



If the **Named Insured** or the Insurer does not renew this policy, or the Insurer cancels this policy for reasons other than for non-payment of premium, the Insurer will grant an automatic, non-cancelable sixty (60) day **Extended Reporting Period**. This automatic **Extended Reporting Period** terminates sixty (60) days after the end of the **Policy Period**. The Limits of Insurance applicable to **Claims** made during the automatic **Extended Reporting Period** is part of and not in addition to the Limits of Insurance set forth on the Declarations.

No automatic **Extended Reporting Period** is available if the **Named Insured** elects an Optional **Extended Reporting Period**, or if the **Named Insured** obtains another insurance policy that applies to such **Claim** within sixty (60) days immediately following the end of the **Policy Period**.

B. Optional Extended Reporting Period

If this policy is canceled or non-renewed, the **Named Insured** may elect to purchase an Optional **Extended Reporting Period** unless the Insurer cancels or non-renews the policy because any **Insured** failed to pay any amounts owed to the Insurer or any **Insured** failed to comply with policy provisions.

1. The Optional **Extended Reporting Periods** and their respective percentages of the annual premium that the **Named Insured** must pay to purchase an Optional **Extended Reporting Period** are:

One Year = 100% of the annual premium

Two Years = 150% of the annual premium

Three Years = 200% of the annual premium

2. The Insurer must receive the **Named Insured's** request for the Optional **Extended Reporting Period** by written notice together with the applicable premium, within forty-five (45) days after the end of the **Policy Period**. If the Insurer does not receive payment within forty-five (45) days following the effective date of termination or nonrenewal, the Insurer will not be required to provide any Optional **Extended Reporting Period**. Premium for the Optional **Extended Reporting Period** will be fully earned on the effective date thereof. Once in effect, the Optional **Extended Reporting Period** may not be canceled.
3. A **Claim** reported in writing to the Insurer during the Optional **Extended Reporting Period** will be deemed to have been made on the last day of this **Policy Period**.
4. No **Extended Reporting Period** reinstates or increases the Limits of Insurance.

DEFINITIONS

Whether expressed in the singular or plural, whenever appearing in bold in this policy, the following terms have the meanings set forth below.

Additional Insured means a person or entity to which an **Insured Entity** is obligated by virtue of a written contract or agreement to add such person or entity to this policy as an additional insured. Such person or entity, however, is insured only for the vicarious liability of such person or entity because of a **Claim** based upon or arising from the acts or omissions of the **Insured Entity** and only to the extent of the Limits of Insurance required by such contract or agreement, subject to the availability of applicable Limits of Insurance. This paragraph does not apply unless the written contract or agreement has been executed prior to the **Enterprise Security Event** or violation of a **Privacy Regulation** upon which the **Claim** is based. No such person or entity is insured under this policy for its liability arising out of its own acts, errors, or omissions.

Application means each and every signed application, any attachments or supplements to such applications, other written materials submitted therewith or incorporated therein and any other documents, including any warranty letters or



similar documents, submitted in connection with the underwriting of this policy or the underwriting of any other policy issued by the Insurer or any of its affiliates of which this policy is a renewal or replacement, or which it succeeds in time. All such applications, attachments and materials are deemed attached to, incorporated into and made a part of this policy.

Bodily Injury means physical injury to the body, or sickness or disease sustained by a person, including death resulting therefrom. **Bodily Injury** includes mental injury or mental anguish, including emotional distress, shock or fright, whether or not resulting from injury to the body, sickness, disease or death of any person.

Breach Preparedness Information Service means data breach risk mitigation information displayed on the AXIS PRO® e-Risk Hub website.

Claim means an **Enterprise Security Event Claim** or **Privacy Regulation Claim**, as applicable.

Claim Expenses means reasonable and necessary expenses incurred in the investigation, adjustment, negotiation, arbitration, mediation and defense of covered **Claims**, whether paid by the Insurer or by the **Insured** with the Insurer's consent. **Claim Expenses** includes:

1. attorney fees incurred by the Insurer or by the **Insured** with the Insurer's consent;
2. court costs taxed against an **Insured**. However, this does not include attorney's fees or attorney's expenses taxed against the **Insured**;
3. the cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. The Insurer does not have to furnish these bonds; and
4. expenses incurred by an **Insured** at the Insurer's request, excluding:
 - a. loss of earnings; and
 - b. salaries, benefits, or other compensation paid to any **Insured**.

Computer System means computer hardware, software and all components thereof linked together through a network of devices accessible through the internet or the **Insured Entity's** intranet or connected with data storage or other peripheral devices and operated by and either owned by or leased to an **Insured Entity** or operated for the benefit of an **Insured Entity** by a third party service provider and used for the purpose of providing hosted application services to an **Insured Entity**; or for processing, maintaining, or storing electronic data, pursuant to written contract or agreement with an **Insured Entity**.

Consumer Redress Fund means those sums the **Insured** is legally obligated to deposit in a fund as an equitable remedy for the payment of consumer claims resulting from an adverse judgment, ruling, or settlement of a **Privacy Regulation Claim**.

Control Group Insured means an **Insured Entity's** chairperson of the board of directors, president, chief executive officer, chief operating officer, chief financial officer, chief technology officer, chief information officer, chief privacy officer, chief security officer, risk manager or in-house counsel, or their functional equivalents, and the non-administrative personnel of the offices thereof.

Corporate Information means any information owned by a third party and in an **Insured Entity's** care, custody, or control and that an **Insured Entity** is legally required to maintain in confidence.

However, **Corporate Information** does not include **Protected Personal Information**.



Crisis Management Expense means the reasonable costs of those services described in the sub-paragraphs below incurred by or on behalf of an **Insured Entity**, in excess of the **Insured Entity's** normal operating costs and with the prior written approval of the Insurer:

1. preparation, distribution and/or transmission of notices of the **Enterprise Security Event** by reasonable means for the purpose of advising those persons whose **Protected Personal Information** may have been improperly accessed, lost or stolen regardless of whether such notice is mandated by law or regulations, provided that such costs are incurred by an **Insured Entity** to mitigate financial, reputational or other harm in connection with an **Enterprise Security Event**;
2. call center services to answer questions from persons receiving notice in accordance with paragraph 1. above;
3. design and implementation of a website for advising of any purported access, loss of or theft of **Protected Personal Information**.

Provided, however, **Crisis Management Expense** does not mean and does not include **Fraud Response Expense**, **Public Relations Expense** or **Forensic and Legal Expense**.

Damages means monetary judgment, award or settlement, including those that are actual, statutory, punitive, multiplied or exemplary, if permitted by law in an applicable jurisdiction; and attorney's fees and attorney's expense included as part of a judgment, award or settlement. **Damages** also includes interest on any part of a judgment not exceeding the applicable Limits of Insurance that accrues after the entry of the judgment and before the Insurer has paid or tendered or deposited the applicable judgment amount in court.

However, **Damages** does not include:

1. fines or penalties, taxes, loss of tax benefits, or sanctions assessed against any **Insured**;
2. costs to comply with orders granting non-monetary or injunctive relief;
3. royalties, return or offset of royalties, fees, deposits, commissions or charges or any award, calculation or determination of damages based on royalties, licensing fees or profits;
4. any amounts attributable to loss of, theft of or the fluctuation in the value of, monies or securities;
5. disgorgement of unjust enrichment or profits;
6. liquidated damages to the extent such liquidated damages exceed the amount for which the **Insured** would have been liable in the absence of such liquidated damages agreement;
7. any amounts for which the **Insured** is not liable or for which there is no legal recourse against the **Insured**;
8. any amounts deemed uninsurable under the law pursuant to which this policy is construed.
9. any amounts for which an **Insured** is liable pursuant to any **Payment Card Industry Agreement**.

In determining the insurability of punitive or exemplary damages, or the multiplied portion of any multiplied damage award, the law of the jurisdiction most favorable to the insurability of those damages will apply. If the **Named Insured** reasonably determines that punitive or exemplary damages are insurable, the Insurer will not challenge that determination.

Enterprise Security Event means any of the following:



1. accidental release, unauthorized disclosure, theft, or loss of **Protected Data** by an **Insured** or a **Service Contractor**;
2. alteration, corruption, destruction, deletion or damage to data stored on the **Insured's Computer System**;
3. transmitting or receiving **Malicious Code** via the **Insured's Computer System**;
4. unauthorized access to or unauthorized use of the **Insured's Computer System** that directly results in denial or disruption of access of authorized parties;
5. solely with respect to an **Enterprise Security Event Claim**, the **Insured's** failure to:
 - a. timely disclose an incident described in 1. through 3. above in violation of a **Privacy Regulation**;
 - b. comply with its own written and published privacy policy, but solely with respect to provisions:
 - i. prohibiting any **Insured** from disclosing, sharing, or selling **Protected Personal Information**;
 - ii. requiring the **Insured** to provide access to and correct inaccurate or incomplete **Protected Personal Information**; and
 - iii. requiring compliance with procedures to prevent the theft or loss of **Protected Personal Information**.

Enterprise Security Event Claim means a written demand for monetary or non-monetary relief, or a civil proceeding, arbitration or any alternative dispute resolution proceeding, including any appeal therefrom, alleging an **Enterprise Security Event**. **Enterprise Security Event Claim** does not include a **Privacy Regulation Claim**.

Extended Reporting Period means the designated period of time after the cancellation or non-renewal of the **Policy Period** for reporting **Claims** first made against the **Insured** during such designated period of time provided that the **Enterprise Security Event Claim** alleges an **Enterprise Security Event** that first occurred on or after the **Retroactive Date** and prior to the end of the **Policy Period**, or the **Privacy Regulation Claim** alleges a violation of a **Privacy Regulation** that first occurred on or after the **Retroactive Date** and prior to the end of the **Policy Period**.

Extortion Loss means:

1. those reasonable expenses incurred by or on behalf of an **Insured Entity**, after obtaining the Insurer's pre-approval, to evaluate an **Extortion Threat** and to certify that the threat has ended; and
2. those funds paid by the **Insured**, after obtaining the Insurer's pre-approval, to a party or parties that have made an **Extortion Threat**.

However, **Extortion Loss** does not include any amounts for, arising out of or in connection with royalties, fees, deposits, commissions or charges for content, goods or services, **Crisis Management Expense**, **Fraud Response Expense**, **Public Relations Expense** or **Forensic and Legal Expense**.

Extortion Threat means any credible threat:

1. to commit an attack against computers and associated input and output devices, data storage devices, networking equipment, and back-up facilities operated by and owned by or leased to an **Insured Entity**, or
2. to disseminate **Protected Data** for which the **Insured Entity** is legally responsible,

for the purpose of extorting funds from an **Insured Entity**. All **Related Extortion Threats** will be deemed one



First Inception Date is the inception date of the earliest insurance policy the Insurer issued to the **Named Insured** that provides coverage similar to that afforded under this policy when there has been uninterrupted coverage by the Insurer for the **Named Insured** from that earliest policy to this policy.

Forensic and Legal Expense means the reasonable cost of those services described in the subparagraphs below incurred by or on behalf of an **Insured Entity** in excess of the **Insured Entity's** normal operating costs and with the prior written approval of the Insurer:

1. a **System Investigation**;
2. services performed by a licensed legal professional retained by an **Insured Entity** for the purpose of:
 - a. determining and advising the **Insured** on the applicability of notice requirements under any **Privacy Regulation**,
 - b. determining and developing the form of notification to comply with applicable notice requirements under any **Privacy Regulation**.

Provided, however, **Forensic and Legal Expense** does not mean and does not include **Crisis Management Expense, Fraud Response Expense** or **Public Relations Expense**.

Fraud Response Expense means the reasonable cost of credit monitoring services and identity monitoring services or **Identity Theft Insurance** for a one year period to **Qualified Persons** incurred by or on behalf of an **Insured Entity** in excess of the **Insured Entity's** normal operating costs and with the prior written approval of the Insurer for the purpose of mitigating financial loss resulting from disclosure of **Protected Personal Information** due to the **Enterprise Security Event**. Provided, however, **Fraud Response Expense** does not mean and does not include **Crisis Management Expense, Public Relations Expense** or **Forensic and Legal Expense**.

Identity Theft Insurance means an insurance policy that pays benefits, for reasonable and necessary costs to restore and individual's identity not limited to travel costs, notary fees, and postage costs, lost wages, and legal fees and expenses associated with efforts.

Individual Insured means, individually and collectively:

1. an **Insured Entity's** stockholders but solely for their liability as stockholders;
2. an **Insured Entity's** current or former partners, officers, directors and employees, including volunteers, but only with respect to their activities within the scope of their duties in their capacity as such;
3. a natural person performing services or duties within the scope of their written agreement with an **Insured Entity** and for whom the **Insured Entity** is legally liable, but only while acting within the scope of such person's duties performed on behalf of the **Insured Entity**, and only at the **Insured Entity's** election upon notifying the Insurer of a **Claim**; and
4. any **Additional Insured**.

Insured means, individually and collectively:

1. an **Insured Entity**; and
2. an **Individual Insured**.

Insured Entity means the **Named Insured** and any **Subsidiary**.



Malicious Code means any computer virus, Trojan horse, worm, or other code, script, or software program that is intentionally designed and released or inserted to damage, disable, or harm any part of a computer network or **Protected Data** on such network.

Management Control means that the **Named Insured**, either directly or indirectly:

1. owns more than 50% of the issued and outstanding voting equity securities; or
2. controls voting rights representing the present right to vote for election or to appoint more than 50% of the directors or trustees.

Named Insured means the entity listed as such on the Declarations of this policy.

Payment Card Industry Agreement means rules adopted by a credit/debit card company, or credit/debit card processor delineating data security standards, data incident management protocols or data incident indemnity obligations.

Policy Period means the period of time stated on the Declarations or any shorter period resulting from cancellation of this policy.

Privacy Regulation means any of the following statutes and regulations associated with the care, custody, control or use of personally identifiable financial, medical or other sensitive personal information:

1. Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191);
2. Health Information Technology for Economic and Clinical Health Act of 2009, and its related regulations;
3. Gramm-Leach-Bliley Act of 1999;
4. California Database Breach Act (SB1386);
5. Minnesota Plastic Card Security Act; or
6. other state, federal and foreign identity theft and privacy protection statutes, rules and regulations similar to 1-5 above that require commercial entities that collect, process, or store personal information (as defined in such statutes, rules and regulations, as applicable) to post privacy policies, adopt specific privacy controls, or to notify natural persons and/or organizations in the event that such personal information has been comprised or potentially compromised.

Privacy Regulation Claim means a civil proceeding, civil investigation or request for information brought against any **Insured** for an actual or alleged violation of any **Privacy Regulation** resulting from a covered **Enterprise Security Event** and by or on behalf of any federal, state, or local or foreign governmental agency including, but not limited to the Federal Trade Commission or Federal Communications Commission. **Privacy Regulation Claim** does not include an **Enterprise Security Event Claim**.

Property Damage means physical injury to tangible property and any resulting loss or corruption of data or information, including all resulting loss of use of that property, data or information. **Property Damage** does not mean the loss, corruption or destruction of data or information when the tangible property on which the data or information resides or resided is not physically injured.

Protected Data means **Protected Personal Information** and **Corporate Information**. However, **Protected Data** does not mean publicly available information that is lawfully in the public domain or information available to the general public from government records.



Protected Personal Information means, with respect to natural persons, any private, non-public information of any kind regardless of the nature or form of such information, including but not limited to the following, but only if such information allows an individual to be uniquely identified:

1. social security number;
2. medical service or healthcare data;
3. driver's license or state identification number;
4. equivalents of any of the information listed in 1. – 3. above;
5. account, credit card, or debit card number, alone or in combination with any information that permits access to an individual's financial information, including, but not limit to, security or access code or password; and
6. other-non-public information to the extent prescribed under **Privacy Regulations**.

Public Relations Expense means the reasonable costs of those services described in the subparagraphs below, incurred by or on behalf of an **Insured Entity** in excess of the **Insured Entity's** normal operating costs and with the prior written approval of the Insurer, following an **Enterprise Security Event**:

1. hiring a public relations firm, law firm or crisis management firm for advertising or other communications services as a result of an **Enterprise Security Event**, including training a spokesperson, providing talking points for media interaction, developing frequently asked questions responses, drafting or editing press releases, preparing of internal memos and website content;
2. placing advertisements, preparing website content, and other communications as recommended by such public relations firm, law firm or a crisis management firm to explain the nature of the **Enterprise Security Event** and any corrective actions taken;

Provided, however, **Public Relations Expense** does not mean and does not include **Crisis Management Expense**, **Fraud Response Expense** or **Forensic and Legal Expense**.

Qualified Persons means those natural living persons described in 1. or 2. below who are entitled to notification of an **Enterprise Security Event** as described in paragraph 1. of the definition of **Crisis Management Expense**, if such person elects to receive credit monitoring services or identity monitoring services or **Identity Theft Insurance** within 180 days of receipt of such notification by the **Insured**:

1. as respects credit monitoring services and **Identity Theft Insurance**, a person whose social security number, driver's license number, government issued identification number, or financial account, credit card, or debit card number has been improperly accessed, lost or stolen in addition to such person's name; and
2. as respects identity monitoring services and **Identity Theft Insurance**, a person whose medical service or healthcare information has been improperly accessed, lost or stolen in addition to such person's name.

Regulatory Expense means fines and penalties which the **Insured** becomes legally obligated to pay as a result of a **Privacy Regulation Claim** when permitted by applicable law. **Regulatory Expense** also includes sums paid to a **Consumer Redress Fund**.

Related Claims mean any **Related Enterprise Security Event Claim** or a **Related Privacy Regulation Claim**.



Related Enterprise Security Event means all **Enterprise Security Events** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally or logically connected facts, circumstances, situations, events, transactions or causes.

Related Enterprise Security Event Claim means all **Enterprise Security Event Claims** arising out of a single **Enterprise Security Event** or **Related Enterprise Security Events**.

Related Extortion Threats means all **Extortion Threats** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally or logically connected facts, circumstances, situations, events, transactions or causes.

Related Privacy Regulation Claims means all **Privacy Regulation Claims** arising out of a single violation of a **Privacy Regulation** or arising out of **Related Violations**.

Related Violation means all violations of a **Privacy Regulation** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally or logically connected facts, circumstances, situations, events, transactions or causes.

Retroactive Date means the date stated as such on the Declarations. If no date is stated, the **Retroactive Date** will be the **First Inception Date** of this policy.

Service Contractor means any organization to which the **Insured Entity** has given care, custody or control of, or access to, **Protected Personal Information** pursuant to a written contract or agreement with the **Insured Entity**.

Subsidiary means any entity in which, and so long as, the **Named Insured** has **Management Control**:

1. as of the effective date of this policy, or
2. after the effective date of this policy by reason of being created or acquired by an **Insured Entity**, after such date, if and to the extent coverage with respect to such entity is afforded pursuant to the paragraph entitled **New and Former Entities** in the **GENERAL CONDITIONS**.

System Investigation means an investigation of the **Computer System** to determine the cause of an **Enterprise Security Event** and to identify and enroll or catalog the persons' names, addresses and **Protected Personal Information** that may have been improperly, accessed, lost or stolen for the purposes of providing notification that may be required.

GENERAL CONDITIONS

- **Action Against the Insurer**

No action will lie against the Insurer unless, as a condition precedent thereto, there has been full compliance with all of the terms of this policy by all **Insureds**, nor until the amount of the **Insured's** obligation to pay will have been fully determined either by judgment or award against the **Insured** after trial or arbitration or by written agreement among the **Insureds**, the claimant and the Insurer.

No person or organization will have any right under this policy to join the Insurer as a party to any action against the **Insured** to determine the **Insured's** liability, nor will the Insurer be impleaded by the **Insured** or the **Insured's** legal representative.

- **Assignment**



Assignment of any right or interest under this policy will not bind the Insurer unless and until its written consent is endorsed hereon.

- **Assistance and Cooperation**

All **Insureds** will cooperate with the Insurer in the handling of the **Claim, Enterprise Security Event** or **Extortion Threat** and upon the Insurer's request will:

1. furnish the Insurer with copies of demands, reports, investigations, pleadings and all related papers and such other information, assistance and cooperation as the Insurer may reasonably request.
2. attend hearings, depositions, conferences, and trials, assist in effecting settlements, assist in securing and giving evidence, obtain the attendance of witnesses; and assist in any other aspect of the investigation and defense.

An **Insured** will do nothing that in any way increases the Insurer's exposure under this policy or in any way prejudices the Insurer's potential or actual rights of recovery. No **Insured** will, except at the **Insured's** own cost, voluntarily make a payment, admit liability, assume any obligation or incur any expense without the Insurer's prior written consent unless otherwise specifically permitted. However, the **Insured's** compliance with any **Privacy Regulation** will not be considered an admission of liability.

Failure to cooperate with the Insurer in the defense of a **Claim** or in the investigation of a **Claim, Enterprise Security Event** or **Extortion Threat** is a breach of this policy and will result in loss of coverage.

With respect to all First Party Coverages, the **Insured's** duty to cooperate includes, but is not limited to with respect to an **Extortion Threat**, using best efforts to keep the existence of **Computer System Extortion Coverage** confidential. The **Insured's** disclosure of the existence of **Computer System Extortion Coverage** to the public constitutes a failure of a condition precedent to coverage and will operate to defeat coverage for **Extortion Loss** under this policy.

- **Authorization**

The **Named Insured** is responsible for assurance of payment of all premiums and retentions. The **Named Insured** will have exclusive authority to act on behalf of all other **Insureds** with respect to providing and receiving notices of cancellation or nonrenewal, receiving any return premium, and purchasing any Optional Extended Reporting Period. In the event of a disagreement between any **Insureds**, the **Named Insured** will have exclusive authority to act on behalf of all other **Insureds** with respect to negotiation of settlements and the decision to appeal or not to appeal any judgment.

- **Bankruptcy**

The bankruptcy or insolvency of the **Insured** will not relieve the Insurer of the Insurer's obligation under this insurance.

- **Cancellation and Nonrenewal**

1. **Cancellation**

- a. The **Named Insured** may cancel this policy by mailing or delivering written notice of cancellation to the Insurer at the address stated on the Declarations. Such notice of cancellation will state the effective date of cancellation or, if no effective date is stated, the effective date of cancellation will be thirty (30) days after the Insurer's receipt of notice. The **Policy Period** will end on that date.
- b. The Insurer may cancel this policy by mailing or delivering to the **Named Insured** written notice of cancellation at least:



- i. ten (10) days before the effective date of cancellation if the Insurer cancels for nonpayment of premium; or
- ii. thirty (30) days before the effective date of cancellation if the Insurer cancels for any other reason.

The Insurer will mail or deliver the notice to the **Named Insured** at the address stated on the Declarations. If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

- c. If this policy is canceled, the Insurer will send the **Named Insured** any premium refund due. If the Insurer cancels, the refund will be the pro rata unearned amount of the annual premium. If the **Named Insured** cancels, the refund, if any, will be the pro rata unearned amount of the annual premium calculated at the customary short rate. Return of premium to the **Named Insured** is not a condition precedent to cancellation.

2. Nonrenewal

The Insurer may elect not to renew this policy by mailing or delivering written notice of nonrenewal to the **Named Insured** at its address stated in on the Declarations. The Insurer will mail or deliver the notice at least sixty (60) days before the end of the policy.

If notice of nonrenewal is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

• Changes to the Policy

Notice or knowledge possessed by any person will not effect a waiver or a change in any part of this policy or estop the Insurer from asserting any rights under the terms of this policy, nor will the terms of this policy be waived or changed except by written endorsement issued to form a part of this policy.

• Legal Representatives, Spouses and Domestic Partners

The legal representatives, estate, heirs, spouse and any domestic partner of any **Individual Insured** will be considered to be an **Insured** under this policy, but only for a **Claim** against such person arising solely out of their status as such and, with respect to a spouse or domestic partner, only where such **Claim** seeks amounts from marital community, jointly held property or property transferred from such insured to such spouse or domestic partner. No coverage is provided for any act, error or omission committed by any legal representative, estate, heir, spouse or domestic partner.

• Merger or Acquisition

If during the **Policy Period** any of the following events occurs:

1. the merger or consolidation of the **Named Insured** into or with another entity such that the **Named Insured** is not the surviving entity;
2. the acquisition by any person, entity, or group of persons or entities of:
 - a. majority voting control of the **Named Insured**; or
 - b. all or substantially all of the assets of the **Named Insured**; or
 - c. the appointment by any state or federal official, agency or court, of any receiver, conservator, liquidator, trustee, rehabilitator, or similar official to take control of, supervise, manage or liquidate the **Named Insured**;



then coverage will continue under this policy until terminated, but only with respect to **Enterprise Security Events**, **Extortion Threats** or violations of **Privacy Regulations** that occurred prior to such merger, consolidation, acquisition, or appointment. Coverage under this policy will cease as of the effective date of such merger, consolidation, acquisition, or appointment with respect to **Enterprise Security Events**, **Extortion Threats** or violations of **Privacy Regulations** first occurring after such event.

- **New and Former Entities**

1. If during the **Policy Period**, the **Named Insured** obtains **Management Control** of any entity, then this policy will provide coverage for such newly created or acquired entity and its subsidiaries, directors, officers, or employees who would otherwise become an **Insured** pursuant to the terms and conditions of this policy. However, if any such newly acquired or created entity's gross revenues exceed fifteen percent (15%) of the **Insured Entity** combined annual gross revenues at the effective date of this policy, such entity will only be deemed a **Subsidiary** under this policy for a period of ninety (90) days following such acquisition or creation. If the **Named Insured** seeks coverage for such entity beyond ninety (90) days, it must give written notice within ninety (90) days of such creation or acquisition and it must provide any necessary underwriting information and pay any additional premium as the Insurer may require. Coverage will continue beyond such ninety (90) day period only if the Insurer, in its sole discretion, agrees to provide coverage to such entity and its subsidiaries, directors, officers or employee as evidenced in an endorsement to this policy.
2. In all events, there is no coverage under this policy:
 - a. for any **Enterprise Security Event** with respect to any **Subsidiary**, any violation of a **Privacy Regulation** by or on behalf of any **Subsidiary**, or **Extortion Threat** made against any **Subsidiary**, whether such **Subsidiary** qualified as such prior to the inception date of this policy or after the inception date of this policy by virtue of paragraph a. above, or for **Individual Insureds** of any such **Subsidiary**, where such **Enterprise Security Event** or **Extortion Threat** or violation of a **Privacy Regulation**, occurred in whole or in part before the date such entity became a **Subsidiary**, or after such time the entity ceases to be a **Subsidiary**;
 - b. for any **Enterprise Security Event** or **Extortion Threat** occurring on or after the date such entity became a **Subsidiary**, which together with any **Enterprise Security Event** or **Extortion Threat** described in i. above would be considered **Related Enterprise Security Events** or **Related Extortion Threats**;
 - c. for any violation of a **Privacy Regulation** occurring on or after the date such entity became a **Subsidiary**, which is logically or causally connected by any fact, circumstance, situation, event, or transaction to a violation of a **Privacy Regulation** that occurred prior to the date such **Subsidiary** became a **Subsidiary**.

- **Notices**

Except as otherwise provided in this policy, all notices under any provision of this policy must be in writing and delivered as follows:

Notices to the **Insureds** will be delivered by prepaid express courier or certified mail to the **Named Insured** at its address as stated on the Declarations. Such notices are deemed to be received and effective upon actual receipt by the addressee or one day following the date such notices are sent, whichever is earlier.

Notices to the Insurer will be delivered by prepaid express courier or certified mail, facsimile, or electronic mail to the appropriate party at the street address, fax number, or email address, as applicable, set forth on the Declarations.

- **Other Insurance**



If there is any other valid and collectible insurance available to the **Insured** that applies to any Coverage under this policy, this insurance is excess over such other insurance, except when the other insurance is specifically designed to apply in excess of this insurance, and no other insurance applies to the **Claim, Enterprise Security Event or Extortion Threat**.

- **Premium**

The **Named Insured** will pay to the Insurer the amount of premium stated on the Declarations. The premium may be adjusted at any time during the **Policy Period** or any extensions of the **Policy Period** based upon changes in the provisions of this policy, as may be agreed upon by the **Named Insured** and the Insurer or as otherwise provided in this policy.

- **Representations and Severability**

The Insurer has relied on the statements made and information in the **Application** and the accuracy and completeness of such statements and information. Such statements and information are the basis for the Insurer's issuance of this policy, are incorporated into and constitute a part of this policy, and such statements and information have induced the Insurer to issue this policy.

If the **Application** contains any misrepresentation or any inaccurate or incomplete information or statement, and such misrepresentation or inaccurate or incomplete information or statement either was made with the intent to deceive, or materially affected either the acceptance of the risk or the hazard assumed by the Insurer under this policy, then no coverage will be provided under this policy for any **Claims** based upon or arising out of the facts that were the subject of such misrepresentation or inaccurate or incomplete information or statement, nor for any **Enterprise Security Events** or **Extortion Threats** arising out of or in connection with the facts that were the subject of such misrepresentation or inaccurate or incomplete information or statement, with respect to:

1. any **Individual Insured** who knew, as of the date the **Application** was signed, of the facts that were the subject of the misrepresentation or inaccurate or incomplete information or statement, whether or not such **Individual Insured** knew the **Application** contained the misrepresentation or inaccurate or incomplete information or statement; or
2. any **Insured Entity**, if any **Control Group Insured** of such **Insured** entity knew, as of the date the **Application** was signed, of the facts that were the subject of the misrepresentation or inaccurate or incomplete information or statement, whether or not such **Control Group Insured** knew the **Application** contained the misrepresentation or inaccurate or incomplete information or statement.

For purposes of applying this condition, the knowledge of an **Insured Entity** or an **Individual Insured** will not be imputed to any other **Individual Insured**.

- **Subrogation and Recovery**

In the event of any payment under this policy, the Insurer will be subrogated to all the **Insured's** rights of recovery therefore against any person or organization, and the **Insured** will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** will do nothing to prejudice such rights. The Insurer will have no rights of subrogation against any **Insured** hereunder.

- **Territory, Valuation and Currency**

Coverage under this policy applies to **Claims** made, or **Enterprise Security Events**, violations of **Privacy Regulations** and **Extortion Threats** taking place in any jurisdiction in the world. If any amounts covered by this policy



are paid in a currency other than United States of America dollars, then the payment will be considered to have been made in United States dollars at the conversion rate published in the *Wall Street Journal* at the time of the payment.

SIGNATURE PAGE FOLLOWS.