

TECHNOLOGY COVERAGE FORM

Claims-Made

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 LIMIT OF LIABILITY WILL BE REDUCED BY THE AMOUNTS PAID FOR DAMAGES, CLAIM EXPENSES AND PRIVACY BREACH EXPENSES. PLEASE READ THE ENTIRE POLICY CAREFULLY.

Words in **bold** are defined terms within Section II, the Definitions section of this Policy. Throughout this policy, the words **you** and **your** refer to the **Insured** as defined in Section II, I. The words **we**, **us** and **our** refer to Admiral Insurance Company (the "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, 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. INSURING AGREEMENTS

A. What the Company Insures

1. Third Party Liability Coverage:

We will pay on behalf of the **Insured** those amounts which the **Insured** is legally obligated to pay as **Damages** plus **Claim Expenses** in excess of the Deductible directly resulting from:

Professional Services Wrongful Acts;

Media Wrongful Acts;

Network Security Wrongful Acts; or

Privacy Wrongful Acts;

Provided that (a) the subject **Wrongful Act** took place within the Policy territory, and (b) such **Wrongful Act** was committed on or after the retroactive date and prior to the expiration or termination date of this Policy, and (c) the resulting **Claim** is first made during the **Policy Period** and reported to us in writing during the **Policy Period** or any applicable extended reporting period, as described in Section IV, Extended Reporting Period.

2. Regulatory Coverage:

We will pay on behalf of the **Insured** those **Claim Expenses** as detailed in Section II, C. 2. in excess of the Deductible directly resulting from a **Regulatory Proceeding** resulting from a **Privacy Wrongful Act** or a **Privacy Breach Event**,

Provided that the subject **Privacy Wrongful Act** or **Privacy Breach Event** was first committed or first occurred on or after the retroactive date and prior to the expiration or termination date of this Policy and takes place within the Policy territory, and the **Regulatory Proceeding** is: (a) brought within the Policy territory, and (b) brought during the **Policy Period**, and (c) reported to us in writing during the **Policy Period** or any applicable extended reporting period, as described in Section IV, Extended Reporting Period.

3. First Party Privacy Coverage:

We will pay on behalf of the **Insured** those **Privacy Breach Expenses** in excess of the Deductible directly resulting from a **Privacy Breach Event**,

Provided that the **Privacy Breach Event** (a) takes place within the Policy territory, and (b) first occurs on or after the retroactive date and prior to the expiration or termination date of this Policy, and (c) is first discovered during the **Policy Period**, and (d) is reported to us immediately but in no event longer than the minimum time period required by any applicable **Privacy Law**.

B. The Company's Rights and Duties

1. 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**. We have the right to investigate and settle any **Claim** as we deem expedient. 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.

2. We have the right and duty to pay on behalf of the **Insured** any **Privacy Breach Expenses** to which this insurance applies directly resulting 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 and 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 is excluded or otherwise not covered by the Policy.
3. We have the right to investigate, direct the defense, negotiate and, with the consent of the **Named Insured**, settle any **Claim**, as we deem appropriate.
4. 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 (together the "Proposed Resolution Amount"), then, subject to the Policy's remaining applicable Limit of Liability, our liability for such **Claim** is limited to and shall not exceed:
 - a. the amount for which such **Claim** could have been resolved plus the **Claim Expenses** incurred through the date of the **Named Insured's** refusal; and
 - b. fifty percent (50%) of any further **Claim Expenses** incurred following the date of the **Named Insured's** refusal, with the remaining fifty percent (50%) of such further **Claim Expenses** and all **Damages** in excess of the Proposed Resolution Amount to be the sole responsibility of and paid by the **Named Insured** and not us.

SECTION II. DEFINITIONS

- A. **Bodily Injury** means physical injury, sickness or disease sustained by any person, including death resulting at any time, and injury, sickness, disease or death to or of any **Employee** of the **Insured** arising out of and in the course of his or her employment. **Bodily Injury** also includes disability, mental anguish, mental injury, shock or fright directly resulting from **Bodily Injury**.
- B. **Claim** means a written demand or assertion of a legal right for money or services made against any **Insured**. **Claim** shall include a lawsuit or arbitration proceeding seeking injunctive relief relating to, in connection with or arising from **Wrongful Acts** otherwise covered by this Policy.
- C. **Claim Expenses** means:
 1. As respects a covered **Claim** as detailed in Section I, A.1.:
 - 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 computer system or network in the **Insured's** possession from which **Protected Information** has been accessed in order to determine the manner in which such information was accessed. Such costs do not include (a) salaries, wages, fees, remuneration, overhead, benefits or expenses of our or an **Insured's Employees** or officials, or (b) costs or expenses incurred to prevent future or subsequent **Unauthorized Access or Unauthorized Use** of the computer system or network in the **Insured's** possession;
 - 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 Insurance; 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, A. 2.:
 - a. Reasonable and necessary legal fees, costs and expenses directly resulting from the investigation and / or 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 **Unauthorized Access or Unauthorized Use** of the computer system or network in the **Insured's** possession from which **Protected Information** has been accessed in order to determine the manner in which such information was accessed. Such costs do not include (a) salaries, wages, fees, remuneration, overhead, benefits or expenses of our or an **Insured's Employees** or officials, or (b) costs or expenses incurred to prevent future or subsequent **Unauthorized Access or Unauthorized Use** of the computer system or network in the **Insured's** possession.

Claim Expenses do not include as to Section I, A. 1. and Section I, A. 2.:

1. salaries, wages, fees, remuneration, overhead, benefits or expenses of our or an **Insured's Employees** or officials;
 2. **Damages**, fines, penalties, fees, or taxes levied or assessed against an **Insured**;
 3. 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 the deductible under the Policy;
 4. 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;
 5. 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**;
 6. 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; or
 7. any **Privacy Breach Expenses**, or costs to implement, upgrade or maintain any security measures of the computer system or network in the **Insured's** possession.
- D. Damages** means any monetary amount which the **Insured** becomes legally obligated to pay as the direct result of a covered **Claim**, including judgments, awards, damages, settlements to which we have consented in writing, pre-judgment and post-judgment interest awarded which directly arise from and correspond to the portion of any judgment attributable to a covered **Claim**.

Damages does not include:

1. any amount for which the **Insured** is not liable or legally obligated to pay;
2. punitive and exemplary damages, liquidated damages, taxes, fines or penalties;
3. multiples of any compensatory damages, taxes, fines, penalties or liquidated damages;
4. matters uninsurable under the law 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 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;
7. 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**;

8. 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;
9. discounts, prizes, awards, coupons or other incentives offered to the **Insured's** clients or customers; or
10. any **Privacy Breach Expenses**, or costs to implement, upgrade or maintain any security measures of the computer system or network in the **Insured's** possession.

E. Employee means:

1. any person who has an assigned work schedule for 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.

Employee does not include volunteer workers or independent contractors. An **Employee's** status as an **Insured** will be determined as of the date of the **Wrongful Act** upon which a **Claim** involving the **Employee** is based.

F. Insured means:

1. the **Named Insured**;
2. any **Subsidiary**;
3. any **Named Insured's** or **Subsidiary's Employees**, principals, partners, executive officers or directors acting within their capacity and the scope of their duties with respect to the performance of **Professional Services** for or on behalf of the **Named Insured** or any **Subsidiary**; and
4. 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.

G. 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 or other infections or contaminants.

H. Media Wrongful Act means any of the following actual or alleged unintentional and unknowing conduct directly relating to, in connection with or arising from the creation of audio, digital, informational or visual material in electronic form which advertises or promotes the products of or services of the **Insured**:

1. libel, slander or other defamation by the **Insured**;
2. the **Insured's** invasion or infringement of an individual's right to privacy or publicity;
3. the **Insured's** disparaging a person's or organization's goods, products or services;
4. the **Insured's** infringement of copyright, plagiarism or misappropriation of ideas; or
5. the **Insured's** infringement of trademark, title, slogan, trade name, trade dress, service mark or service name;

Media Wrongful Act does not include material in print or in any form other than that transmitted electronically over the Internet or other computer media. **Media Wrongful Act** also does not include scripts or films for theatrical release, radio or television programming, or books, manuals or other content on disk, Kindle, iPad or similar device.

I. Named Insured means the entity or individual named on the Declarations Page.

J. Network Security Wrongful Act means the **Insured's** unintentional and unknowing failure to prevent an **Unauthorized Access or Unauthorized Use** of the computer system or network in the **Insured's** possession that directly results in:

1. the inability of an authorized third party user to access the computer system or network in the **Insured's** possession;
2. the inability of an authorized third party user to access its computer system or network;
3. the failure or corruption of a third party's computer system or network;
4. the transmittal or distribution of **Malicious Code** by the **Insured** to a third party's computer system or network; or
5. the perpetuation of a denial of service attack on a third party's computer system or network.

- K. 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.
- L. 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.
- M. Privacy Breach Event** means the theft or unintentional and unauthorized disclosure of **Protected Information** directly resulting from the **Insured's** unintentional and unknowing failure to safeguard such **Protected Information**, but only to the extent such **Protected Information** was legally and permissibly in the **Insured's** possession at the time such **Privacy Breach Event** occurred.
- N. Privacy Breach Expenses** mean the following reasonable and necessary expenses incurred by or for the **Insured** which are required to comply with applicable **Privacy Laws** or to minimize **Damages** otherwise covered under this Policy:
- 1. Notification Expense**
Reasonable and necessary expenses charged by a vendor designated or approved in writing by us to comply with a **Privacy Law** which requires the **Insured** to notify a **Protected Person** of an **Unauthorized Access or Unauthorized Use** of the **Protected Person's Protected Information**;
 - 2. Credit Monitoring Expense**
Reasonable and necessary expenses charged by a vendor designated or approved in writing by us to provide credit monitoring services to a **Protected Person**, to the extent required by **Privacy Law** or to minimize any **Damages** otherwise covered under this Policy;
 - 3. Cyber Investigation Expense**
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 computer system or network in the **Insured's** possession from which **Protected Information** has been accessed 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 our or an **Insured's Employees** or officials, or (b) costs or expenses incurred to prevent future or subsequent **Unauthorized Access or Unauthorized Use** of the computer system or network in the **Insured's** possession following the first **Privacy Breach Event**.
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 computer system, network or other hardware or software in the **Insured's** possession following or as a result of an actual or attempted **Unauthorized Access or Unauthorized Use**;
 - 4. Crisis Management Expense**
 - a.** Reasonable and necessary 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 to minimize the potential harm resulting from a **Privacy Breach Event**.
 - b.** Such expenses may include extortion amounts paid to a person demanding such payment in return for a promise not to disclose **Protected Information** which has been wrongfully accessed as the result of the **Insured's** unintentional and unknowing failure to safeguard such **Protected Information**, but only if the law enforcement authorities having jurisdiction over the theft of the information have been advised of and do not object to such payment. Such costs do not include salaries, wages, fees, remuneration, overhead, benefits or expenses of our or an **Insured's Employees** or officials.Provided, however, **Crisis Management Expense** shall be subject to the Sublimit of Liability as described in Section V, C.
- O. Privacy Law** means the following laws, to the extent they apply to persons and organizations who lawfully and permissibly obtain or possess a **Protected Person's Protected Information**
1. Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191);
 2. Gramm-Leach-Bliley Act of 1999;
 3. California Security Breach Notification Act (CA SB 1386); and

4. Other similar or equivalent United States or Canadian federal, state or provincial privacy protection legislation that requires organizations that lawfully and permissibly obtain or possess **Protected Information** to post privacy policies, adopt specific privacy or security controls, or notify individuals in the event that **Protected Information** has potentially been unlawfully accessed.
- P. **Privacy Wrongful Act** means any of the following actual or alleged unintentional and unknowing conduct resulting from the **Insured's** unintentional and unknowing failure to safeguard **Protected Information**, but only if such **Protected Information** was legally and permissibly in the **Insured's** possession at the time such **Privacy Wrongful Act** occurred and such failure directly related to, was in connection with or arose from the **Insured's Professional Services**:
1. the **Insured's** violation of a **Privacy Law**; or
 2. the **Insured's** invasion or infringement of an individual's right to privacy or publicity.
- Q. **Professional Services** means the services or activities described on the Declarations Page of this Policy.
- R. **Professional Services Wrongful Act** means any of the following actual or alleged unintentional and unknowing acts committed in connection with the performance of **Professional Services** by the **Insured**:
1. errors, omissions or negligent acts;
 2. libel, slander or other defamation by the **Insured**;
 3. the **Insured's** invasion or infringement of an individual's right to privacy or publicity;
 4. the **Insured's** disparaging a person's or organization's goods, products or services;
 5. the **Insured's** infringement of copyright, plagiarism or misappropriation of ideas; or
 6. the **Insured's** infringement of trademark, title, slogan, trade name, trade dress, service mark or service name.
- S. **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.
- T. **Protected Information** means an individual's name, social security number, medical or healthcare data, other protected health information, drivers license number, state identification number, credit card number, debit card number, address, telephone number, account number, account histories, passwords, or other nonpublic personal information as defined in **Privacy Law**. **Protected Information** 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.
- U. **Protected Person** means a person whose **Protected Information** is protected from unauthorized disclosure or access by a **Privacy Law**.
- V. **Related Events** means **Privacy Breach 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, cause, persons, transactions, event, class of persons or events, or continuous, repeated, the same, related, or a substantially similar series of facts, circumstances, subjects, situations, decisions, persons, transactions, class of persons or events.
- W. **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, cause, persons, transactions, events, class of persons or events, or continuous, repeated, the same, related, or a substantially similar series of facts, circumstances, subjects, situations, decisions, persons, transactions, class of persons or events.
- X. **Regulatory Proceeding** means a formal request to the **Insured** by a regulatory body or regulator for documentation, participation in, investigation or civil proceeding directly arising from the **Insured's** actual or alleged unintentional and unknowing breach or violation of a **Privacy Law**.
- Y. **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.

Z. Unauthorized Access or Unauthorized Use means access to or the use a computer system and network in the **Insured's** possession by a person or organization that is not authorized to do so, or the access to or use of a computer system and network in the **Insured's** possession by an authorized person in an unauthorized manner.

AA. Wrongful Act means **Professional Services Wrongful Act, Media Wrongful Act, Network Security Wrongful Act** or **Privacy Wrongful Act**.

SECTION III. EXCLUSIONS

We shall not be liable to pay, indemnify or reimburse **Damages, Privacy Breach Expenses** or **Claim Expenses** and are not obligated to defend the **Insured** with respect to any **Claim, Regulatory Proceeding** or **Privacy Breach Event** based on, resulting from, arising out of, in consequence of, or in any way in connection with or involving, directly or indirectly, any of the following:

A. Any actual or alleged:

1. dishonest, fraudulent, criminal or malicious act, error or omission by an **Insured**; or
2. an **Insured's** intentional or knowing **Unauthorized Access or Unauthorized Use**, tampering with, denial of service attack, or otherwise limiting or preventing the use of the **Insured's** or any third party's computer system or network.

Provided, however, the above sub-parts shall not apply: (1) to any **Insured** who did not intentionally and knowingly commit, acquiesce or participate in the conduct that gave rise to the **Claim** or **Privacy Breach Event** or (2) in the absence of a final judgment, adjudication or binding arbitration ruling adverse to such **Insured**. Upon such final adverse judgment, adjudication or final arbitration ruling, the **Insured** shall reimburse the Company for all **Damages, Privacy Breach Expenses** and **Claim Expenses** we have incurred or paid.

B. Any actual or alleged gaining in fact of any profit or advantage to which the **Insured** is not legally entitled.

C. Any actual or alleged **Bodily Injury** or **Property Damage**; provided, however, that this exclusion shall not apply to a **Claim** for mental injury, mental anguish, or emotional distress directly resulting from a **Privacy Wrongful Act** or a **Media Wrongful Act**.

D. Any actual or alleged direct creation of **Malicious Code**.

E. Attributable to any actual electrical or mechanical failures, including power interruption, surge, brownout or black-out, or defect of telephone, telecommunications, or data transmission lines, services, equipment or infrastructure; provided, however, that this exclusion shall not apply to any failure wholly attributable to a **Professional Services Wrongful Act**.

F. 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.

G. Any actual or alleged gambling, contest, promotion sweepstakes, lottery or other game of chance, including but not limited to the redemption or over-redemption thereof.

H. 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**.

I. Any actual or alleged breach of contract, agreement, understanding, privacy policy, warranty, or other guarantee or promise; provided, however, with respect to breach of contract only, this exclusion shall not apply to any liability that would have attached to the **Insured** in the absence of such contract.

J. The defense, indemnification, reimbursement or other protection of others or any other liability or obligation assumed by the **Insured** under any contract, agreement, understanding, privacy policy, warranty or other guarantee or promise; provided, however, that this exclusion shall not apply to:

1. liability that would have attached to the **Insured** in the absence of any such contract, agreement, understanding, privacy policy, warranty or other guarantee or promise; or
2. with respect to a **Privacy Wrongful Act** only, the **Insured's** defense, indemnification, reimbursement or other protection of a third party pursuant to a confidentiality or non-disclosure agreement.

- K.** Any actual or alleged **Wrongful Act, Privacy Breach Event, Related Event, Related Claim**, fact, circumstance, subject, decision, transaction, event, situation or cause which has been reported, noticed or identified to any other insurance carrier under any policy, application or other actual or proposed contract, agreement, understanding, or other guarantee or promise.
- L.** Any **Wrongful Act, Privacy Breach Event, Related Event, Related Claim**, fact, circumstance, subject, decision, transaction, event, situation or cause of which the person signing the Application for this Policy or any **Insured's** current, former or future director, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Technology Officer, Chief Privacy Officer, President, In-house General Counsel, partner, principal, Risk Manager, or equivalent position was aware prior to the Effective Date of this Policy or any other policy issued by Us if such **Wrongful Act, Privacy Breach Event, 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 a **Privacy Breach Event**.
- M.** Any actual or alleged **Wrongful Act, Privacy Breach Event, Related Event** or **Related Claim** committed or which took place in whole or in part before the retroactive date of this Policy, as set forth on the Policy's Declarations Page.
- N.** Any prior or pending litigation, **Claim, Privacy Breach Event, Related Event, Related Claim**, fact, circumstance, subject, decision, transaction, event, 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, **Claim, Privacy Breach Event, Related Event, Related Claim**, fact, circumstance, subject, decision, transaction, event, situation, cause, proceeding or investigation underlying or alleged therein.
- O.** Any actual or alleged discrimination of any kind, including, but not limited to, race, creed, religion, ethnic background, national origin, age, handicap, sex, sexual orientation, marital status or financial condition.
- P.** 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.
- Q.** 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, advertising or promotion.
- R.** Any actual or alleged false, misleading, deceptive or fraudulent statement or representation advertising or promoting the products, services or business of the **Insured**.
- S.** Any actual or alleged violation of any federal, state, local or foreign securities-related legislation, regulation or law.
- T.** Any actual or alleged patent infringement or theft, copying, misappropriation, display or publication of any patent, process, style of doing business, idea, confidential or proprietary information, trade secret or other similar information or intellectual property interest other than copyright, title, slogan, trademark, trade name, trade dress, service mark or service name.
- U.** Any costs or expenses incurred by the **Insured** or others 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.
- V.** Against an **Insured** that is brought by or on behalf of:
1. any **Insured**; however, this exclusion shall not apply to an otherwise covered **Claim** by an **Employee** alleging a **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**;
 4. any entity of which the **Insured** is a director, officer, partner or principal shareholder; or
 5. any independent contractor of an **Insured**; provided, however, that this exclusion shall not apply to **Claims** arising out of the **Insured's Professional Services** provided to such independent contractor.

W. Against an **Insured** that is brought by or on behalf of any federal, state, local or foreign administrative, governmental, or regulatory agency, tribunal, body or similar or equivalent entity; however, this exclusion shall not apply where:

1. a **Claim** is brought by any of these entities, if such entity is also a client and the **Claim** arises from actual or alleged **Wrongful Acts** 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
2. a covered **Regulatory Proceeding**.

X. Against an **Insured** by or on behalf of any trade or licensing agency, body, entity, society or tribunal, including but not limited to the American Society of Composers, Authors and Publishers, the Society of European Stage Authors and Composers, the Recording Industry Association of America, or Broadcast Music, Inc.

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

Z. 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.

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

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

CC. Based upon or arising out of the 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").

It is further agreed that this Policy does not apply to any liability, **Damages**, or **Claim Expenses** incurred for or arising out of the following:

1. the cost of clean up or removal of hazardous substances;
2. the cost of such actions as may be necessary to monitor, assess and 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.

DD. Against an **Insured** or any insurer who may be liable under any Workers' Compensation, Unemployment Compensation, Disability Benefits Law, the Employee Retirement Income Security Act of 1974, as amended, or any similar federal, state, local or foreign legislation, regulation or law.

EE. Any actual or alleged unlawful or unauthorized or undisclosed obtaining, gathering, collecting, acquiring, using, distribution or sale of any information of any type, nature or kind including but not limited to **Protected Information**.

SECTION IV. EXTENDED REPORTING PERIOD

A. As a condition precedent to your right to obtain 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 **Regulatory Proceedings** in writing to us which are first made against the **Insured** during the **Policy Period** and arise out of a **Wrongful Act** which takes place subsequent to the 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 **Regulatory Proceedings** which are first made against the **Insured** during the **Policy Period** or ERP and arise out of a **Wrongful Act** which takes place subsequent to the retroactive date and prior to the Policy expiration or cancellation date.

3. ERP Options

- a. One year for a premium not to exceed 125% 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 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 V. LIMITS OF INSURANCE AND DEDUCTIBLE

- A. The Third Party Liability Coverage Limit of Insurance specified in Item II, A. of the Declarations and the rules detailed below fix the maximum amount the Insurer is obligated to pay for all **Damages** and **Claim Expenses** from each **Claim** or **Related Claims** under this Policy, as detailed in Insuring Agreement A. 1. This Limit of Insurance shall be part of, and not in addition to, the Policy Aggregate Limit of Insurance specified in Item II, D. of the Declarations.

The Limits of Insurance detailed for **Professional Services Wrongful Acts**, **Media Wrongful Acts**, **Privacy Wrongful Acts** and **Network Security Wrongful Acts** are a part of, and not in addition to, the Third Party Liability Coverage Limit of Insurance specified in Item II, A. of the Declarations.

- B. The Regulatory Coverage Limit of Insurance specified in Item II, B. of the Declarations and the rules detailed below fix the maximum amount the Company is obligated to pay for all **Claim Expenses** from each **Regulatory Proceeding** under this Policy, as detailed in Insuring Agreement A. 2. The Regulatory Coverage Limit of Insurance shall be part of, and not in addition to, the Policy Aggregate Limit of Liability specified in Item II, D. of the Declarations.

The Regulatory Coverage Limit of Insurance specified in Item II, B. of the Declarations shall also fix the maximum amount the Insurer shall pay for all **Claims Expenses** from all **Regulatory Proceedings** covered under this Policy.

- C. The First Party Privacy Coverage Limit of Insurance specified in Item II, C. of the Declarations and the rules detailed below fix the maximum amount the Company is obligated to pay for all **Privacy Breach Expenses** from each **Privacy Breach Event** or **Related Events** under this Policy, as detailed in Insuring Agreement A. 3. The Privacy Coverage Limit of Insurance shall be part of, and not in addition to, the Policy Aggregate Limit of Liability specified in Item II, D. of the Declarations.

The **Crisis Management Expense** Sublimit of Insurance specified in Item II, C. 1. of the Declarations and the rules detailed below fix the maximum amount the Company is obligated to pay for all **Crisis Management Expense** under this Policy for each **Privacy Breach Event**, as detailed in Insuring Agreement A. 3. The **Crisis Management Expense** Sublimit of Insurance shall be part of, and not in addition to, the First Party Privacy Coverage Aggregate Limit specified in Item II, C. 2. of the Declarations.

The **Crisis Management Expense** Sublimit of Insurance specified in Item II, C. 1. of the Declarations shall also fix the maximum amount the Insurer shall pay for all **Crisis Management Expenses** from all **Privacy Breach Events** and all **Related Events** covered under this Policy.

The First Party Privacy Coverage Aggregate Limit specified in Item II, C. 2. of the Declarations shall fix the maximum amount the Insurer shall pay for all **Privacy Breach Expenses** from all **Privacy Breach Events** and all **Related Events** covered under this Policy.

- D. The Policy Aggregate Limit of Liability specified in Item II, D. of the Declarations shall fix the maximum amount the Insurer shall pay for all **Damages, Claim Expenses, Privacy Breach Expenses** and **Crisis Management Expenses** from all **Claims** and all **Privacy Breach Events**, and all **Related Claims** and all **Related Events** covered under this Policy.

Applicable rules to the **LIMITS OF INSURANCE**:

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** or **Privacy Breach 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** or **Crisis Management Expenses**, or have been tendered to a court of competent jurisdiction.
3. Notwithstanding any other provision of this Policy, the purchase of an Extended Reporting Period shall not under any circumstances increase or reinstate the Limits of Insurance set forth in this Policy unless such increase or reinstatement is specifically provided for by written endorsement.
4. If any Limit of Insurance is exhausted, the premium for this Policy shall be deemed fully earned.

E. DEDUCTIBLE

1. For any **Claim** or **Regulatory Proceeding** made, the Insurer shall be liable for only the amount of the **Claim** or **Regulatory Proceeding**, including **Claims Expenses** and **Damages**, that exceeds the Deductible amount specified in Item III, A. of the Declarations applicable to the Insuring Agreement affording coverage for such **Claim** or **Regulatory Proceeding**. The Insurer has no obligation, either to the **Insured** or to any person or entity, to pay all or any portion of any Deductible amount for or on behalf of any **Insured**.

A single Deductible amount applies to **Claims** made alleging multiple **Wrongful Acts**, or a series of continuous, repeated, same, related or substantially similar **Wrongful Acts**.

2. For any **Privacy Breach Event** covered by this Policy, the Insurer shall be liable for only the amount of the **Privacy Breach Expenses** and **Crisis Management Expenses** that exceeds the Deductible amount specified in Item III, B. The Insurer has no obligation, either to the **Insured** or to any person or entity, to pay all or any portion of any Deductible amount for or on behalf of any **Insured**.

SECTION VI. 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**, 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** occurred in more than one **Policy Period**.

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

B. NOTICE OF CLAIM

1. Third Party Liability Coverage -INSURING AGREEMENT A, 1.

- a. If a **Claim** as to which this Policy applies is made against an **Insured**, the **Named Insured** must give us written notice, as soon as practicable, but in no event later than the Policy expiration or cancellation date, or AERP or ERP expiration date, whichever is latest, at:

Admiral Insurance Company
1255 Caldwell Road
P. O. Box 5725
Cherry Hill, New Jersey 08034
Email: admclaims@admiralins.com
Fax: (856) 429-3630 or admclaimsfax@admiralins.com
Attn: Claims Department – Professional Liability

- b. If, during the **Policy Period**, the **Insured** becomes aware of any **Wrongful Act** which could reasonably be expected to give rise to a **Claim**, the **Named Insured** must provide written notice thereof to the Insurer as soon as practicable, but in no event later than the expiration date of the Policy. The notice shall contain full particulars, including but not limited to:
- (i) the names of the potential claimant and the **Insureds** involved and a time, date, location and description of the specific **Wrongful Act** which forms the basis of the potential **Claim**;
 - (ii) the nature of the potential **Damages** arising from such specific **Wrongful Act**;
 - (iii) the circumstances by which the **Insured** first became aware of the specific **Wrongful Act**; and
 - (iv) the reason the **Insured** reasonably believes the subject **Wrongful Act** is likely to result in a **Claim** being made.

Any **Claim** arising out of such reported **Wrongful Act** shall be treated as a **Claim** made during the **Policy Period** in which such written notice was delivered to us.

2. First Party Privacy Coverage – INSURING AGREEMENT A, 3.

- a. The **Insured** shall report a **Privacy Breach Event** for which coverage is being sought under this Policy immediately, but in no event longer than the minimum time period required by any applicable **Privacy Law**. Such reporting must include full particulars, as more fully described in Condition VI. B. 1. b. above.

3. Insured’s Duties in the Event of Claim, Regulatory Proceeding or Privacy Breach Event.

- a. If there is a **Claim, Regulatory Proceeding** or **Privacy Breach Event**, the **Named Insured** must do the following after the **Insured** has received knowledge of the **Claim, Regulatory Proceeding** or **Privacy Breach Event**, in accordance with the notification requirements described above in Conditions VI. B. 1. and 2.
- (i) Notify the Company in writing immediately. This notice must be sent to the Company as follows:
Admiral Insurance Company
1255 Caldwell Road
P. O. Box 5725
Cherry Hill, New Jersey 08034
Email: admclaims@admiralins.com
Fax: (856)429-3630 or admclaimsfax@admiralins.com
Attn: Claims Department – Professional Liability
 - (ii) All **Insureds** must fully assist and cooperate with us in the conduct, defense, investigation, negotiation and settlement of any **Claim, Regulatory Proceeding** or **Privacy Breach Event**. At our request, the **Insureds** 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, Regulatory Proceeding** or **Privacy**

Breach Event; 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**.

- (iii) The **Insured** must not make any payment, admit any liability, settle any **Claim, Regulatory Proceeding** or **Privacy Breach Event**, assume any obligations, or accept or reject arbitration without our prior written consent. Any payments, settlements or admissions made by the **Insured** without our prior written consent will be made at the **Insured's** own expense.
 - (iv) Immediately send the Company copies of all demands, notices, summonses or legal papers received in connection with the **Claim, Regulatory Proceeding** or **Privacy Breach Event**.
 - (v) The **Insured** must do whatever is necessary to secure and affect any rights of indemnity, contribution or apportionment that the **Insured** may have.
 - (vi) The **Insured** shall accept our assignment of counsel and the **Insured** shall refrain from discussing any **Claim, Regulatory Proceeding** or **Privacy Breach Event** with anyone other than counsel retained to represent the **Insured** or our representatives.
- b. No **Insured** will, except at its own cost, voluntarily make a payment, admit liability, retain attorneys, consultants, or related vendors, or assume any other obligation or incur any other expense without the Company's prior written consent.
- C. 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 **Other Insurance**, whether collectible or not, that affords coverage for a **Wrongful Act** or **Privacy Breach Event**. If a policy issued by us and one or more policies issued by another insurer apply to the same **Wrongful Act** or **Privacy Breach 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 **Privacy Breach 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 provided by this Policy.

F. 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.

G. 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. Among other matters, the **Insureds** 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 its/their 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.

With respect to a **Claim**, any amount recovered upon the exercise of such rights of recovery will be applied on the following terms: first, to the repayment of expenses incurred by exercise of such subrogation rights; second, to **Damages or Claim Expenses** paid by the **Named Insured** in excess of the Limits of Liability; third, to **Damages or Claim Expenses** paid by the Company; and finally, to **Damages or Claim Expenses** paid by the **Named Insured** toward the Deductible. With respect to any **Privacy Breach Event**, any amount recovered upon the exercise of such rights of recovery will be applied on the following terms: first, to the repayment of expenses incurred by exercise of such subrogation rights; second, to amounts paid by the **Named Insured** in excess of the Limits of Liability; third, to amounts paid by the Company; and finally, to 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** if, and to the extent that, prior to the occurrence of any **Wrongful Act** or **Privacy Breach Event** giving rise to such **Claim**, the **Named Insured** had agreed to waive its rights of subrogation against such client pursuant to a prior written contract or agreement.

H. Cancellation

This Policy may be canceled by the **Named Insured** by returning the Policy to us or our authorized representatives. The **Named Insured** can also 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.

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.

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 and records 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.

K. Application

The statements and particulars 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. 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** knowing such **Claim** 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. Territory

This Policy applies to **Wrongful Acts, Regulatory Proceedings and Privacy Breach Events** taking place anywhere in the world except Countries or States against which the United States has implemented trade or diplomatic sanctions.

P. Change in Risk

1. If, during the **Policy Period**, the **Named Insured** acquires or creates another entity (other than a joint venture or partnership, which is addressed below) whose annual revenues are more than ten percent (10%) of the **Named Insured's** total annual revenues as set forth in the most recent Application for insurance, or if the **Named Insured** merges or consolidates with another entity such that the **Named Insured** is the surviving entity (any such acquired, created, merged or consolidated entity, including a new subsidiary, will be identified as the "Acquired Company"), then for a period of sixty (60) days after the effective date of the transaction, such Acquired Company shall be included as an **Insured** but only with respect to: **Network Security Wrongful Acts and Privacy Wrongful Acts** first committed or allegedly committed after the effective date of such transaction; or **Privacy Breach Events** that first occur after the effective date of such transaction. Upon the expiration of the sixty (60) day period, there will be no coverage available under this Policy for any **Claim**, or **Privacy Breach** based on, resulting from, arising out of, in consequence of, or in any way in connection with or involving, directly or indirectly, the Acquired Company unless within such sixty (60) day period:
 - a. the **Named Insured** gives the Company such information regarding such transaction as the Company requests;
 - b. the Company has specifically agreed by written endorsement to this Policy to provide coverage with respect to such Acquired Company and the **Named Insured** accepts any terms, conditions, exclusions or limitations, including payment of additional premium, as the Company, in its sole discretion, imposes in connection with the transaction; and
 - c. the **Named Insured** has paid the additional premium if any, charged by the Company and has agreed to any modifications to this Policy.
2. If, during the **Policy Period**, the **Insured** becomes a member of a new joint venture or partner in a new partnership, there will be no coverage available under this Policy for any **Claim, Damages, Claim Expenses, Privacy Breach Expenses, or Wrongful Act** based on, resulting from, arising out of, in consequence of, or in any way in connection with or involving, directly or indirectly, such joint venture or partnership, unless:
 - a. the **Named Insured** gives the Company such information regarding the new joint venture or partnership as the Company requests; and
 - b. the Company specifically agrees by written endorsement to this Policy to provide coverage with respect to such new joint venture or partnership, and the **Named Insured** accepts any terms, conditions, exclusions or limitations, including payment of additional premium, as the Company, in its sole discretion, imposes in connection with such transaction.
3. If, during the **Policy Period**, any of the following events occur:
 - a. an **Insured** is dissolved, sold, acquired by, merged into, or consolidated with another entity such that the **Insured** is not the surviving entity; or
 - b. a third party receiver, conservator, trustee, liquidator, rehabilitator or any similar official is appointed for or with respect to the **Insured**.

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** first committed or allegedly committed before the effective date of such event; or **Privacy Breach Events** that first occur before the effective date of such event. There will be no coverage available under this Policy based on, resulting from, arising out of, in consequence of, or in any way in connection with or involving, directly or indirectly any **Wrongful Act** committed or allegedly committed on or after the effective date of such event; or any **Privacy Breach Event** that occurs after the effective date of such event.

Q. 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.

P. Economic and Trade Sanctions or Violations of Law

Any **Claim, Privacy Breach 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.

DECLINING