questions of individuals affected by such **Privacy Breach Event**.

7. Legal Expenses

Expenses charged by attorneys designated or approved in writing by us, in order to determine the **Insured's** indemnification rights under a written contract with any independent contractor, third party vendor or **Outsourced Service Provider** that may be legally responsible for the **Privacy Breach Event**.

GG. **Privacy Law** means statutes pertaining to the protection and collection of non-public personal identifiable information as defined in those statutes.

HH. **Professional Services** means those services as described in Item I. of the Declarations which are performed by or on behalf of the **Named Insured** and include **Technology Services**.

II. **Professional Services Wrongful Act** means any negligent act, error or omission or series of related negligent acts, errors or omissions actually or allegedly committed in connection with the performance of **Professional Services**.

JJ. **Property Damage** means:

1. physical injury to, or loss or destruction of, tangible property, including the loss of use thereof; or
2. loss of use of tangible property which has not been physically injured, lost, damaged or destroyed.

KK. **Protected Information** means **Personally Identifiable Information** or **Business Information** that is legally and permissibly in the **Insured's** possession or under the **Insured's** control. This does not include records that are lawfully available to the general public for any reason, including but not limited to information from federal, state or local government records.

LL. **Regulatory Proceeding** means a formal request to the **Insured** by a regulatory body or regulator for documentation, participation in, investigation or a civil proceeding directly arising from the **Insured's** actual or alleged violation of any **Privacy Law**.

MM. **Related Claims** means **Claims** based upon, arising from, in consequence of, directly or indirectly resulting from, or involving in any way continuous, repeated, the same, related, or substantially similar facts, circumstances, subjects, situations, decisions, causes, persons, transactions, events, classes of persons or events, or a continuous, repeated, the same, related, or a substantially similar series of facts, circumstances, subjects, situations, decisions, persons, transactions, class of persons or events.

NN. **Related Events** means **Privacy Breach Events** or **Electronic Data Loss Events** based upon, arising from, in consequence of, directly or indirectly resulting from, or involving in any way continuous, repeated, the same, related, or substantially similar facts, circumstances, subjects, situations, decisions, causes, persons, transactions, events, classes of persons or events, or a continuous, repeated, the same, related, or a substantially similar series of facts, circumstances, subjects, situations, decisions, persons, transactions, class of persons or events.

- OO. **Subsidiary** means any entity listed on the **Named Insured's** Application for this Policy and in which the **Named Insured**, as of the effective date of the Policy, either:
1. directly or indirectly owns more than fifty percent (50%) of the issued and outstanding voting equity securities; or
 2. controls voting rights representing the present right to vote for election or to appoint more than fifty percent (50%) of the directors or trustees.
- PP. **Suit** means a civil proceeding in which **Damages** or entitlement to equitable relief resulting from a **Wrongful Act** are alleged. **Suit** includes an arbitration proceeding to which the **Insured** is required to submit, or to which the **Insured** has submitted with our written consent.
- QQ. **Technology Products** means:
1. Software developed, sold or licensed to others by the **Insured** for use in connection with the **Insured's Professional Services**, and that are sold or provided by the **Insured** at the time such **Professional Services** were delivered to a third party for compensation; and
 2. Computer and Telecommunications hardware, firmware, or any related electronic product or equipment specifically created by or intended for use in connection with the **Insured's Professional Services**, and that are sold or provided by the **Insured** at the time such **Professional Services** were delivered to a third party for compensation however this does not include any of the above mentioned if those products have been recalled by the **Named Insured**.
- RR. **Technology Products Wrongful Acts** means the failure of **Technology Products** to perform the function or serve the purpose intended.
- SS. **Technology Services** means any of the following services performed by or on behalf of the **Named Insured** for others for compensation:
1. Computer hardware or electronic component design, integration, maintenance, repair or support;
 2. Computer firmware or software design, development, integration and support;
 3. Computer system design, integration and analysis;
 4. Information technology:
 - a. Consulting,
 - b. Staff augmentation; or
 - c. Outsourcing;
 5. Internet service provider (ISP);
 6. Network:
 - a. Hosting,
 - b. Management;
 - c. Security; or
 - d. Security outsourcing;
 7. Records management or storage;
 8. Search engine optimization and related services;
 9. Value added resale of computer hardware or software;
 10. Web portal services;
 11. Web site design or hosting;
 12. Application Service Provider, or
 13. Training involving any of the above.
- TT. **Third Party Wrongful Act Deductible** is the deductible amount stated on the Declarations which will apply to **Claim Expenses** and **Damages** as a result of a **Wrongful Act** to which this insurance applies.
- UU. **Unauthorized Access or Unauthorized Use** means access to or the use of the **Insured's Computer System** by a person or organization that is not authorized to do so, or the access to or use of the **Insured's Computer System** by an authorized person in an unauthorized manner.

VV. **Wrongful Act** means **Professional Services Wrongful Act, Technology Products Wrongful Act, Media Wrongful Act, Network Security and Data Privacy Wrongful Act.**

SECTION V. EXCLUSIONS

We shall not be liable to defend, pay, indemnify or reimburse the **Insured** with respect to any **Claim, Event** or **Suit** based upon, resulting from, arising out of, in consequence of, or in any way in connection with or involving, directly or indirectly:

A. Intentional Acts

1. Any actual or alleged dishonest, fraudulent, criminal or malicious act, error, or omission by an **Insured**. However, this exclusion does not apply to **Claim Expenses** incurred in defending any such **Claim** until such time as there is a final adjudication, judgment, binding arbitration, or conviction of any **Insured**, or an admission of such conduct by the **Insured**. This exclusion does not apply to those **Insureds** who did not intentionally and knowingly commit, acquiesce or participate in this conduct.
2. The execution, creation, or commission, by the **Insured**, of a denial of service attack or the execution, creation or commission of **Malicious Code** which limits or prevents the use of the **Insured's Computer System** or any third party's computer system or network, however, this exclusion does not apply to claim expenses incurred in defending any such claim until such time as there is a final adjudication, judgment, binding arbitration, decision or conviction of any **Insured**, or an admission of such conduct by the **Insured**. This exclusion does not apply to those **Insureds** who did not intentionally and knowingly commit, acquiesce or participate in this conduct.
3. Any actual or alleged gaining of any profit or advantage to which the **Insured** is not legally entitled, however this exclusion does not apply to **Claim Expenses** incurred in defending any such **Claim** until such time as there is a final adjudication, judgment, binding arbitration, decision or conviction of any **Insured**, or an admission of such conduct by the **Insured**. This exclusion does not apply to those **Insureds** who did not intentionally and knowingly commit, acquiesce or participate in this conduct.

B. Bodily Injury or Property Damage

Any actual or alleged:

1. **Bodily Injury**, however this exclusion does not apply to **Bodily Injury** sustained by a natural person as a direct result of a **Network Security and Data Privacy Wrongful Act**,
2. **Property Damage**.

C. Mechanical Failure

Any electrical or mechanical failures, including power interruption, surge, brownout or blackout, or defect of telephone, telecommunications, or data transmission lines, services, equipment or infrastructure. However, this exclusion shall not apply to any such failure wholly attributable to a **Professional Services Wrongful Act**.

D. Unsolicited Communication

The unsolicited dissemination of any communication to actual or prospective customers of the **Insured** or any third party, including, but not limited to, actions brought under the Telecommunications Act, the CAN-SPAM Act, or any other federal, state or local legislation, regulation or law protecting a person's or entity's right of seclusion or privacy, however this exclusion does not apply to **Network Security and Data Privacy Wrongful Acts**.

E. Government Enforcement

Any seizure, nationalization, confiscation, destruction, deletion or other malicious or harmful conduct, action or inaction by or on behalf of or in the name or right of any local, state, federal, or foreign administrative, governmental, quasi-governmental, regulatory or governmentally approved agency, tribunal, body, person or similar or equivalent entity of any **Protected Information** or computer, hardware, software or electronic system held or used by the **Insured**.

F. Contractual Liability

1. Any actual or alleged breach of contract, warranty, guarantee or promise; however this exclusion shall not apply to:
 - a. Any liability the **Insured** would have had in the absence of such contract, or
 - b. the portion of any such contract related specifically to the safeguarding of **Protected Information** if such contract was executed prior to the date of the actual or alleged breach of contract.
 - c. the **Insured's** unintentional breach of a contract as a result of an otherwise covered **Claim** or **Event**.

2. any liability of others assumed by the **Insured** under any contract or agreement, either oral or written, including the defense, indemnification or reimbursement of others assumed by the **Insured** under contract, however this exclusion shall not apply to:
 - a. any liability the **Insured** would have had in the absence of such contract,
 - b. a **Claim** or **Event** to the extent the **Named Insured** has assumed such liability in the form of a written contract that was executed prior to the first **Claim** or **Event**.

G. Prior Knowledge

1. Any actual or alleged **Event, Wrongful Act, Related Event, Related Claim**, fact, circumstance, subject, decision, transaction, situation or cause which has been reported, noticed or identified to any other insurance carrier, third party administrator or claims handler under any other insurance Policy, application or agreement.
2. Any **Event, Wrongful Act, Related Event, Related Claim**, fact, circumstance, subject, decision, transaction, situation or cause of which the person signing the Application for this Policy or any of the **Insured's** current, former or future director, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Technology Officer, Chief Privacy Officer, President, or equivalent position was aware prior to the Effective Date of this Policy or any other Policy issued by us if such **Event, Wrongful Act, Related Event, Related Claim**, fact, circumstance, subject, decision, transaction, event, situation or cause could reasonably have been expected to give rise to a **Claim** or **Event**.
3. Any actual or alleged **Event, Wrongful Act, Related Event** or **Related Claim** committed or which took place in whole or in part before the Third Party Wrongful Acts Retroactive Date or the First Party Retroactive Date of this Policy, as set forth on the Policy's Declarations Page.
4. Any prior or pending litigation, **Event, Wrongful Act, Related Event, Related Claim**, fact, circumstance, subject, decision, transaction, situation, cause, proceeding or investigation made, presented, transmitted, filed or commenced on or before the Effective Date of this Policy, or alleging or derived from the same litigation, **Event, Wrongful Act, Related Event, Related Claim**, fact, circumstance, subject, decision, transaction, situation, cause, proceeding or investigation underlying or alleged therein.

H. Discrimination

1. Any actual or alleged unlawful discrimination of any kind, based on, but not limited to, race, creed, religion, ethnic background, national origin, age, handicap, sex, sexual orientation, gender identification, genetic information, marital status or financial condition.
2. Any actual or alleged wrongful employment practice including but not limited to any refusal to employ, termination of employment, employment policies or procedures, coercion, demotion, evaluation, retaliation, reassignment, discipline, defamation, harassment, humiliation, failure to promote, wrongful disciplinary action, deprivation of career opportunity, inadequate work place, whistle-blowing, and labor disputes for any reason.

I. Sexual Abuse

Any actual or alleged sexual abuse, sexual molestation, sexual advances or sexual misconduct or any behavior or communications intended to lead to, or culminating in sexual abuse, sexual molestation, sexual advances or sexual misconduct.

J. Antitrust

Any actual or alleged antitrust, restraint of trade, unfair, false or deceptive trade practice, or violation of any federal, state, local or foreign legislation, regulation or law involving or prohibiting any antitrust activity, price fixing, price discrimination, monopoly or monopolization, predatory pricing, unfair competition, collusion, conspiracy or unfair, false, misleading or deceptive trade or business practice.

K. False Advertisement

Any actual or alleged inaccurate, false, misleading, deceptive or fraudulent description, representation or promotion of the products, services or business of the **Insured**.

L. Securities Violation

Any actual or alleged violation of any federal, state, local or foreign securities-related legislation, regulation or law.

M. Patent

Any actual or alleged patent infringement or theft, copying, misappropriation, display or publication of any patent.

N. Trade Secret

Any misappropriation, theft, copying, display, publication, or broadcast of any trade secret by any **Insured**, former **Insured** or former **Employee**, or with the knowledge, assistance, participation or cooperation of any **Insured**, former **Insured** or former **Employee**.

O. Product Recall

Any costs or expenses incurred by the **Insured** or others on behalf of the **Insured**, to inspect, investigate, withdraw, alter, recall, reprocess, restore, replace, retract, amend, reprint, reproduce, remediate, correct, enhance, upgrade or otherwise modify any product, service or media of or for the **Insured**, or any part of any such product, service or media unless such costs or expenses are incurred as a result of a covered **Electronic Data Loss Event** or **Privacy Breach Event**.

P. Insured vs. Insured

Against an **Insured** that is brought by or on behalf of:

1. any other **Insured**; however, this exclusion shall not apply to an otherwise covered **Claim** by a past or present **Employee** alleging a **Network Security and Data Privacy Wrongful Act** but only if such **Employee** of the **Named Insured** or any past or present officer, director, or trustee of the **Named Insured** or any **Subsidiary** did not commit, participate in or contribute to such **Network Security and Data Privacy Wrongful Act**;
2. any entity which is owned or controlled by, is under common ownership or control with the **Insured**;
3. any person or entity which owns or controls any entity included within the definition of **Insured**; or
4. any entity of which the **Insured** is a director, officer, partner or principal shareholder.

Q. Governmental Actions

1. Any federal, state, local or foreign administrative, governmental, or regulatory agency, tribunal, body or similar or equivalent entity; however, this exclusion shall not apply:
 - a. where a **Claim** is brought by any of these entities, if such entity is also a client and the **Claim** arises from an actual or alleged **Wrongful Act** based on, resulting from, arising out of, in consequence of, or in any way in connection with or involving, directly or indirectly the parties' business relationship; or
 - b. in the event of a covered **Regulatory Proceeding**.
2. any trade or licensing agency, body, entity, society or tribunal, including but not limited to the American Society of Composers, Authors and Publishers, the Recording Industry Association of America, or Broadcast Music, Inc.

R. Nuclear

Any nuclear reaction, nuclear radiation, radioactive contamination, radioactive substance, electromagnetic field, electromagnetic radiation, or electromagnetism.

S. Hostile Acts

Any war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), rebellion, revolution, insurrection, war-like action, coup, usurped powers or military power however this exclusion shall not apply to cyber terrorism which results in a **Claim** or **Event**. Cyber terrorism means any act, including force or violence, or the threat thereof expressly directed against the **Insured's Computer System**, which is made by an individual or a group of individuals, whether acting alone or on behalf of, or in connection with any organization or government, to cause unauthorized access to, unauthorized use of, or targeted denial of service attack or transmission of unauthorized, corrupting or harmful software code to the **Insured's Computer System**, for the purpose of furthering social, ideological, religious, economic or policy objectives, intimidating or coercing a government or the civilian population thereof, or disrupting any segment of the economy.

T. Sanctions

Any economic or trade sanction imposed by the United States, including but not limited to, sanctions administered and enforced by The United States Treasury Department's Office of Foreign Assets Control ("OFAC").

U. Natural Disaster

Any fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, or other act of God.

V. Pollution

Any presence, discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, oil or other petroleum substances or derivatives, waste materials or other irritants, contaminants, pollutants or any other substances, including asbestos, fungus, mold and lead, which are or may be injurious to public health, property or the environment. ("hazardous substances") including:

1. the cost of clean up or removal of hazardous substances;
2. the cost of such actions as may be necessary to monitor, assess or evaluate, the presence, discharge, dispersal, escape, release, or threat of same, of hazardous substances;
3. the cost of disposal of hazardous substances or the taking of such other action as may be necessary to temporarily or permanently prevent, minimize, or mitigate damage to the public health or welfare or to property or the environment, which may otherwise result; or
4. any cost, based upon, arising from, in consequence of, directly or indirectly resulting from, or involving in any way any government direction or request that the **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize hazardous substances.

W. Workers Compensation

Any actual or alleged liability under any Workers' Compensation, Unemployment Compensation, Disability Benefits Law, the Employee Retirement Income Security Act of 1974, as amended, FELA, or any similar federal, state, local or foreign legislation, regulation or law.

X. Unauthorized Data Collection

Any unlawful, unauthorized or undisclosed obtaining, gathering, collecting, acquiring, using, distribution or sale of any information of any type, nature or kind by an **Insured**, including but not limited to **Protected Information** however, this exclusion does not apply to any **Insured** who did not intentionally and knowingly commit, acquiesce or participate in this conduct or in the absence of a final judgment, adjudication or binding arbitration ruling adverse to such **Insured**.

SECTION VI. EXTENDED REPORTING PERIOD

- A. As a condition precedent to obtaining an Automatic Extended Reporting Period (AERP) or an Extended Reporting Period (ERP), the full premium of this Policy, premium for endorsements or audits, and payment of deductibles must have been paid in full. Neither the AERP nor the ERP reinstate or increase the Limits of Liability. Neither the AERP nor the ERP extend the **Policy Period** or change the scope of coverage afforded by this Policy.

1. Automatic Extended Reporting Period

If we or you cancel or non-renew this Policy for any reason other than non-payment of premium, non-payment of deductible, non-compliance with any terms and conditions of this Policy, fraud or material misrepresentation, then you shall be entitled to an Automatic Extended Reporting Period (AERP) period of (60) sixty days from the date of Policy expiration or cancellation to report **Claims** or **Events** in writing to us which are first made against the **Insured** during the **Policy Period** and arise out of a **Wrongful Act, Privacy Breach Event, Regulatory Proceeding** or **Electronic Data Loss Event** which takes place subsequent to the Third Party Wrongful Acts Retroactive Date or First Party Retroactive Date and prior to the Policy expiration or cancellation date. If the ERP in item 2. below is purchased, then this AERP shall be included within such ERP and will not further extend such ERP.

2. Extended Reporting Period

If we or you cancel or non-renew this Policy for any reason other than non-payment of premium, non-payment of deductible, non-compliance with any terms and conditions of this Policy, fraud or material misrepresentation, then you shall be entitled to purchase an ERP from the options below. The ERP would begin on the date the Policy expires or is cancelled and would entitle the Insured to notify us in writing of **Claims** or **Events** which are first made against the **Insured** during the **Policy Period** or ERP and arise out of a **Wrongful Act, Privacy Breach Event, Regulatory Proceeding** or **Electronic Data Loss Event** which takes place subsequent to the Third Party Wrongful Acts retroactive date or First Party Retroactive Date and prior to the Policy expiration or cancellation date.

3. ERP Options
 - a. One year for a premium not to exceed 100% of the annual premium,
 - b. Two years for a premium not to exceed 150% of the annual premium.
 - c. Three years for a premium not to exceed 175% of the annual premium.
4. In order to purchase the ERP, you must provide us with written notice of your intention to do so no later than (30) thirty days after the expiration or cancellation date of this Policy and must include full payment of premium for the ERP at that time. The entire ERP premium is fully earned and non-refundable as of the date you notify us in writing of your intent to purchase the ERP and full payment must be made at that time for the ERP to apply.

SECTION VII. LIMITS OF LIABILITY AND DEDUCTIBLE

- A. The Third Party Limit of Liability as specified in the Declarations and the rules detailed below fix the maximum amount we are obligated to pay for all **Damages** and **Claim Expenses** from each **Claim** or **Related Claims** under this Policy, as detailed in SECTION I. THIRD PARTY INSURING AGREEMENT. The Third Party Limits of Liability shall be subject to the Third Party Aggregate Limit as specified in the Declarations and shall be part of, and not in addition to, the Policy Aggregate Limit of Liability specified in the Declarations.
- B. The First Party Limits of Liability specified in the Declarations and the rules detailed below fix the maximum amount we are obligated to pay for all **Privacy Breach Expenses**, **Electronic Data Restoration Expense**, or loss of **Business Income** under this Policy, as detailed in SECTION II. FIRST PARTY INSURING AGREEMENT. The First Party Limits of Liability are subject to the First Party Aggregate Limit specified in the Declarations and shall be part of, and not in addition to the Policy Aggregate Limit of Liability specified in the Declarations.
- C. The Policy Aggregate Limit as specified in the Declarations is the most we will pay under this Policy for all **Claims** or **Events** and once the Policy Aggregate Limit has been exhausted there will be no further duty to defend the **Insured** for a **Claim** or **Event** which may otherwise be covered by this Policy.
- D. Applicable rules to the Limits of Liability
 1. The applicable Limit of Liability stated in the Declarations is the maximum we will pay regardless of the number of **Insureds**, individuals or organizations that make a **Claim**, the number of **Claims** made, or the number of **Regulatory Proceedings**, **Privacy Breach Events** or **Electronic Data Loss Events**.
 2. Our duty to defend will end when our Limits of Liability have been exhausted by payment of **Damages**, **Claims Expenses**, **Privacy Breach Expenses**, **Electronic Data Restoration Expenses** or loss of **Business Income**, or have been deposited with a court of competent jurisdiction.
 3. If any of the Limits of Liability as shown in the Declarations shows NIL, that portion of this Policy is not applicable and no coverage shall apply for the corresponding insuring agreement(s).
 4. If the Third Party Aggregate Limit of Liability or the First Party Aggregate Limit of Liability is exhausted, the premium for this Policy shall be deemed fully earned.
- E. Deductible
 1. The **Third Party Wrongful Acts Deductible**, as shown in the Declarations, applies separately to each **Claim**, (including **Related Claims**) and shall be paid by the **Named Insured**. This **Third Party Wrongful Act Deductible** applies to covered **Claim Expenses**, **Damages** and **Fines and Penalties**. The Third Party Wrongful Acts Limits of Liability as stated on the Declarations will apply in excess of the **Third Party Wrongful Acts Deductible**.
 2. The **First Party Deductible**, as shown in the Declarations, applies separately to each **Event**, (including **Related Events**), and shall be paid by the **Named Insured**. This **First Party Deductible** applies to covered **Privacy Breach Expenses**, **Electronic Data Restoration Expenses** and loss of **Business Income**. The First Party Limits of Liability as shown on the Declarations will apply in excess of the **First Party Deductible**.
 3. At our discretion, we may advance payment of part, or all of the **Third Party Wrongful Acts Deductible** amount or the **First Party Deductible** amount, and upon notification of such payment being made, the **Named Insured** must promptly reimburse the Company for the amounts advanced by us.

4. **Mediation of a Claim**

If **Mediation** is used as a means to resolve a **Claim** made against the **Insured** as respects a covered **Wrongful Act**, and such **Claim** is resolved solely, directly and immediately by the **Mediation**, then the **Third Party Wrongful Act Deductible** obligation of the **Named Insured** shall be reduced by 50% subject to a maximum credit of \$25,000. We shall reimburse the **Named Insured** 50% of any portion of the **Third Party Wrongful Acts Deductible** payment made to us by the **Named Insured** prior to the **Mediation** as soon as practicable after the conclusion of the **Mediation**.

SECTION VIII. OTHER CONDITIONS

A. **RELATED CLAIMS AND RELATED EVENTS**

1. All **Related Claims**, whenever made, shall be deemed to be a single **Claim**, regardless of:
 - a. the number of **Related Claims**;
 - b. the number or identity of claimants;
 - c. the number or identity of **Insureds** involved or against whom **Related Claims** have been or could have been made;
 - d. whether the **Related Claims** are asserted in a class action or otherwise; or
 - e. the number and timing of the **Related Claims**, even if the **Related Claims** comprising such single **Claim** were made in more than one **Policy Period**.

All **Related Claims** shall be treated as a single **Claim** made when the earliest of such **Related Claims** was first made, or when the earliest of such **Related Claims** is treated as having been made under Condition B. 1. below, whichever is the earlier date.

2. All **Related Events**, whenever occurring, shall be deemed to be a single **Privacy Breach Event**, or **Electronic Data Loss Event** regardless of:
 - a. the number of **Related Events**;
 - b. the number or identity of **Insureds** involved; or
 - c. the number and timing of the **Related Events**, even if the **Related Events** comprising such single **Privacy Breach Event** or **Electronic Data Loss Event** occurred in more than one **Policy Period**.

All **Related Events** shall be treated as a single **Privacy Breach Event** or **Electronic Data Loss Event** occurring when the earliest of such **Related Events** first occurred.

B. **REPORTING OF CLAIMS, EVENTS AND INCIDENTS**

1. The **Named Insured** must give Admiral written notice as soon as practicable, but in no event later than the Policy expiration, the cancellation date, or AERP or ERP expiration date, whichever is latest, of any **Claim** or any **Event** or incident which may reasonably be expected to give rise to a **Claim** against an **Insured** to which this Policy applies. That notice shall be made to:

Admiral Insurance Company
Attn: Claims Department
Mt. Laurel Corporate Park
1000 Howard Blvd., Suite 300, P.O Box 5430
Mt. Laurel, NJ 08054
ADMCLAIMS@ADMIRALINS.COM
(856) 429-9200

2. If the **Insured** becomes aware of an **Event** that first takes place during the **Policy Period** and may be covered by this Policy, the **Insured** must provide written notice of such **Event** to the Insurer as soon as practicable, but in no event later than the expiration date of the Policy or AERP, or no longer than the minimum time period required by the applicable **Privacy Law**.
 - a. The **Insured** must immediately send copies to the Company of any demands, notices, or legal papers received in connection with any **Event**, and must authorize the company to obtain records and any other information related to the **Event**.

- b. An **Event** Hotline is available for consultation at your sole expense, unless the Company has otherwise agreed to pay for such consultation and your Policy shall include an endorsement or notice of the particulars for contacting the **Event** Hotline.
3. The **Named Insured** must immediately notify the company by telephone of any Cyber Extortion Threats to which this insurance may apply under SECTION II. Coverage A **Privacy Breach Expenses**, and
- a. The **Named Insured** shall immediately thereafter provide written notice to the Company by express mail, or email and such written notice shall be required to be received within 5 days following the Cyber Extortion Threat in order to be considered for coverage hereunder;
- b. The **Named Insured** is obligated to keep their purchase of coverage for Cyber Extortion Threats confidential.
4. All **Insureds** must fully assist and cooperate with us in the conduct, defense, investigation, negotiation and settlement of any **Claim** or **Event**. At our request, the **Insured** must submit to an examination under oath; provide us with written statements as requested by us, and attend meetings and negotiations; produce and make available all information, records, documents, and other materials which we deem relevant to the **Claim** or **Event**.
5. All notices of **Claims**, **Events** or incidents which are reasonably expected to result in a **Claim**, must provide the following information: the potential claimant(s) by name or description, the names of the **Insureds** involved, the time, date, location and the description of the specific incident which forms the basis of the **Claim**, **Event** or potential **Claim** including the nature of the potential **Damages** arising from such specific **Claim** or incident, the circumstances by which the **Insured** first became aware of the specific **Claim**, **Event** or incident; and the reason the **Insured** reasonably believes the subject incident is likely to trigger coverage under this Policy.
6. As respects any **Claim** or **Event**; the **Insured** must attend hearings, depositions, proceedings, trials and appeals; and assist us in affecting settlements, securing and giving evidence and obtaining the attendance of witnesses, and pursuing or enforcing any right of contribution or indemnity against a person or entity who may be liable to any **Insured**.
7. No **Insured** will, except at its own cost, voluntarily make a payment, admit liability, settle a **Claim**, settle an **Event**, retain attorneys, consultants, or related vendors, or assume any other obligation or incur any other expense without the Company's prior written consent.
8. Immediately send the Company copies of all demands, notices, summonses or legal papers received in connection with the **Claim**, or **Event**. The **Insured** must do whatever is necessary to secure and effect any rights of indemnity, contribution or apportionment that the **Insured** may have. The **Insured** shall accept our assignment of counsel and the **Insured** shall refrain from discussing any **Claim** or **Event** with anyone other than counsel retained to represent the **Insured** or our representatives.
- C. Bankruptcy
- Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate will not relieve us of any of our obligations under this Policy.
- D. Action against Us
- No action shall be brought against us by any **Insured**, unless, as a condition precedent thereto:
1. all **Insureds** have fully complied with all the terms and conditions of this Policy; and
 2. the amount of **Damages** has been fixed or rendered certain:
 - a. by final judgment against the **Insured** after trial of the issues; and
 - b. the time to appeal such judgment has expired without an appeal being taken; and
 - c. if appeal is taken, after the appeal has been determined; and
 - d. the **Claim** is settled in accordance with the terms and conditions of this Policy.
 3. No individual or entity shall have any right under this Policy to join the Company as a party to any **Claim** to determine the liability of any **Insured**; nor shall the Company be impleaded by the **Insured** or his/her/its legal representative in any such **Claim**.
- In no event shall any action brought by anyone be maintained against us unless such action is brought within twenty-four (24) months from the time the right to bring action first became available.

E. How **Other Insurance** Applies

This insurance shall be excess of and not contribute with any valid and collectible **Other Insurance**, that affords coverage for a **Wrongful Act, Regulatory Proceeding, Privacy Breach Event, Electronic Data Loss Event** or loss of **Business Income**. If a Policy issued by us and one or more policies issued by another insurer apply to the same **Claim** or **Event**, our pro-rata share will be determined by the total of the Limits of Liability of our Policy in effect at the time the first **Claim** or **Event** was made and reported to us in writing, and the Limits of Liability of all **Other Insurance**. This condition does not apply to **Other Insurance** that is specifically and intentionally written to apply in excess of the Limits of Liability provided by this Policy.

F. Cancellation

This Policy may be canceled by the **Named Insured** by returning the Policy to us or our authorized representatives or the **Named Insured** can cancel this Policy by written notice to us, stating at what future date cancellation is to be effective. If the **Named Insured** cancels, earned premium shall be computed using the customary short rate table or the amount stated elsewhere in this Policy as Minimum Earned Premium, whichever is greater, subject, however, to a retention by the Company of not less than twenty five percent (25%) of the premium shown on the Declarations.

We can cancel the Policy by written notice to the **Named Insured**, at the address last known to us. We will provide written notice at least thirty (30) days before cancellation is to be effective and the earned premium will be computed pro-rata. However, if we cancel because you fail to pay a premium or deductible when due, only ten (10) days written notice of cancellation will be required and earned premium will be computed using the customary short rate table.

This policy will terminate on the effective date of the cancellation. Return of unearned premium is not a condition of cancellation. Unearned premium will be returned as soon as practicable.

The Company also will not be required to renew this Policy upon its expiration. If the Company elects not to renew this Policy, the Company will mail to the **Named Insured** written notice of nonrenewal at least thirty (30) days prior to the Expiration Date of this Policy. Any offer of renewal on terms involving a change of Deductible, premium, Limit of Liability, or other terms and conditions shall not constitute, nor be construed as, a failure or refusal by the Company to renew this Policy.

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

G. Assignment of the **Insured's** interest

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

H. Transfer of Rights of Recovery/Subrogation

If there is a payment made by us, we shall be subrogated to all of the **Insured's** rights of recovery against any person or organization. The **Insured** will cooperate with us and do whatever is necessary to secure and recover upon these rights, including but not limited to executing any documents necessary to enable us to effectively bring suit in the **Insured's** name. The **Insureds** shall do nothing that may prejudice the Company's position or potential or actual rights of recovery. The obligations of the **Insureds** hereunder shall survive the expiration, cancellation, or termination of this Policy.

Any amount recovered by us upon our exercise of such rights of recovery will be applied on the following terms and in the following order:

1. repayment of our expenses incurred by exercise of such subrogation rights, including the cost of any authorized representatives who assist in that process;
2. repayment of **Damages** or **Claim Expenses, Privacy Breach Expenses, Electronic Data Restoration Expenses** or loss of **Business Income** paid by the **Named Insured** in excess of the Limits of Liability provided by this Policy;
3. **Damages** or **Claim Expenses, Privacy Breach Expenses, Electronic Data Restoration Expenses** or loss of **Business Income** paid by the Company;
4. amounts paid by the **Named Insured** toward the Deductible.

Notwithstanding the foregoing, the Company agrees to waive any right of subrogation hereunder against a client of the **Insured**, with respect to any payment made in connection with a **Claim** or **Event** if prior to the occurrence of any **Wrongful Act, Regulatory Proceeding, Privacy Breach Event, or Electronic Data Loss Event** giving rise to such **Claim** or **Event**, the **Named Insured** had agreed to waive its rights of subrogation against such client pursuant to a prior written contract or agreement.

I. Changes Made to this Policy

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

J. Audit

We may examine and audit your books, records or technology used by the **Named Insured** at any time during the **Policy Period** and within three (3) years after the expiration or termination date of this Policy, as far as they relate to this Policy and the coverage hereunder.

K. Application

The statements contained in the Application, and any and all attachments, constitute the representations of all **Insureds** and are material. This Policy is issued and continued in force by the Company in reliance upon the truth, accuracy and completeness of such representations, which are the basis of this Policy and current as of the date of binding. Upon the binding of coverage, the Application and any and all attachments are incorporated in and form a part of the Policy.

No knowledge or information possessed by any **Insured** shall be imputed to any other **Insured**, except for material facts or information known to the person or persons who signed the application. In the event of any material untruth, misrepresentation or omission in connection with any of the particulars or statements in the application, this Policy shall be void with respect to any **Insured** who knew of such untruth, misrepresentation or omission or to whom such knowledge is imputed.

L. False or Fraudulent Claims

If an **Insured** reports any **Claim** or **Event** knowing such to be false or fraudulent, this Policy shall become void and all insurance coverage hereunder shall be forfeited as to the inception date of this Policy.

M. Terms and Conditions of Policy Conformed to Statute

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

N. Premium

The premium amount for this Policy is stated in the Declarations and is for coverage for the Policy Period. If during the Policy Period there is a change in coverage afforded, we have the right to adjust the premium as of the date of the change. Any premium adjustment shall be made in accordance with our prevailing rules and rates. Premium shown as advance premium is a minimum and deposit premium. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable by notice to the first **Named Insured**. If the premium for this Policy is a flat premium, it is not subject to adjustment.

O. Change in Risk

If, during the **Policy Period**, an **Insured** is dissolved, sold, acquired by, merged into, or consolidated with another entity such that the **Insured** is not the surviving entity; or a third party receiver, conservator, trustee, liquidator, rehabilitator or any similar official is appointed for or with respect to the **Insured**, then coverage under this Policy shall continue in full force and effect until the Expiration Date or any earlier cancellation or termination date, but this Policy shall only apply to **Wrongful Acts, Claims** or **Events** first committed or allegedly committed before the effective date of such change.

If an **insured** becomes aware that any of the particulars provided by the **Insured** in the application attached to this Policy have materially changed then the **Insured** must advise us as soon as is practicable of such changes. We reserve the right to amend the terms, conditions or premium of this Policy accordingly.

P. Entire Agreement

The **Insureds** agree that this Policy, including the application, Declarations and any endorsements, constitutes the entire agreement between them and the Company or any of its agents relating to this insurance.

Q. Economic and Trade Sanctions or Violations of Law

Any **Claim, Event** or other transaction or matter which is uninsurable under any act, statute, rule, regulation, ordinance, common law, or other law of the United States of America concerning trade or economic sanctions or export control laws are not covered under this Policy.