



Cyber Insurance Quotation





DECLARATIONS

NAMED INSURED	Woodford County Public Schools 330 Pisgah Pike Versailles Kentucky 40383-9214	BROKER OF RECORD	Dillon Behr Risk Placement Services
INSURER	AXIS Insurance Company 303 West Madison Street, Suite 500 Chicago, IL 60606 (866) 259-5435 A Stock Insurer		
POLICY NUMBER	TBD		
POLICY FORM	AXIS PRO® PRIVASURE™ Insurance Policy PVSR-101 (08-16)		
POLICY PERIOD	Effective Date: July 1, 2020 Expiration Date: July 1, 2021 <i>Both dates at 12:01 a.m. at the Named Insured's address stated herein.</i>	RETROACTIVE DATE	Full Prior Acts

EXTENDED REPORTING PERIOD OPTIONS

One Year	100%
Two Year	200%
Three Year	300%

TOTAL POLICY PREMIUM

\$5,672.00

ESTIMATED TAXES AND FEES

We are currently unable to retrieve tax information for this quote; final tax values will be calculated at time of bind.: TBD%

LIMITS OF INSURANCE

Policy Limit of Insurance	\$1,000,000
Claims-Made Liability Coverages Limits of Insurance	
Aggregate Claims-Made Liability Coverages Limit of Insurance	\$1,000,000
Each Enterprise Security Event Claim Limit of Insurance	\$1,000,000
Each Privacy Regulation Claim Limit of Insurance	\$1,000,000



AXIS PRO®
PRIVASURE™ INSURANCE POLICY

First Party Coverages Limits of Insurance	
Aggregate First Party Coverages Limit of Insurance	\$1,000,000
Crisis Management Expense Limit of Insurance	\$1,000,000
Fraud Response Expense Limit of Insurance	\$1,000,000
Public Relations Expense Limit of Insurance	\$1,000,000
Forensic and Legal Expense Limit of Insurance	\$1,000,000
Extortion Loss Limit of Insurance	\$1,000,000
RETENTIONS	
Aggregate Policy Level Retention	\$10,000
Claims-Made Liability Coverage Retention	
Each Claim Retention	\$10,000
First Party Coverages Retention	
Aggregate First Party Coverages Retention	\$10,000
Crisis Management Expense Retention	\$10,000
Fraud Response Expense Retention	\$10,000
Public Relations Expense Retention	\$10,000
Forensic and Legal Expense Retention	\$10,000
Extortion Loss Retention	\$10,000

SCHEDULE OF ADDITIONAL COVERAGE			
SCHEDULE OF BUSINESS INTERRUPTION AND DATA RECOVERY COVERAGE			
Limits of Insurance			
System Disruption Business Interruption Coverage Limit of Insurance			\$1,000,000
Data Recovery Expense Coverage Limit of Insurance			\$1,000,000
Retention			
Data Recovery Expense Retention			\$10,000
System Disruption Hourly Cap <i>(stated as \$ per hour)</i>	NA	System Disruption Waiting Period <i>(in hours)</i>	6
NOTE: If an Hourly Cap is not stated above, then no Hourly Cap shall apply with respect to such Coverage.			
SCHEDULE OF PCI-DSS FINES COVERAGE			



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Limits of Insurance	
Aggregate PCI-DSS Fines Claims Limit of Insurance	\$1,000,000
Each PCI-DSS Claim	\$1,000,000
Retention	
Aggregate PCI-DSS Fines Claim Retention	\$10,000
<i>NOTE: If no PCI-DSS Fines Claim Retroactive Date is stated in this Schedule, the Retroactive Date for this coverage will be the Retroactive Date stated on the Declarations.</i>	
SCHEDULE OF RANSOMWARE LOSS COVERAGE	
Ransomware Loss Limit of Insurance	\$1,000,000
Ransomware Loss Retention	\$10,000
SCHEDULE OF SOCIAL ENGINEERING FRAUD LOSS COVERAGE	
Social Engineering Fraud Loss Limit of Insurance	\$100,000
Social Engineering Fraud Loss Retention	\$10,000
SCHEDULE OF TELECOMMUNICATIONS THEFT LOSS COVERAGE	
Telecommunications Theft Loss Limit of Insurance	\$100,000
Telecommunications Theft Loss Retention	\$10,000
Extortion Threat Reward Retention	N/A
SCHEDULE OF WEBSITE MEDIA LIABILITY COVERAGE	
Limits of Insurance	
Each Website Media Claim Limit of Insurance	\$1,000,000
<i>NOTE: The Each Claim Retention applies to this Website Media Liability Coverage. If no Website Media Claim Retroactive Date is stated in this Schedule, the Retroactive Date for this coverage will be the Retroactive Date stated on the Declarations.</i>	



AXIS PRO®
PRIVASURE™ INSURANCE POLICY

FORMS	
Policyholder Notices and Policy Forms	Form Number and Edition Date
Policyholder Notice Economic Trade Sanctions	AXIS 906 (03-16)
Policyholder Notice Service Providers	PVSR-901
Policyholder Disclosure	TRIA DISCLOSURE 01 15
Policyholder Notice - AXIS eRisk Hub	AXIS 143 (09-15)
State Fraud Statement	AXIS 104 (04-15)
Endorsements	Form Number and Edition Date
Telecommunications Theft Loss Coverage Endorsement	AXIS 101 0036 (01-17)
Social Engineering Fraud Coverage Endorsement	AXIS 101 0035 (01-17)
Ransomware Loss Coverage Endorsement	AXIS 101 0034 (01-17)
Payment Card Industry Data Security Standards (PCI-DSS) Coverage Endorsement	AXIS 101 0033 (01-17)
Website Media Liability Coverage Endorsement	PVSR-321 (04-15)
Cancellation and Non-Renewal Endorsement - Kentucky	AXIS 801 KY (06-15)
Kentucky Amendatory Endorsement	AXIS 101 0170KY (01-17)
Business Interruption and Data Recovery Coverage Endorsement - System Disruptions	AXIS 303A (08-16)
NOTICES TO INSURER	
<p><i>Send Notice of Claims To:</i></p> <p>Claims Department AXIS Insurance P.O. Box 4470 Alpharetta, GA 30023-4470</p> <p>Email: USFNOL@axiscapital.com Phone (Toll-Free): (866) 259-5435 Phone: (678) 746- 9000 A Fax: (678) 746-9315</p>	<p><i>Send All Other Notices And Inquiries To:</i></p> <p>AXIS Insurance 11680 Great Oaks Way Suite 500 Alpharetta, GA 30022</p> <p>Email: notices@axiscapital.com Phone (Toll-Free): (866) 259-5435 Phone: (678) 746- 9000 Fax: (678) 746-9315</p>



Except for section and paragraph headings, all words in bold have a special meaning as set forth in the section entitled **DEFINITIONS**. Section and paragraph headings are provided for informational purposes only and do not have special meaning.

SOLELY AS RESPECTS CLAIMS-MADE LIABILITY COVERAGES UNDER THIS POLICY: THIS INSURANCE POLICY PROVIDES COVERAGE ON A CLAIMS-MADE BASIS AND APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. CLAIMS MUST BE REPORTED TO THE INSURER AS SET FORTH IN THE SECTION ENTITLED REPORTING OF CLAIMS AND EVENTS. CLAIM EXPENSES ARE INCLUDED IN THE LIMITS OF INSURANCE, AND PAYMENT THEREOF WILL ERODE, AND MAY EXHAUST, THE POLICY LIMIT OF INSURANCE.

In consideration of the payment of the premium and in reliance on the statements in the **Application** and subject to all other terms and conditions of this policy, the Insurer designated on the Declarations and the **Named Insured**, on behalf of all **Insureds**, agree to the following:

CLAIMS-MADE LIABILITY COVERAGES

The following Coverages apply if the Declarations displays a Limit of Insurance for such Coverage:

A. Enterprise Security Event Liability Coverage

The Insurer will pay those **Damages**, in excess of the applicable retention and within the applicable Limit of Insurance, that the **Insured** becomes legally obligated to pay because of an **Enterprise Security Event Claim**, provided that:

1. such **Enterprise Security Event Claim** is first made against the **Insured** during the **Policy Period** or any applicable **Extended Reporting Period** and is reported to the Insurer in accordance with section entitled **REPORTING OF CLAIMS AND EVENTS**;
2. the **Enterprise Security Event** giving rise to the **Enterprise Security Event Claim** first occurred on or after the **Retroactive Date** and prior to the end of the **Policy Period** and is reported to the Insurer in accordance with section entitled **REPORTING OF CLAIMS AND EVENTS**; and
3. as of the **First Inception Date**, no **Control Group Insured**:
 - a. had given notice to any insurer of any:
 - i. **Related Enterprise Security Event Claim**;
 - ii. act, error, omission, fact or circumstance, including any **Related Enterprise Security Event**, reasonably likely to give rise to an **Enterprise Security Event Claim**; or
 - b. knew, or had a basis to believe, that any:
 - i. **Related Enterprise Security Event Claim** had been made; or
 - ii. act, error, omission, fact or circumstance, including any **Related Enterprise Security Event**, was reasonably likely to give rise to an **Enterprise Security Event Claim**.

The Insurer will also pay all **Claim Expenses** in excess of any applicable retention in connection with such **Claim**. **Claim Expenses** are included within and erode the applicable Limits of Insurance.



B. Privacy Regulation Liability Coverage

The Insurer will pay that **Regulatory Loss**, in excess of the applicable retention and within the applicable Limit of Insurance, that an **Insured** becomes legally obligated to pay because of a **Privacy Regulation Claim** alleging such **Insured** or others for whom such **Insured** is legally liable violated a **Privacy Regulation**, provided that:

1. such **Privacy Regulation Claim** is first made against the **Insured** during the **Policy Period** or any applicable **Extended Reporting Period** and is reported to the Insurer in accordance with section entitled **REPORTING OF CLAIMS AND EVENTS**;
2. the **Enterprise Security Event** giving rise to the **Privacy Regulation Claim** first occurred on or after the **Retroactive Date** and prior to the end of the **Policy Period** and is reported to the Insurer in accordance with section entitled **REPORTING OF CLAIMS AND EVENTS**; and
3. as of the **First Inception Date**, no **Control Group Insured**:
 - a. had given notice to any insurer of any **Related Privacy Regulation Claim** or of any **Related Violation** reasonably likely to give rise to a **Privacy Regulation Claim**;
 - b. knew, or had a basis to believe, that any **Related Privacy Regulation Claim** had been made or that any **Related Violation** was reasonably likely to give rise to a **Privacy Regulation Claim**.

The Insurer will also pay all covered **Claim Expenses** in excess of any applicable retention in connection with any such **Claim**. **Claim Expenses** are included within and erode the applicable Limits of Insurance.

FIRST PARTY COVERAGES

The following Coverages apply if the Declarations displays Limits of Insurance for such Coverage:

A. Crisis Management and Fraud Prevention Expense Coverages

The Insurer will pay the **Insured Entity** for:

1. **Crisis Management Expense**;
2. **Fraud Response Expense**;
3. **Public Relations Expense**; and
4. **Forensic and Legal Expense**,

incurred to respond to an **Enterprise Security Event** that occurs or that the **Insured Entity** reasonably believes has occurred, in excess of the applicable retention and within the applicable Limits of Insurance.

B. Computer System Extortion Coverage

The Insurer will pay the **Insured Entity** for **Extortion Loss** incurred because of an **Extortion Threat**, in excess of the applicable retention and within the applicable Limits of Insurance.

It is a condition precedent to coverage under the First Party Coverages that:



1. the **Insured** notifies the Insurer of such **Extortion Threat**, or of an **Enterprise Security Event** that occurred, or that the **Insured** reasonably believes has occurred, as applicable, in accordance with the section entitled **REPORTING OF CLAIMS AND EVENTS**;
2. the **Enterprise Security Event** or **Extortion Threat**, as applicable, first occurred during the **Policy Period**; and
3. as of the **First Inception Date**, no **Control Group Insured**:
 - a. had given notice to any insurer of any:
 - i. **Related Enterprise Security Event** or **Related Extortion Threat**, as applicable;
 - ii. act, error, omission, fact or circumstance reasonably likely to give rise to such **Enterprise Security Event** or **Extortion Threat**, as applicable;
 - b. knew, or had a basis to believe, that any:
 - i. **Related Enterprise Security Event** or **Related Extortion Threat**, as applicable, had occurred;
 - ii. act, error or omission, fact or circumstance reasonably likely to give rise to an **Enterprise Security Event** or **Extortion Threat** had occurred.

SUPPLEMENTAL BENEFITS

Breach Preparedness Information Services

The Insurer will provide **Breach Preparedness Information Services** to the **Insured Entities** during the **Policy Period**, even if an **Enterprise Security Event** has not yet occurred. This supplementary service will be provided to the **Insured Entities** without premium or fee.

LIMITS OF INSURANCE, RETENTION AND REIMBURSEMENT

A. Multiple Insureds, Claims, Claimants

The Limits of Insurance will not exceed the amounts stated respectively on the Declarations no matter how many **Insureds** are covered, **Claims** or **Extortion Threats** are made against the **Insureds**, or violations of **Privacy Regulations** or **Enterprise Security Events** occur.

B. Limits of Insurance

1. Policy Limit of Insurance

The Policy Limit of Insurance stated on the Declarations is the most the Insurer will pay for all amounts covered under this policy.

2. Claims-Made Liability Coverages Limits of Insurance

a. Aggregate Claims-Made Liability Coverages Limit of Insurance



Subject to the Policy Limit of Insurance, the Aggregate **Claims-Made Liability Coverages** Limit of Insurance set forth on the Declarations is the most the Insurer will pay for all covered amounts for all applicable **Claims-Made Liability Coverages**.

b. **Each Enterprise Security Event Claim Limit of Insurance**

Subject to the Policy Limit of Insurance and to the Aggregate **Claims-Made Liability Coverages** Limit of Insurance, the Each **Enterprise Security Event Claim** Limit of Insurance stated on the Declarations is the most the Insurer will pay for all covered **Damages** and **Claim Expenses** in connection with each such **Enterprise Security Event Claim**.

c. **Each Privacy Regulation Claim Limit of Insurance**

Subject to the Policy Limit of Insurance and to the Aggregate **Claims-Made Liability Coverages** Limit of Insurance, the Each **Privacy Regulation Claim** Limit of Insurance stated on the Declarations is the most the Insurer will pay for all covered **Regulatory Loss** and **Claim Expenses** in connection with each such **Privacy Regulation Claim**.

3. **First Party Coverages Limit of Insurance**

a. **Aggregate First Party Coverages Limit of Insurance**

Subject to the Policy Limit of Insurance, the Aggregate First Party Coverages Limit of Insurance set forth on the Declarations is the most the Insurer will pay for all covered amounts applicable to all First Party Coverages.

b. **Each Expense/Extortion Loss Limit of Insurance**

Subject to the Policy Limit of Insurance and to the Aggregate First Party Coverages Limit of Insurance, the applicable **Crisis Management Expense, Fraud Response Expense, Public Relations Expense, Forensic and Legal Expense** and **Extortion Loss** Limit of Insurance set forth on the Declarations is the most the Insurer will pay for each such covered expense or **Extortion Loss**.

C. **Retention**

If a retention is indicated on the Declarations, the **Insured** is responsible for payment of such retention. All retentions will be borne by the **Insureds** uninsured and at their own risk. The Insurer's obligation to pay any amounts under this policy is excess of the applicable retention. The Limits of Insurance will not be reduced by the payment of any retention.

1. **Aggregate Policy Level Retention**

The Aggregate Policy Level Retention set forth on the Declarations, if any, is the most the **Insured** will be required to pay under the policy as **Damages, Regulatory Loss, Claim Expenses, Crisis Management Expense, Fraud Response Expense, Public Relations Expense, Forensic and Legal Expense** or **Extortion Loss**, regardless of the number of **Claims, Enterprise Security Events** or **Extortion Threats**.

2. **Claims-Made Liability Coverage Retention**

Subject to the Aggregate Policy Level Retention, the Each **Claim** Retention stated on the Declarations, if any, will apply to each **Claim**.

3. **Aggregate First Party Coverages Retention**



Subject to the Aggregate Policy Level Retention, the Aggregate First Party Coverages Retention set forth on the Declarations, if any, is the most the **Insured** will be required to pay under the policy as **Crisis Management Expense, Fraud Response Expense, Public Relations Expense, Forensic and Legal Expense** or **Extortion Loss**, regardless of the number of **Enterprise Security Events** or **Extortion Threats**.

4. First Party Coverages Retentions

Subject to the Aggregate Policy Level Retention and the Aggregate First Party Coverages Retention, the applicable **Crisis Management Expense** Retention, **Fraud Response Expense** Retention, **Public Relations Expense**, Retention **Forensic and Legal Expense** Retention and **Extortion Loss** Retention set forth on the Declarations, if any, is the most the **Insured** will be required to pay under the policy for such covered expense or **Extortion Loss**, regardless of the number of **Enterprise Security Events** or **Extortion Threats**.

- D. If the Insurer has paid any amounts in excess of any applicable Limit of Insurance, any amounts paid in excess of the Insurer's obligation to pay pursuant to **Defense and Settlement of Claims**, paragraph B., or amounts paid in connection with **Claims, Enterprise Security Events, or Extortion Threats** for which this policy does not afford coverage, or if the Insurer has paid part or all of the retention, the Insurer will have the right to seek recovery from the **Named Insured** for any such amounts.

DEFENSE AND SETTLEMENT OF CLAIMS

- A. The Insurer will have the right and duty to defend a covered **Claim**, even if the allegations are groundless, false or fraudulent.
- B. The Insurer will have the right to appoint counsel on the **Insured's** behalf and to investigate and settle a covered **Claim** as is deemed necessary by the Insurer. However, the Insurer will not settle a **Claim** without the **Insured's** consent, such consent not to be unreasonably withheld. If the Insurer recommends a settlement of a **Claim** which is acceptable to the claimant, and the **Insured** refuses to consent to such settlement, then the Insurer's obligation to pay **Damages, Regulatory Loss** and **Claim Expenses** on account of such **Claim**, will not exceed the sum of the amount for which the Insurer could have settled such **Claim** plus **Claim Expenses** incurred prior to the date of such settlement offer, plus fifty percent (50%) of **Damages, Regulatory Loss** and **Claim Expenses** combined that are incurred after the date of the **Insured's** refusal to consent to such settlement. However, in no event will the Insurer's liability exceed the applicable Limits of Insurance.
- C. The **Insureds** will not settle any **Claim**, pay any **Damages** or **Regulatory Loss**, incur any **Claim Expenses**, admit or assume any liability, stipulate to any judgment, or otherwise assume any obligation with respect to a **Claim** without the Insurer's prior written consent. Notwithstanding the foregoing, if all applicable **Insureds** are able to fully and finally dispose with prejudice such **Claim** for an amount within the applicable retention, including **Claim Expenses**, then the Insurer's consent will not be required for such disposition.
- D. The Insurer's right and duty to defend or pay **Insureds** ends when the applicable Limit of Insurance has been exhausted.

EXCLUSIONS

A. Exclusions Applicable to Claims-Made Liability Coverages

This policy does not provide coverage for **Claims**:

- **Bodily Injury or Property Damage**



based upon or arising out of:

1. **Bodily Injury** except that this exclusion does not apply to mental injury or mental anguish if directly resulting from an **Enterprise Security Event** involving **Protected Personal Information** that gives rise to an **Enterprise Security Event Claim**.

2. **Property Damage**.

- **Contractual Liability**

for, based upon or arising out of any breach of contract, representation, warranty or guarantee, except, however, this exclusion does not apply to **Claims**:

1. based upon the **Insured's** liability that would have attached in the absence of such contract or agreement, or
2. for an **Insured's** breach of an obligation, to maintain the security or confidentiality of **Protected Data**.

- **Fraudulent or Intentional Misconduct**

based upon or arising out of any act, error or omission that is dishonest, fraudulent, criminal, malicious or intentionally committed by an **Insured** while knowing it was wrongful or unauthorized. However, the Insurer will provide a defense and pay **Claim Expense** unless or until such conduct is evidenced by any judgment, final adjudication, alternate dispute resolution proceeding, or by admission by the **Insured**.

This exclusion only applies to any **Insured** who is found to have committed such conduct by any trial verdict, court ruling, or regulatory ruling.

For the purpose of applying this exclusion:

1. the acts, errors or omissions of any current or former partner, officer, or director of any **Insured Entity** will be imputed to the **Insured Entity**;
2. the acts, errors or omissions of any **Individual Insured** will not be imputed to any other **Individual Insured**.

- **Insured versus Insured**

made by, on behalf of or for the benefit of any **Insured Entity**.

- **Intellectual Property**

based upon or arising out of any actual or alleged infringement, contributory infringement, misappropriation or theft of any intellectual property rights by the **Insured**, including, but not limited to patent, copyright or trademark, service mark, trade dress, trade secret, or trade slogan.

- **Owned Entity**

made by, on behalf of or for the benefit of any entity that is a parent of the **Named Insured**, joint venturer or co-venturer of any **Insured Entity**, or other entity in which any **Insured** is a partner, and including any entity directly or indirectly controlled, operated or managed by such an entity.



- **Pollution**

based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving:

1. any nuclear reaction, radiation, or contamination;
2. the actual, alleged or threatened discharge, release, escape, seepage, migration, dispersal, or disposal of **Pollutants** anywhere or anytime or the creation of any injurious condition involving **Pollutants**; or
3. any direction, request, demand or order that the Insureds test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize **Pollutants**;

whether or not the events described in a, b, or c above were sudden, accidental, gradual, intended, expected or preventable, and whether or not any Insured caused or contributed to such event.

B. Exclusions Applicable to Computer System Extortion Coverage

This policy does not apply to cover any amounts in connection with an **Extortion Threat** made by:

1. any entity which is a parent, affiliate, joint venturer or co-venturer of any **Insured Entity**, or other entity in which any **Insured** is a partner, including any individual who is an employee, officer or director thereof;
2. any entity directly or indirectly controlled, operated or managed by an entity described in B.1., above, including any individual who is an employee, officer or director thereof;
3. any **Insured Entity**;
4. any individual or business entity with whom the **Insured** has entered into an agreement to provide or receive services.

C. Exclusions Applicable to All Coverages

This policy does not cover any amounts due to, in connection with or arising out of, or **Claims** based upon or arising out of:

- **Securities Law Violations**

violation of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, any state blue sky or securities law, any similar state or federal law, or any amendment to the above laws or any violation of any order, ruling or regulation issued pursuant to the above laws; except that this exclusion does not apply to a **Privacy Regulation Claim**.

- **Unlawful or Unauthorized Use of Information**

Any unlawful or unauthorized collection, acquisition or use of personal information by the **Insured**, including the use of such information to send unsolicited communications, faxes or emails, or any failure to comply with legal requirements or obligations relating to a person's consent to the acquisition, collection, or use of personal information; except, however, this exclusion does not apply with respect to a **Privacy Regulation Claim**.

- **Violation of Statute**



any actual or alleged violation of any federal, state, or local statute, ordinance, or regulation, including but not limited to the Telephone Consumer Protection Act, the Can-Spam Act of 2003 and the Fair Credit Reporting Act and any amendment of or addition to such laws; except, however, this exclusion shall not apply to an otherwise covered **Privacy Regulation Claim** or to an otherwise covered **Enterprise Security Claim** that alleges an **Insured's** violation of a **Privacy Regulation** for failure to timely disclose an incident described in paragraph 1. and 2. of the definition of **Enterprise Security Event**.

- **War**

war, invasion, hostilities or warlike operations (whether war is declared or not), strike, lock-out, riot, civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, or the confiscation, nationalization or destruction of, or damage to, property under the order of government or other public authority.

REPORTING OF CLAIMS AND EVENTS

A. When a Claim is Made or Event Occurs

1. A **Claim** will be deemed to be first made on the earlier of:
 - a. the date of any **Control Group Insured's** receipt of notice of such demand, request or investigation if such **Claim** is a written demand, request for information, or investigation, or
 - b. the date of service upon or other receipt by a **Control Group Insured** of a complaint in any such proceeding, if such **Claim** is a civil proceeding, arbitration or any alternative dispute resolution proceeding.

If **Related Claims** are subsequently made against the **Insured** and are reported to the Insurer, all such **Related Claims**, whenever made, will be considered a single **Claim** and such **Claim** will be deemed to have been made on the date the first of those **Claims** was made against any **Insured**.

2. An **Enterprise Security Event** will be deemed to occur when the **Enterprise Security Event** becomes known to a **Control Group Insured**.

If **Related Enterprise Security Events** subsequently occur, and are reported to the Insurer, all such **Related Enterprise Security Events** will be considered a single **Enterprise Security Event** and will be deemed to have occurred on the date the first of those **Enterprise Security Events** occurred.

3. An **Extortion Threat** will be deemed to occur when the **Extortion Threat** becomes known to a **Control Group Insured**.

If **Related Extortion Threats** subsequently occur and are reported to the Insurer, all such **Related Extortion Threats** will be considered a single **Extortion Threat** and will be deemed to have occurred on the date the first of those **Extortion Threats** occurred.

B. Reporting of Claims and Events

It is a condition precedent to coverage under this policy that:

1. as soon as any **Control Group Insured** becomes aware of any **Claim**, the **Insured** must notify the Insurer in writing as soon as practicable, but in no event later than 30 days after the end of the **Policy Period**;



2. as soon as any **Control Group Insured** becomes aware of any **Enterprise Security Event**, the **Insured** must immediately notify the Insurer in writing, but in no event later than 30 days after the **Enterprise Security Event** occurs; and
3. as soon as any **Control Group Insured** becomes aware of any **Extortion Threat**, the **Insured** must immediately notify the Insurer in writing but in no event later than 30 days after the **Extortion Threat** first occurs. This notice must contain known details concerning the person or entity making the **Extortion Threat**, and all reasonably obtainable information concerning the time, place and other details of the **Extortion Threat**.

The **Insured** is relieved of its obligation to notify the insurer as set forth in paragraphs 1, 2 and 3 above, if and only for so long as a “legal prohibition” prevents such notification. As used in this paragraph, “legal prohibition” means the written, dated and signed opinion of a qualified attorney who is not an **Insured** under this policy, that there exists a statute, law, regulation or court order that would prohibit such notification. Such opinion must specify the circumstances under which notification would be permissible. Immediately upon cessation of such “legal prohibition” the **Insured** must provide the required notice.

C. Reporting of Circumstances

1. Solely as respects **Claims-Made Liability Coverages**:

If, during the **Policy Period** or within 30 days after the expiration of the **Policy Period**, an **Insured** gives the Insurer written notice of an act, error, omission, fact or circumstance, including an **Enterprise Security Event** or purported violation of a **Privacy Regulation** that occurred during the **Policy Period** and is reasonably likely to give rise to a **Claim** with full details of:

- a. such an act, error, omission, fact or circumstance including any available information on persons or entities involved such act, error, omission, fact or circumstance;
- b. the nature and extent of the potential damages and the names of the potential claimants;
- c. the manner in which the **Insured** first became aware of such an act, error, omission, fact or circumstance,

then any such **Claim** subsequently arising out of such act, error, omission, fact or circumstance will be deemed to have been made during the policy period in which notice was given. In order for coverage to apply to any such **Claim**, the **Insured** must provide notice to the Insurer of such **Claim** as soon as practicable, but no later than 30 days after such **Claim** is first made against the **Insured**. No coverage will be provided for any **Damages**, **Regulatory Loss**, or **Claim Expenses** incurred prior to the time such **Claim** is made unless otherwise authorized in writing by the Insurer.

2. Solely as respects **Crisis Management and Fraud Prevention Expense Coverages**:

If, during the **Policy Period**, an **Insured** reports any act, error, omission, fact or circumstance under the preceding paragraph that gives rise to an **Enterprise Security Event**, then the **Enterprise Security Event** subsequently arising out of such fact, circumstance, act, error or omission will be deemed to have occurred during the **Policy Period**. In order for coverage to apply to any expenses arising out of such **Enterprise Security Event**, the **Insured** must provide notice to the Insurer of such **Enterprise Security Event** as soon as practicable, but no later than thirty (30) days after such **Enterprise Security Event** first occurs. No coverage will be provided for any **Crisis Management Expense**, **Fraud Response Expense**, **Public Relations Expense**, or **Forensic and Legal Expense** incurred prior to the time the **Enterprise Security Event** occurs, unless otherwise authorized in writing by the Insurer.



EXTENDED REPORTING PERIODS

No **Extended Reporting Period** will be construed to be a new policy and any **Claim** submitted during an **Extended Reporting Period** will be subject to the policy's terms and conditions, except as specifically set forth below. All **Claims** made during an **Extended Reporting Period** must be reported in accordance with section entitled **REPORTING OF CLAIMS AND EVENTS**.

A. Automatic **Extended Reporting Period**

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 set forth on the Declarations.
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 **Individual 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 that are:

1. operated by and either owned by or leased to an **Insured Entity**; or
2. operated for the benefit of an **Insured Entity** by a third party service provider; and
3. used for:
 - a. the purpose of providing hosted application services to an **Insured Entity**, or
 - b. 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** and does not mean publicly available information that is lawfully in the public domain or information available to the general public from government records.

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** that occurs or that the **Insured Entity** reasonably believes has occurred;
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 pre-judgment interest, and amounts 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**;
10. any amount incurred to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize **Pollutants**.

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, loss, theft or misappropriation of **Protected Data** in the care, custody or control of an **Insured Entity** or **Service Contractor**;
2. alteration, corruption, destruction, deletion or damage to data stored on the **Computer System**;
3. transmitting or receiving **Malicious Code** via the **Computer System**;
4. unauthorized access to or unauthorized use of the **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. and 2. 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 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
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 **Extortion Threat**.

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 an **Enterprise Security Event** that occurs or that the **Insured Entity** reasonably believes has occurred. 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 an individual's identity, including but not limited to travel costs, notary fees, and postage costs, lost wages, and legal fees and expenses associated with such 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 access, 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.



Pollutant means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to:

1. smoke, vapor, soot, fumes, acids, alkalis, chemicals, lead, silica, mold or asbestos;
2. hazardous, toxic or radioactive matter or nuclear radiation;
3. waste, which includes material to be recycled, reconditioned or reclaimed; or
4. any other **Pollutant** as defined by applicable federal, state or local statutes, regulations, rulings, ordinances, or amendments thereto.

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**.

Protected Personal Information means, with respect to natural persons, any private, non-public information of any kind in an **Insured Entity's** care, custody, or control, 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**.

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

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, in response to an **Enterprise Security Event** that occurs or that the **Insured Entity** reasonably believes has occurred:

1. hiring a public relations firm, law firm or crisis management firm for advertising or other communications services, 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 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 pursuant to 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 Loss 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 Loss** 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**, but only while acting within the scope of its duties performed on behalf of 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** that occurs or that the **Insured Entity** reasonably believes has occurred, 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 any **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.

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 occurred in whole 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.

- **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, where legally permissible. If any amounts covered by this policy are paid in a currency other than the official currency of the country where this policy was issued ("Official Policy Currency"), then the payment will be considered to have been made in the Official Policy Currency at the conversion rate published in the *Wall Street Journal* at the time of the payment.

SIGNATURE PAGE FOLLOWS.



SIGNATURE PAGE

IN WITNESS WHEREOF, the Insurer has caused this policy to be issued by affixing hereto the facsimile signatures of its President and Secretary.

A handwritten signature in black ink, appearing to read "Peter Vogt".

President

A handwritten signature in black ink, appearing to read "Andrew Weissert".

Andrew Weissert, Secretary



POLICYHOLDER NOTICE

ECONOMIC AND TRADE SANCTIONS

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by the Office of Foreign Assets Control (OFAC).

THE OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") OF THE US DEPARTMENT OF THE TREASURY ADMINISTERS AND ENFORCES ECONOMIC AND TRADE SANCTIONS BASED ON US FOREIGN POLICY AND NATIONAL SECURITY GOALS AGAINST TARGETED FOREIGN COUNTRIES AND REGIMES, TERRORISTS, INTERNATIONAL NARCOTICS TRAFFICKERS, THOSE ENGAGED IN ACTIVITIES RELATED TO THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION, AND OTHER THREATS TO THE NATIONAL SECURITY, FOREIGN POLICY OR ECONOMY OF THE UNITED STATES.

WHENEVER COVERAGE PROVIDED BY THIS POLICY WOULD BE IN VIOLATION OF ANY U.S. ECONOMIC OR TRADE SANCTIONS, SUCH COVERAGE SHALL BE NULL AND VOID.

FOR MORE INFORMATION, PLEASE REFER TO:

[HTTPS://WWW.TREASURY.GOV/RESOURCE-CENTER/SANCTIONS/PAGES/DEFAULT.ASPX](https://www.treasury.gov/resource-center/sanctions/pages/default.aspx)



POLICYHOLDER NOTICE SERVICE PROVIDERS

This notice shall not be construed as part of your policy nor shall it be construed to replace any provisions of your policy. For the purposes of this notice, "you" refers to the Named Insured on the policy in its capacity as the authorized agent for and representative of all insureds on the policy.

This notice provides information about the approved service providers for covered expenses to respond to an Enterprise Security Event.

This notice does not apply to the use of legal counsel to defend or respond to any event, claim or demand.

If you elect to retain a service provider for coverages that may be available under your policy, and your policy requires prior approval of such service provider by AXIS, then please consult our list of pre-approved service providers on the AXIS website at www.stoplosshub.com.

If you elect to use a service provider not listed on our website, www.stoplosshub.com, preapproval by us of the service provider is required. You will not be eligible for reimbursement or coverage for expenses incurred for such service provider unless you must give us prior notice of your election and obtain written approval from the AXIS Claim Department prior to incurring such expenses. Contact telephone numbers and an email address for the AXIS Claim Department are provided within your policy. If we approve your request for an alternate service provider, only the cost of equivalent or lesser services will be approved. Our maximum responsibility is limited to the cost available to us by Scheduled Service Providers for equivalent services. We are not required to pay for the cost of services delivered without our prior approval.

Please note that your use of an AXIS-approved service provider does not satisfy the notification requirements of the policy. You must also comply with notification and all other terms and conditions required for coverage under your policy.

Before you engage any AXIS-approved service providers, we advise you to conduct your own due diligence to ensure the company and their services meet your particular needs.

AXIS will not be responsible for services outside of the scope of your coverage or the re-performance of services.

Please note the following regarding service providers identified as approved by AXIS:

Approval is service-specific. AXIS identifies the service to which each approval applies.

You should consult your policy before engaging an approved service provider. Coverage is determined by the policy, and your coverage may not include all of the services available from an approved service provider.

AXIS shall not be a party to any agreement entered into between you and any service provider. Service providers are independent contractors, and are not agents or employees of AXIS.

AXIS assumes no liability arising out of any services rendered by a service provider.

AXIS shall not be entitled to any rights or subject to any obligations or liabilities set forth in any agreement entered into between you and any service provider.

You are under no obligation to perform the actions recommended by a service provider.

Unless otherwise stated in your policy, you are under no obligation to contract for services with an approved service provider.



POLICYHOLDER DISCLOSURE

NOTICE OF TERRORISM INSURANCE COVERAGE

The Terrorism Risk Insurance Act established a program (Terrorism Risk Insurance Program) within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. You are hereby notified that an "act of terrorism", as defined in Section 102(1) of the Terrorism Risk Insurance Act, as amended (the "Act"), means any act that is certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

Your policy contains coverages provided on a claims made basis. Claims made coverage provides coverage only for Claims made against you during the Policy Period or any applicable Extended Reporting Period. Upon termination of claims made coverage, an Extended Reporting Period option is available from the Company.

NOTICE TO BROKER MANDATORY POLICYHOLDER DISCLOSURE RE: TERRORISM INSURANCE COVERAGE

We are required by the Terrorism Risk Insurance Act, as amended (the "Act"), to provide policyholders with clear and conspicuous disclosures. This notice must be provided at the time of offer and renewal of the policy.

Includes copyrighted material 2015 National Association of Insurance Commissioners



Endorsement No.	Effective Date of Endorsement	Policy Number	Additional Premium
AXIS 101 0036 (01-17)	12:01 a.m. on July 1, 2020 If the above date is blank, then this endorsement is effective on the effective date of the policy.	TBD	N/A

TELECOMMUNICATIONS THEFT LOSS COVERAGE ENDORSEMENT

SCHEDULE OF COVERAGE	
Telecommunications Theft Loss Limit of Insurance	\$100,000
Telecommunications Theft Loss Aggregate Retention	\$10,000

Information in the above schedule also may appear on the Declarations.

It is agreed that:

1. The section of the policy entitled **CLAIMS MADE LIABILITY COVERAGES** is amended to add the following new coverage:

Telecommunications Theft Loss Coverage

The Insurer will pay the **Insured** for **Telecommunications Theft Loss** incurred because of a **Telecommunications Theft Event**, in excess of the applicable retention and within the applicable limits shown in the SCHEDULE OF COVERAGE.

2. The section of the policy entitled **LIMITS OF INSURANCE, RETENTION AND REIMBURSEMENT** is amended to add the following:

Telecommunications Theft Loss Limit of Insurance

Subject to the Policy Limit of Insurance and to the Aggregate First Party Coverages Limit of Insurance, if any, the **Telecommunications Theft Loss** Limit of Insurance set forth in the above schedule is the most the Insurer will pay for each **Telecommunications Theft Loss**.

Aggregate First Party Coverages Retention

The Aggregate First Party Coverages Retention set forth on the Declarations, if any, is the most the **Insured** will be required to pay under the policy for any first party coverage.

Subject to the Aggregate First Party Coverages Retention, the applicable **Telecommunications Theft Loss** Retention set forth on the SCHEDULE OF COVERAGES, is the most the **Insured** will be required to pay under the policy for such **Telecommunications Theft Loss**.

The **Telecommunications Theft Loss** Retention set forth on the SCHEDULE OF COVERAGES, is part of and reduces the highest applicable each **Claim** retention

3. The section of the policy entitled **EXCLUSIONS** is amended to add the following:

Additional Exclusions Applicable to Telecommunications Theft Loss Coverage

This policy does not provide coverage for any amounts:



- based upon or arising out of indirect or consequential loss of any kind, including, but not limited to: income, earnings or profit not realized as the result of a covered loss; fees, costs or other expenses to establish the existence or amount of covered loss; fees, costs or other expenses of any party; or fees, costs or other expenses incurred by the **Insured** in defending or prosecuting any legal proceeding or claim.
- based upon or arising out of a Telecommunications Theft Event committed by, on behalf of or for the benefit of:
 1. any **Insured**;
 2. any entity that is a parent of the **Named Insured**, joint venturer or co-venturer of any **Insured**, or other entity in which any **Insured** is a partner, and any entity directly or indirectly controlled, operated or managed by such parent, joint venture, co-venturer or partner.
- 4. Solely with respect to the coverage provided by this endorsement, the following provision is added to the policy:

REPORTING OF TELECOMMUNICATIONS EVENTS

A. When an Event Occurs

A **Telecommunications Theft Event** will be deemed to occur when an **Insured** first knows that a **Telecommunications Theft Event** has occurred, or has a reasonable basis to know that a **Telecommunications Theft Event** has occurred, including the receipt of any notice, invoice, or billing evidencing unauthorized use of **Telecommunications Services**.

If **Related Telecommunications Theft Events** subsequently occur, and are reported to the Insurer, all such **Related Telecommunications Theft Events** will be considered a single **Telecommunications Theft Event** and will be deemed to have occurred on the date the first of those **Telecommunications Theft Events** occurred.

B. Reporting of Events

As soon as a **Telecommunications Theft Event** first occurs, the **Insured** must immediately notify the Insurer in writing, but in no event later than 30 days after the **Telecommunications Theft Event** occurs.

5. The section of the Policy entitled **DEFINITIONS** is amended by the addition of the following new definitions:

Related Telecommunications Theft Events means all **Telecommunications Theft 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.

Telecommunications Services means telephone, fax, or data transmission services provided to the **Insured** by others for compensation.

Telecommunications Theft Event means a third party's intentional, unauthorized and fraudulent use of the **Insured's Telecommunications Services**.

Telecommunications Theft Loss means telephone service charges and fees incurred by the **Insured** because of a **Telecommunications Theft Event**, in excess of the **Insured's** normal operating costs.

All other provisions of the policy remain unchanged.



Endorsement No.	Effective Date of Endorsement	Policy Number	Additional Premium
AXIS 101 0035 (01-17)	12:01 a.m. on July 1, 2020 If the above date is blank, then this endorsement is effective on the effective date of the policy.	TBD	N/A

SOCIAL ENGINEERING FRAUD COVERAGE ENDORSEMENT

SCHEDULE OF COVERAGE	
Social Engineering Fraud Loss Limit of Insurance	\$100,000
Social Engineering Fraud Loss Retention	\$10,000

Information in the above schedule also may appear on the Declarations.

It is agreed that:

I. The following FIRST PARTY COVERAGE is added to the policy:

Social Engineering Fraud Coverage

The Insurer will pay the Insured Entity for **Social Engineering Fraud Loss** resulting directly from a **Social Engineering Fraud Event**, in excess of the applicable retention and within the applicable Limits of Insurance.

It is a condition precedent to coverage under the **Social Engineering Fraud** Coverage that the **Insured** attempted to **Authenticate** the **Fraudulent Instruction** prior to transferring any **Money** or **Securities**.

II. Solely with respect to the coverage provided by this endorsement, the section of the policy entitled **LIMITS OF INSURANCE, RETENTION AND REIMBURSEMENT** is amended to add the following:

Multiple Insureds, Claims, Claimants

The Limits of Insurance will not exceed the amounts stated respectively on the Declarations no matter how many **Insureds** are covered, **Claims** or **Extortion Threats** are made against the **Insureds**, or violations of **Privacy Regulations, Enterprise Security Events** or **Social Engineering Fraud Events** occur.

Each Expense/Extortion Loss/Social Engineering Fraud Loss Limit of Insurance

Subject to the Policy Limit of Insurance and to the Aggregate First Party Coverages Limit of Insurance, if any, the Social Engineering Fraud Loss Limit of Insurance set forth in the SCHEDULE OF COVERAGES is the most the Insurer will pay for each Social Engineering Fraud Loss.

Aggregate First Party Coverages Retention

The Aggregate First Party Coverages Retention set forth on the Declarations, if any, is the most the **Insured** will be required to pay under the policy for any first party coverage.

Subject to the Aggregate First Party Coverages Retention, the applicable **Social Engineering Fraud Loss** Retention set forth on the SCHEDULE OF COVERAGES, is the most the **Insured** will be required to pay under the policy for such **Social Engineering Fraud Events**.



The **Social Engineering Fraud Loss** Retention set forth on the SCHEDULE OF COVERAGES is part of and reduces the highest applicable each **Claim** retention.

IV. The section of the policy entitled **EXCLUSIONS** is amended by the addition of the following new subsection:

Exclusions Applicable to Social Engineering Fraud Coverage

This policy does not provide coverage for Claims based upon or arising out of:

- **Acts of Owners**

loss resulting from any fraudulent, dishonest, or criminal act by any **Owner** of the **Insured Entity**, whether acting alone or in collusion with others.

- **Advantage**

loss of one Insured to the gain of another **Insured**.

- **Disputed Payments**

loss of **Money** or **Securities** transferred to or for the benefit of a **Vendor** where there is a dispute between the **Insured** and such **Vendor** with respect to goods provided or services performed by such **Vendor**.

- **Employees**

loss resulting from any fraudulent, dishonest or criminal act by any employee of the **Insured Entity**.

- **Intellectual Property and Confidential Information**

1. loss of or loss resulting from theft, disappearance, destruction, release, or disclosure of, or access to, any trade secrets, intangible property or intellectual property; or
2. loss of or loss resulting from theft, disappearance, destruction, release, or disclosure of, or access to, any confidential information of any kind, including any password, or any non-public, personal, or personally identifiable information.

loss resulting from any fraudulent, dishonest or criminal act by any employee of the **Insured Entity**.

- **Indirect or Consequential Loss**

indirect or consequential loss of any kind, including, but not limited to: income, earnings or profit not realized as the result of a covered loss; fees, costs or other expenses to establish the existence or amount of covered loss; fees, costs or other expenses of any party; or fees, costs or other expenses incurred by the **Insured Entity** in defending or prosecuting any legal proceeding or claim.

V. Solely with respect to the coverage provided by this endorsement, the section of the Policy entitled **REPORTING OF CLAIMS AND EVENTS** is amended as follows:

A. The subsection entitled **When a Claim is Made or Event Occurs** is amended by the addition of the following:

A **Social Engineering Fraud Event** will be deemed to occur when the **Social Engineering Fraud Event** becomes known to a **Control Group Insured**.



If **Related Social Engineering Fraud Events** subsequently occur, and are reported to the Insurer, all such **Related Social Engineering Fraud Events** will be considered a single **Social Engineering Fraud Event** and will be deemed to have occurred on the date the first of those **Social Engineering Fraud Events** occurred.

- B. The subsection entitled **Reporting of Claims and Events**, paragraph 2. only, is deleted in its entirety and replaced by the following:

2. as soon as any **Control Group Insured** becomes aware of any **Enterprise Security Event** or **Social Engineering Fraud Event**, the **Insured** must immediately notify the Insurer in writing, but in no event later than 30 days after the **Enterprise Security Event** or **Social Engineering Fraud Event** occurs; and

- C. Solely with respect to the coverage provided by this endorsement, the section of the Policy entitled DEFINITIONS is amended by the addition of the following new definitions:

Authenticate means to apply a method of challenge and response to the requestor of a **Transfer Instruction**.

Client means any person or entity with whom the **Insured Entity** has agreed, in writing, to provide goods or services in exchange for a fee.

Money means currency, coins or bank notes in current use and having a face value; or travelers' checks, register checks and money orders held for sale to the public.

Owner means any person that is an officer or executive of any corporation, has an interest in any limited liability company or is a partner of any partnership.

Property means tangible property, other than **Money** or **Securities**.

Related Social Engineering Fraud Event means all **Social Engineering Fraud 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.

Securities means negotiable and non-negotiable instruments or contracts representing either **Money** or **Property**.

Social Engineering Fraud Event means the transfer of the **Insured Entity's Money** or **Securities** to a person, place or account beyond the **Insured Entity's** control by an employee of the **Insured Entity** acting in good faith reliance upon a verbal, written or electronic instruction that purported to be a legitimate **Transfer Instruction** but, in fact, was fraudulent.

Social Engineering Fraud Loss means loss of **Money** or **Securities** transferred by the **Insured Entity** in a **Social Engineering Fraud Event**.

Transfer Instruction means a verbal, written or electronic instruction purportedly from a **Client**, **Vendor** or employee of the **Insured Entity** to transfer **Money** or **Securities**.

Vendor means any person or entity that provides goods or services to the **Insured Entity** pursuant to a written contract.

All other provisions of the policy remain unchanged.



Endorsement No.	Effective Date of Endorsement	Policy Number	Additional Premium
AXIS 101 0034 (01-17)	12:01 a.m. on July 1, 2020 If the above date is blank, then this endorsement is effective on the effective date of the policy.	TBD	N/A

RANSOMWARE LOSS COVERAGE ENDORSEMENT

SCHEDULE OF COVERAGE	
Ransomware Loss Limit of Insurance	\$1,000,000
Ransomware Loss Retention	\$10,000

Information in the above schedule also may appear on the Declarations.

It is agreed that:

1. The definitions of **Extortion Loss** and **Extortion Threat** are amended as follows:

Extortion Loss also includes **Ransomware Loss**.

Extortion Threat also includes a **Ransomware Attack**.

2. The following new definitions are added:

Ransomware Attack means the insertion of malware by a third party perpetrator on computer hardware, software or components thereof linked together through a network of devices accessible through the internet or the **Named Insured's** intranet or connected with data storage or other peripheral devices and operated by and either owned by or leased to an **Named Insured** that prevents or limits an **Insured's** ability to access data thereon for the purpose of obtaining a ransom from the **Insured** to end or remove the attack.

Ransomware Loss means those funds paid by the **Named Insured** to the perpetrators of the **Ransomware Attack** to end the attack, with the Insurer's prior approval.

3. The Section entitled **LIMITS OF INSURANCE, RETENTION AND REIMBURSEMENT** is amended to add the following:

Each Ransomware Loss Limit of Insurance

Subject to the Policy Limit of Insurance and to the Aggregate First Party Coverages Limit of Insurance, the most the Insurer will pay for **Ransomware Loss** is the amount stated in the above **SCHEDULE OF COVERAGE**, which shall be part of, and not in addition to, the **Extortion Loss** Limit of Insurance.

Aggregate First Party Coverages Retention

The Aggregate First Party Coverages Retention set forth on the Declarations, if any, is the most the **Insured** will be required to pay under the policy for any first party coverage.



Subject to the First Party Coverages Retention, the **Ransomware Loss** Retention set forth in the above *SCHEDULE OF COVERAGE*, if any, is the most the **Insured** will be required to pay under the policy for such covered **Ransomware Loss**, regardless of the number of **Ransomware Attacks**. The **Ransomware Loss** Retention is part of and reduces the highest applicable each **Claim** retention.

4. It is a condition precedent to the coverage provided by this endorsement that Computer System Extortion coverage has also been purchased, and that the coverage was added by endorsement to this policy.

All other provisions of the policy remain unchanged.



Endorsement No.	Effective Date of Endorsement	Policy Number	Premium
AXIS 101 0033 (01-17)	12:01 a.m. on July 1, 2020 If the above date is blank, then this endorsement is effective on the effective date of the policy.	TBD	\$5,672.00

PAYMENT CARD INDUSTRY DATA SECURITY STANDARDS (PCI-DSS) COVERAGE ENDORSEMENT

SCHEDULE OF COVERAGE	
Limits of Insurance	
Each PCI-DSS Claim Limit of Insurance	\$1,000,000
Retention	
Aggregate PCI-DSS Fines Claim Retention	\$10,000
PCI-DSS Fines Claim Retroactive Date	See Declarations Page

It is agreed that:

- I. Solely with respect to a **PCI-DSS Fines Claim**, the definition of **Damages** in the section entitled **DEFINITIONS** is amended as follows:

Notwithstanding anything to the contrary in this definition of **Damages**, **Damages** also includes **PCI-DSS Fines**. It is a condition precedent to coverage for such **PCI-DSS Fines** that the **Named Insured** must have accurately validated, not more than twelve (12) months prior to the occurrence of the **Enterprise Security Event** giving rise to the **Claim**, to the applicable credit/debit card company that it was in compliance with the **Payment Card Industry Agreement's** data security standards.

- II. Solely with respect to a **PCI-DSS Fines Claim**, the definition of **Retroactive Date** in the section entitled **DEFINITIONS** is amended to add the following:

Solely as respects coverage for **PCI-DSS Fines Claims**, the **Retroactive Date** shall mean the date specified as the **PCI-DSS Fines Claim Retroactive Date** in the **SCHEDULE OF COVERAGE** of this endorsement, if any. If no **PCI-DSS Fines Claim Retroactive Date** is stated in the **SCHEDULE OF COVERAGE**, the **Retroactive Date** for **PCI-DSS Fines Claims** shall be the **Retroactive Date** stated on the Declarations or the **First Inception Date** of this policy, as applicable under the terms of this policy.

- III. The section entitled **DEFINITIONS** is amended to add the following new definitions:

PCI-DSS Fines means amounts owed by the Insured Entity under the terms of a **Payment Card Industry Agreement**, but only if such amounts are imposed as indemnity obligations on the **Named Insured** due to its actual or alleged non-compliance with the data security standards set forth in such **Payment Card Industry Agreement**, and only if such **PCI-DSS Fines** arise out of a covered **Enterprise Security Event**. **PCI-DSS Fines** do not include any charge backs, interchange fees, discount fees or service fees.

PCI-DSS Fines Claim means an **Enterprise Security Event Claim** brought by a credit/debit card company or credit/debit card processor seeking **PCI-DSS Fines**.



IV. The section entitled **LIMITS OF INSURANCE, RETENTION AND REIMBURSEMENT** is amended to add the following:

PCI-DSS Fines Claims – Limits of Insurance and Retention

The Each **PCI-DSS Fines Claim** Limit of Insurance as specified in the above *SCHEDULE OF COVERAGE* is the most the Insurer will pay for covered **Damages** and **Claim Expenses** for each **PCI-DSS Fines Claim** in excess of the applicable retention.

The Each **PCI-DSS Fines Claim** Limit of Insurance is part of and not in addition to the Each **Claim** and Policy Limit of Insurance stated in the Declarations, and constitutes the total limits of insurance available under this policy for **PCI-DSS Fines Claims**.

The Aggregate **PCI-DSS Fines Claim** Retention specified in the above *SCHEDULE OF COVERAGE* is the most the Insured will be required to pay under the policy for all **PCI-DSS Fines Claims**. This Aggregate **PCI-DSS Fines Claims** Retention is in addition to and not part of the Each **Claim** Retention stated on the Declarations.



Endorsement No.	Effective Date of Endorsement	Policy Number	Premium
PVSR-321 (04-15)	12:01 a.m. on July 1, 2020 If the above date is blank, then this endorsement is effective on the effective date of the policy.	TBD	\$5,672.00

WEBSITE MEDIA LIABILITY COVERAGE ENDORSEMENT

SCHEDULE OF WEBSITE MEDIA LIABILITY COVERAGE	
Limits of Insurance	
Each Website Media Claim Limit of Insurance	\$1,000,000
<i>NOTE: The Each Claim Retention applies to this Website Media Liability Coverage. If no Website Media Claim Retroactive Date is stated in this Schedule, the Retroactive Date for this coverage will be the Retroactive Date stated on the Declarations.</i>	
Website Media Claim Retroactive Date	See Declarations Page

Information in the above schedule also may appear on the Declarations.

It is agreed that:

- I. The section entitled **Claims-Made Liability Coverages** is amended to add the following:

The following Coverage applies only if the SCHEDULE OF WEBSITE MEDIA LIABILITY COVERAGE displays a Limit of Insurance for such Coverage:

Website Media Liability Coverage

The Insurer will pay those **Damages**, in excess of the Each Claim Retention stated on the Declarations and within the applicable Limit of Insurance, that the Insured becomes legally obligated to pay because of a **Wrongful Act** giving rise to a **Website Media Claim**, provided that:

- such **Website Media Claim** is first made against the **Insured** during the **Policy Period** or any applicable **Extended Reporting Period** and is reported to the Insurer in accordance with section entitled **REPORTING OF CLAIMS AND EVENTS**;
- such **Wrongful Act** first occurred on or after the **Retroactive Date** and prior to the end of the **Policy Period** and is reported to the Insurer in accordance with section entitled **REPORTING OF CLAIMS AND EVENTS**; and
- as of the **First Inception Date**, no **Control Group Insured**:
 - had given notice to any insurer of any
 - Related Website Media Claim**;
 - act, error, omission, fact or circumstance, including any Related Wrongful Act, reasonably likely to give rise to an Website Media Claim;
 - knew, or had a basis to believe, that any:
 - Related Website Media Claim** had been made; or



- ii. act, error, omission, fact or circumstance, including any **Related Wrongful Act**, was reasonably likely to give rise to an **Website Media Claim**.

The Insurer will also pay all **Claim Expenses** in excess of the Each **Claim** Retention in connection with such **Website Media Claim**. **Claim Expenses** are included within and erode the applicable Limits of Insurance.

- II. The section entitled **LIMITS OF INSURANCE, RETENTION AND REIMBURSEMENT, B. Limits of Insurance, 2. Claims-Made Liability Coverages Limits of Insurance** of the policy is amended to add the following:

Each Website Media Claim Limit of Insurance

Subject to the Policy Limit of Insurance and to the Aggregate Claims-Made Liability Coverages Limit of Insurance, the Each **Website Media Claim** Limit of Insurance is the most the Insurer will pay for all covered **Damages** and **Claim Expenses** in connection with each such **Website Media Claim**.

- III. Solely as respects the coverage afforded by this endorsement, the section entitled EXCLUSIONS is amended as follows:

- A. Paragraph 1 of the exclusion entitled Bodily Injury or Property Damage as stated in paragraph A. is deleted in its entirety and replaced as follows:

1. **Bodily Injury**, except that this exclusion does not apply to mental injury or mental anguish if directly resulting from:

- a. a **Wrongful Act**, or
- b. from an **Enterprise Security Event** involving **Protected Personal Information** that gives rise to an **Enterprise Security Event Claim**:

- B. The exclusion for **Intellectual Property** as stated in paragraph A. is amended to add the following at the end thereof:

Except, however, this exclusion shall not apply to an otherwise covered **Website Media Claim** based upon or arising out of infringement or contributing to infringement of copyright.

- C. The following new exclusions are added:

Exclusions Applicable to Website Media Liability Coverage

This policy shall not provide coverage for **Website Media Claims**:

- **False Advertising**

based upon or arising out of false, misleading, deceptive, or fraudulent statements in **Advertising**, including the inaccurate or incomplete description or depiction of goods, products or services, including the price, quality, or performance thereof, or unfair competition based thereon;

- **Insured's Products and Services**

based upon or arising out of:

1. an **Insured's** performance of professional services, including creation of **Content**, for or on behalf of others;



2. inaccurate or incomplete description or depiction of goods, products or services, including the price, quality, or performance thereof, or unfair competition based thereon;
3. contests, discounts, coupons, rebates, prizes, games of chance, sweepstakes, awards or other incentives; or
4. failure of goods, products, or services to conform with any represented quality or performance.

- **Intellectual Property Disputes**

based upon or arising out of:

1. ownership or the right to use any Internet domain name or web address, or infringement of any alleged right with respect to the look and feel of websites;
2. ownership of, fees associated with, use of, or exercise of rights in content licensed or sold to an **Insured** by a third party, when such **Website Media Claim** is between such third party and the Insured as respects the terms and scope of such license or sale;

- **Regulatory Actions**

brought by any foreign, federal, state or local governmental regulatory agency, including the Federal Trade Commission, Federal Communications Commission;

- **Specific Content**

based upon or arising out of:

1. content published or posted on any website not owned or operated by an **Insured Entity**;
2. song writing, music composition, music publishing, music recording, or music production activities.

IV. Solely as respects the coverage afforded by this endorsement, the section entitled **DEFINITIONS** is amended as follows:

A. The definition of **Claim** is deleted in its entirety and replaced by:

Claim means a **Website Media Claim**.

B. The definition of **Damages** amended to add the following:

With respect to a **Website Media Claim**, **Damages** also does not include any:

1. costs of correcting, withdrawing, or recalling content, products, or services;
2. production costs; costs of reproduction, reprinting or correction of content by any person or entity, any costs or expenses incurred by any person or entity to withdraw or recall content, products or services from the marketplace.

C. The definition of **Additional Insured** is amended to delete the last sentence and replace it as follows:

This paragraph does not apply unless the written contract or agreement has been executed prior to the **Wrongful Act** upon which the **Website Media Claim** is based. No such person or entity is insured under this policy for its liability arising out of its own acts, errors, or omission.

D. The definition of **Extended Reporting Period** is amended to add the following:



As respects **Website Media Liability Coverage**, **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 such **Claim** alleges a **Wrongful Act** that first occurred on or after the **Retroactive Date** and prior to the end of the **Policy Period**.

E. The definition of **Related Claim** is deleted and replaced as follows:

Related Claim means **Related Website Media Claim**.

F. Solely with respect to a **Website Media Claim**, the definition of **Retroactive Date** in the section entitled **DEFINITIONS** is amended to add the following:

Solely as respects **Website Media Liability Coverage**, the **Retroactive Date** shall mean the date specified as the **Website Media Claim Retroactive Date** in the SCHEDULE OF WEBSITE MEDIA LIABILITY COVERAGE of this endorsement, if any. If no **Website Media Claim Retroactive Date** is stated in the SCHEDULE OF WEBSITE MEDIA LIABILITY COVERAGE, the **Retroactive Date** for **Website Media Liability Coverage** shall be the **Retroactive Date** stated on the Declarations or the **First Inception Date** of this policy, as applicable under the terms of this policy.

G. The following new definitions are added:

Advertising means any publicity or promotion of the **Named Insured's** own products or services or the products or services of others.

Content means communicative or informational content regardless of the nature or form of such content including **Advertising**. "**Content**" does not mean **Protected Data**.

Related Wrongful Act means all **Wrongful Acts** 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.

Website Media 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 a **Wrongful Act**. **Website Media Claim** does not include an **Enterprise Security Event Claim** or a **Privacy Regulation Claim**.

Wrongful Act means any written dissemination or publication of **Content** on websites owned or operated by the **Named Insured** by an **Insured**, or a person or entity for whom an **Insured** is legally liable that actually or allegedly:

1. defames, slanders or libels any natural person;
2. disparages or harms the character, reputation or feelings of any natural person;
3. violates a person's or organization's rights of privacy or publicity, including public disclosure of private facts, breach of confidence, intrusion, false light and commercial appropriation of name or likeness;
4. infringes upon another's copyright, provided however, this does not include infringement of copyright in software;
5. fails to attribute authorship or provide credit under any agreement to which an **Insured Entity** is a party;



6. contains a misstatement, misleading statement, or misrepresentation due to the Insured's negligent act, error, or omission.

V. Solely with respect to the Coverage provided by this endorsement:

The section entitled **REPORTING OF CLAIMS AND EVENTS**, paragraph **C. Reporting of Circumstances** is amended to delete the first sentence up to the colon, and replace it as follows:

If, during the **Policy Period** or within 30 days after the expiration of the **Policy Period**, an **Insured** gives the Insurer written notice of an act, error, omission, fact or circumstance, including a **Wrongful Act**, an **Enterprise Security Event** or purported violation of a **Privacy Regulation** that occurred during the **Policy Period** and is reasonably likely to give rise to a **Claim** with full details of:

VI. Solely with respect to the Coverage provided by this endorsement:

The following sub-sections of the **GENERAL CONDITIONS** are amended as follows:

Merger or Acquisition is amended to add the following at the end thereof:

Wherever the phrase "**Enterprise Security Event**" appears in the foregoing paragraph, it is replaced by "**Enterprise Security Event or Wrongful Act**" for the purposes of applying this General Condition to the Website Media Liability Coverage afforded by this endorsement.

New and Former Entities is amended to add the following at the end thereof:

Wherever the phrase "**Enterprise Security Event**" appears in the foregoing paragraph, it is replaced by "**Enterprise Security Event or Wrongful Act**" for the purposes of applying this General Condition to the **Website Media Liability Coverage** afforded by this endorsement.

All other provisions of the policy remain unchanged.



POLICYHOLDER NOTICE

AXIS eRISK HUB

This notice shall not be construed as part of your policy nor shall it be construed to replace any provisions of your policy.

This notice provides information about the **AXIS eRisk Hub®**.

Maintained by NetDiligence®, the **AXIS eRisk Hub®** is a private web-based portal available to select AXIS policyholders and features specialized content and risk management tools to improve preparedness and facilitate response to network and data security events.

The **AXIS eRisk Hub®** is private and secure. Do not share access or access instructions outside of your organization.

To register for the AXIS eRisk Hub®:

1. Go to **<https://eriskhub.com/axis>**
2. Complete the registration form
3. Enter **10745** in the Access Code field
4. Login with the User ID and Password you established during the registration process

No more than three individuals may register for the **AXIS eRisk Hub®** with this policy. Registered users have unlimited access during the policy period and must cease use upon the effective date of cancellation or expiration unless a renewal policy is purchased.



STATE FRAUD STATEMENT

ALABAMA

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison or any combination thereof.

ARKANSAS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

COLORADO

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

DISTRICT OF COLUMBIA

Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

FLORIDA

Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

KANSAS

A "fraudulent insurance act" means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

KENTUCKY

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information, or conceals, for the purpose of



misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

LOUISIANA

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

MAINE

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

MARYLAND

Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NEW JERSEY

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NEW MEXICO

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

NEW YORK

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

OHIO

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

OKLAHOMA

WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

OREGON



Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents materially false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

In order for us to deny a claim on the basis of misstatements, misrepresentations, omissions or concealments on your part, we must show that:

- A. The misinformation is material to the content of the policy;
- B. We relied upon the misinformation; and
- C. The information was either:
 - 1. Material to the risk assumed by us; or
 - 2. Provided fraudulently.

For remedies other than the denial of a claim, misstatements, misrepresentations, omissions or concealments on your part must either be fraudulent or material to our interests.

With regard to fire insurance, in order to trigger the right to remedy, material misrepresentations must be willful or intentional.

Misstatements, misrepresentations, omissions or concealments on your part are not fraudulent unless they are made with the intent to knowingly defraud.

PENNSYLVANIA

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

PUERTO RICO

Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation with the penalty of a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

RHODE ISLAND

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

TENNESSEE

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.



VIRGINIA

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

WASHINGTON

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

WEST VIRGINIA

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.



Endorsement No.	Effective Date of Endorsement	Policy Number	Premium
AXIS 801 KY (06-15)	12:01 a.m. on July 1, 2020 If the above date is blank, then this endorsement is effective on the effective date of the policy.	TBD	\$5,672.00

CANCELLATION AND NONRENEWAL ENDORSEMENT – KENTUCKY

It is agreed that:

Except as specifically set forth herein, any Cancellation or Nonrenewal provision in this policy is replaced by the following. If the policy does not contain a Cancellation and/or Nonrenewal provision, the following is added to the policy:

1. Cancellation

- a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance notice of cancellation. Such advance notice of cancellation should be mailed or delivered to the address indicated in the Declarations under the item entitled Notices to Insurer.

- b. Cancellation Of Policies In Effect For 60 Days Or Less

If this policy has been in effect for 60 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least 14 days before the effective date of cancellation.

- c. Cancellation Of Policies In Effect For More Than 60 Days

(1) If this policy has been in effect for more than 60 days or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

(a) Nonpayment of premium;

(b) Discovery of fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy, or in presenting a claim under the policy;

(c) Discovery of willful or reckless acts or omissions on your part which increase any hazard insured against;

(d) The occurrence of a change in the risk which substantially increases any hazard insured against after insurance coverage has been issued or renewed;

(e) A violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any insured property or the occupancy thereof which substantially increases any hazard insured against;

(f) We are unable to reinsure the risk covered by the policy; or

(g) A determination by the commissioner that the continuation of the policy would place us in violation of the Kentucky insurance code or regulations of the commissioner.

(2) If we cancel this policy based on Paragraph c.1. above, we will mail or deliver a written notice of cancellation to the first Named Insured, stating the reason for cancellation, at least:

(a) 14 days before the effective date of the cancellation, if cancellation is for nonpayment of premium; or



(b) 75 days before the effective date of the cancellation, if cancellation is for any reason stated in c.1.(b) through c.1.(g) above.

- d. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- e. Notice of cancellation will state the effective date of cancellation and will be effective for all Insureds. All coverage will end on the effective date of cancellation.
- f. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the premium refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a premium refund.
- g. If notice of cancellation is mailed, proof of mailing shall be considered sufficient proof of notice.

2. Nonrenewal

- a. For the purpose of this Condition:
 - (1) Any policy period or term of less than six months shall be considered to be a policy period or term of six months; and
 - (2) Any policy period or term of more than one year or any policy with no fixed expiration date shall be considered a policy period or term of one year.
- b. If we elect not to renew this policy, we will mail or deliver written notice of nonrenewal, stating the reason for nonrenewal, to the first Named Insured shown in the Declarations, at the last mailing address known to us, at least 75 days before the expiration date of the policy period.
- c. If notice of nonrenewal is not provided pursuant to this Condition, coverage under the same terms and conditions shall be deemed to be renewed for the ensuing policy period upon payment of the appropriate premium until you have accepted replacement coverage with another insurer, or until you have agreed to the nonrenewal.
- d. If we mail or deliver a renewal notice to the first Named Insured at least 30 days before the end of the policy period, stating the renewal premium and its due date, the policy will terminate without further notice unless the renewal premium is received by us or our authorized agent by the due date.
- e. If this policy terminates because the renewal premium has not been received by the due date, we will, within 15 days, mail or deliver to the first Named Insured at his last known address a notice that the policy was not renewed and the date it was terminated.
- f. If notice is mailed, proof of mailing is sufficient proof of notice.

As used herein, "us" and "we" refers to the insurance company named on the Declarations.

As used herein, "you", "your" or "named insured" refers to the person or entity first named as such on the Declarations.

If any provision of the policy contains cancellation or nonrenewal terms that are more favorable to the insured than those provided in this endorsement, then, except where prohibited by applicable state law, the more favorable terms control.

All other provisions of the policy remain unchanged.



Endorsement No.	Effective Date of Endorsement	Policy Number	Premium
AXIS 101 0170KY (01-17)	12:01 a.m. on July 1, 2020 If the above date is blank, then this endorsement is effective on the effective date of the policy.	TBD	\$5,672.00

KENTUCKY AMENDATORY ENDORSEMENT

It is agreed that:

- I. The definition of **Application** is deleted in its entirety and replaced with the following:

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 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.

- II. The General Condition **Representations and Severability** is deleted in its entirety and replaced with the following:

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 fraudulent, or materially affected either the acceptance of the risk or the hazard assumed by the Insurer under this policy, or the Insurer would either not have issued the policy or would not have issued it at the same premium rate, or would not have issued insurance in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss, if the true facts had been made known to the Insurer then no coverage will be provided under this policy for any **Claims** or any other covered matter based upon or arising out of 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**.

All other provisions of the policy remain unchanged.

Quotation
This is not a valid Policy



Endorsement No.	Effective Date of Endorsement	Policy Number	Premium
AXIS 303A (08-16)	12:01 a.m. on July 1, 2020 If the above date is blank, then this endorsement is effective on the effective date of the policy.	TBD	\$5,672.00

**BUSINESS INTERRUPTION AND DATA RECOVERY COVERAGE
ENDORSEMENT – SYSTEM DISRUPTIONS**

SCHEDULE OF COVERAGE			
Limits of Insurance			
System Disruption Business Interruption Coverage Limit of Insurance			\$1,000,000
Data Recovery Expense Coverage Limit of Insurance			\$1,000,000
Retention			
Data Recovery Expense Retention			\$10,000
System Disruption Hourly Cap <i>(stated as \$ per hour)</i>	NA	System Disruption Waiting Period <i>(in hours)</i>	6
NOTE: If an Hourly Cap is not stated above, then no Hourly Cap shall apply with respect to such Coverage.			

Information in the above schedule also may appear on the Declarations. If any information required on this schedule for a specific coverage does not appear in this Endorsement or on the Declarations, this policy does not provide such coverage.

It is agreed that:

- I. The follow new coverage is added to the policy as a FIRST PARTY COVERAGE:

Business Interruption Coverages

The following Coverages apply only if the SCHEDULE OF COVERAGE displays a Limit of Insurance for such Coverage.

A. System Disruption Business Interruption Coverage

Subject to the applicable Limits of Insurance, the Insurer will pay for loss of **Business Income** the **Insured Entity** sustains and **Extra Expense** it incurs during the **Period of Restoration** because of a **System Disruption**.

B. Data Recovery Expense Coverage

Subject to the applicable Limits of Insurance and in excess of the **Retention**, the Insurer will pay the **Insured Entity** for **Data Recovery Expense** it incurs because of a **System Disruption**.

Provided, however, these coverages shall only apply if:



1. the **Insured** notifies the Insurer of the **System Disruption** in accordance with the section entitled **REPORTING OF CLAIMS AND EVENTS**;
 2. the **System Disruption** first occurs on or after the effective date of this endorsement and prior to the end of the **Policy Period**;
 3. as of the effective date of this endorsement no **Control Group Insured**:
 - a. had given notice to any insurer of any fact or circumstance, including a threatened or actual **Cyber Attack**, that was reasonably likely to give rise to such **System Disruption**;
 - b. knew or had a basis to know of any fact or circumstance, including a threatened or actual **Cyber Attack**, that was reasonably likely to give rise to such **System Disruption**.
- II. Solely with respect to the coverage added by this endorsement, the following LIMITS OF INSURANCE AND RETENTION shall control:

LIMITS OF INSURANCE AND RETENTIONS – BUSINESS INTERRUPTION COVERAGES

- **Application of Business Interruption Coverages Limits**

The most the Insurer will pay under each applicable Business Interruption Coverage is set forth in the SCHEDULE OF BUSINESS INTERRUPTION AND DATA RECOVERY COVERAGE. Such Limits apply to all loss of **Business Income** sustained, and all **Data Recovery Expense** and **Extra Expense** incurred, in any one **Policy Period** regardless of the number of **System Disruptions** or **Cyber Attacks** or the number of computer systems involved. With respect to a **System Disruption** that begins in one **Policy Period** and continues or results in subsequent loss or expense, all loss or expense is deemed to be sustained in the **Policy Period** in which such **System Disruption** began. There is no coverage for loss of **Business Income** sustained or **Data Recovery Expense** or **Extra Expense** incurred after the **Period of Restoration** ends, even if the applicable Limits have not been exhausted.

- **Limits of Insurance**

1. **Policy Limit of Insurance**

The Policy Limit of Insurance stated on the Declarations is the most the Insurer will pay for all amounts covered under this policy.

2. **System Disruption Business Interruption Coverage Limit of Insurance**

Subject to the Policy Limit of Insurance, the **System Disruption** Business Interruption Coverage Limit of Insurance set forth in the SCHEDULE OF BUSINESS INTERRUPTION AND DATA RECOVERY COVERAGE is the most the Insurer will pay for all covered **Business Income** and **Extra Expense** under Coverage A.

3. **Data Recovery Expense Coverage Limit of Insurance**

Subject to the Policy Limit of Insurance, the **Data Recovery Expense** Coverage Limit of Insurance set forth in the SCHEDULE OF BUSINESS INTERRUPTION AND DATA RECOVERY COVERAGE is the most the Insurer will pay for all covered **Data Recovery Expense** under Coverage B.

- III. Solely with respect to the coverage added by this endorsement, the following provisions are added to the RETENTIONS section of the policy:

Data Recovery Expense Coverage Retention



Subject to the Aggregate Policy Level Retention, the **Data Recovery Expense** Retention set forth in the SCHEDULE OF BUSINESS INTERRUPTION AND DATA RECOVERY COVERAGE is the most the **Insured** shall be required to pay for all **Data Recovery Expense** incurred for each **System Disruption**, regardless of the number of **System Disruptions**.

IV. The section entitled EXCLUSIONS of the policy is amended to add the following new provision:

Exclusion Applicable to Business Interruption Coverages

In addition to the provisions containing **Exclusions Applicable to All Coverages**, this policy shall not apply to any **Business Income** loss, **Extra Expense**, **Data Recovery Expense**, or **System Disruption** arising out of:

- **Government-Ordered Seizure or Destruction**

seizure, confiscation, nationalization, or destruction of **Information** or the **Computer System** by order of any governmental or public authority.

V. Solely with respect to the coverage added by this endorsement, the following REPORTING OF CLAIMS AND EVENTS provisions shall control:

REPORTING OF CLAIMS AND EVENTS – BUSINESS INTERRUPTION COVERAGES

- **When a System Disruption Occurs**

A **System Disruption** will be deemed to occur when the **System Disruption** becomes known to a **Control Group Insured**.

- **Reporting of a System Disruption**

It is a condition precedent to coverage under **Business Interruption Coverages** that the **Insured** must notify the Insurer in writing immediately after a **System Disruption** occurs. This notice must contain all known or reasonably obtainable information concerning the time and details of the **System Disruption**, including all information on the **Cyber Attack** giving rise to such **System Disruption**.

VI. Solely with respect to the coverage provided by this endorsement, the definition of **Computer System** is deleted and replaced by the following:

Computer System means computer hardware, software and all components thereof linked together through a network of devices accessible through the internet or intranet or connected with data storage or other peripheral devices and operated by and either owned by or leased to an **Insured Entity**.

VII. The section entitled **DEFINITIONS** of the policy is amended to add the following new definitions:

Business Income means net profit, if any, that would likely have been earned or incurred before taxes. The **Insured Entity's** net profit referred to herein will be determined with due consideration to the **Insured Entity's** reasonably expected profit in the absence of any **System Disruption**, based on its GAAP financial results in the fiscal year immediately preceding such **System Disruption**. **Business Income** will be calculated on an hourly basis, not to exceed the applicable Hourly Cap. **Business Income** does not include income that would likely have been earned as a result of an increase in volume of business due to favorable business conditions, including, but not limited to, those caused by the impact of an interruption to other businesses.



Cyber Attack means the intentional and targeted release or insertion by an **Outside Actor** of any computer virus, malware, Trojan horse, worm, or other code, script, or software into the **Computer System** for the purpose of gaining or enabling unauthorized access to the **Computer System**.

Data Recovery Expense means the actual and necessary costs to recover and restore **Information** that is altered, corrupted, destroyed, disrupted or deleted directly and solely as a result of a **Cyber Attack** provided, however, such costs are limited to the recovery and restoration of **Information** from the **Insured Entity's** data backup of electronic data. **Data Recovery Expense** shall not mean and shall not include:

1. costs for creating, or developing **Information**, including without limitation software and trade secrets;
2. costs to update, upgrade, enhance **Information**;
3. costs to replace any computer system, or to identify or remove software program errors, malware, computer viruses or vulnerabilities.

Extra Expense means reasonable and necessary expenses incurred by the **Insured Entity**, in excess of its normal operating expenses, to promptly resume or conduct business operations after the occurrence of a **System Disruption**, including those reasonable and necessary expenses to secure alternate or temporary locations, resources, and services for such purpose. **Extra Expense** shall not mean:

1. costs to recover and restore **Information**;
2. costs to research, recreate or redevelop **Information**;
3. costs to replace any computer system, or to identify or remove software program errors, malware, computer viruses or vulnerabilities.

Information means electronic data, including software, stored on the **Computer System** at the time of the **System Disruption**, provided that such data is subject to the **Insured Entity's** regular backup procedures. **Information** does not mean digital currency records or any data concerning electronic fund transfers, digital currency, or transactions.

Outside Actor means a person or organization other than:

1. any **Insured Entity**, including any current or former employee, director, officer, partner, volunteer, or independent contractor of the **Insured Entity** other than such employee, director, officer, partner, volunteer, or independent contractor acting outside the scope of their authority or duties as such; or
2. any entity directly or indirectly controlled, operated or managed by an entity described in 1., above, including any individual who is an employee, officer or director thereof, other than such employee, officer or director acting outside the scope of their authority or duties as such.

Period of Restoration means a consecutive period of time, not to exceed thirty (30) days, beginning immediately after such date and time the **Waiting Period** expires and ending on the specific date and time the **System Disruption** ends or should have ended with the **Insured Entity's** reasonable diligence and effort.

System Disruption means a measurable and material interruption or suspension of the **Computer System** that is directly caused by a **Cyber Attack**.

Waiting Period means the number of hours stated in the SCHEDULE OF BUSINESS INTERRUPTION AND DATA RECOVERY COVERAGE that must elapse after a **System Disruption** occurs before the Insurer will become obligated to pay covered loss of **Business Income** and **Extra Expense** in connection



with such **System Disruption**. The **Waiting Period** commences immediately after the specific date and time the **System Disruption** occurs.

4/III. The **Assistance and Cooperation** condition is amended to add the following at the end thereof:

As respects **Business Interruption Coverages**, all **Insureds** will cooperate with the Insurer after a **System Disruption** or **Cyber Attack** occurs by:

- a. making reasonable and diligent efforts to reduce or limit its loss of **Business Income** or its **Extra Expense** and **Data Recovery Expense**, including through the prompt continuation or resumption of its business operations by available existing means or by alternative means;
- b. assisting in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Insured Entity**;
- c. authorizing and assisting the Insurer in obtaining, accessing and inspecting records, property or any other relevant information.

IX. The **Merger or Acquisition** condition is amended to add the following at the end thereof:

As respects Business Interruption Coverages provided under this policy, coverage will continue under this policy until terminated, but only with respect to **System Disruptions** that first 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 **System Disruptions** first occurring after such event.

X. The **New and Former Entities** condition is amended to add the following at the end thereof:

As respects the Business Interruption Coverages provided under this policy, there is no coverage for any **System Disruption** 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 **System Disruption** that occurred prior to the date such **Subsidiary** became a **Subsidiary**.

XI. The **Territory, Valuation and Currency** condition is amended to add the following at the end thereof:

Coverage under this endorsement applies to **System Disruptions** taking place anywhere in the world. If any amounts covered by this policy are paid in a currency other than the official currency of the country where this policy was issued ("Official Policy Currency"), then the payment will be considered to have been made in the Official Policy Currency at the conversion rate published in the Wall Street Journal when the loss of **Business Income** began, or when the **Extra Expense** or **Data Recovery Expense** was incurred.

XII. The section entitled **GENERAL CONDITIONS** is amended to add the following new condition at the end thereof:

Experts

The **Named Insured** and Insurer each will have the right to demand that an expert determine the amount of covered **Business Income** loss, **Extra Expense** or **Data Recovery Expense**. If the **Named Insured** or the Insurer makes a written request for an expert opinion, each will select a competent independent expert and notify the other of the expert's identity within twenty (20) business days. The two experts will then select a competent impartial umpire. The experts will then determine and state separately the amount of **Business Income** loss, **Extra Expense** or **Data Recovery Expense**. If the experts agree on the calculated amount as the **Business Income** loss, **Extra Expense** or, the amount agreed upon will be the



Business Income loss, **Extra Expense** or **Data Recovery Expense**. If the experts fail to agree within a reasonable time, they will submit only their differences to the umpire. A written agreement, itemized and signed by any two of these three will determine the amount of the **Business Income** loss, **Extra Expense** or **Data Recovery Expense**. Each expert will be paid by the party selecting the expert and the compensation of the umpire will be paid equally by the **Named Insured** and the Insurer. The use of such experts does not impact the Insurer's right to deny coverage nor any of the **Insured's** rights to pursue legal action available to it.

All other provisions of the policy remain unchanged.