



THIS POLICY CONTAINS A CLAUSE WHICH MAY LIMIT THE AMOUNT PAYABLE.

THIS POLICY IS A CLAIMS MADE AND REPORTED POLICY WITH DEFENSE COSTS, EXPENSES OR ANY OTHER AMOUNT COVERED BY THIS POLICY INCLUDED WITHIN THE LIMIT EXCEPT AS OTHERWISE MIGHT BE PROVIDED WITHIN ANY ATTACHED ENDORSEMENTS. THIS POLICY COVERS ONLY CLAIMS FIRST MADE AND REPORTED TO US DURING THE POLICY PERIOD AND ARISING FROM ANY WRONGFUL ACTS, FACTS, OR CIRCUMSTANCES THAT WERE FIRST COMMITTED OR OCCURRED ON OR AFTER THE RETROACTIVE DATE BUT BEFORE THE END OF THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD, IF APPLICABLE. ALL CLAIMS ARE SUBJECT TO THE APPLICABLE LIMITS OF LIABILITY AND THE APPLICABLE DEDUCTIBLE(S) AS STATED IN THE DECLARATIONS, WHICH ARE CONSIDERED TO BE PART OF THIS POLICY.

TERMS THAT APPEAR IN BOLD FACE TYPE ARE DEFINED TERMS IN THIS POLICY AND HAVE SPECIAL MEANING. PLEASE READ THIS POLICY CAREFULLY.

You have purchased some or all of the Insuring Modules contained within this policy. The Insuring Modules purchased are what **we** cover. Please refer to the Declarations, which show the Insuring Module(s) **you** have purchased. If an Insuring Module(s) has not been purchased, that portion of this policy is not applicable and no coverage will be provided under that Insuring Module.

I. WHAT WE COVER: INSURING MODULES

INSURING MODULE 1: (SECURITY AND PRIVACY LIABILITY)

We shall pay on **your** behalf **damages** and **claims expenses** that exceed **your deductible** as stated within item 4 of the Declarations, which **you** become legally obligated to pay as a result of any **claim** first made against **you** and notified by **you to us** in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, arising from an actual or alleged **security and privacy wrongful act(s)** for which **you** are legally liable provided that such act(s) occurred on or after the **retroactive date**.

INSURING MODULE 2: (MULTIMEDIA AND INTELLECTUAL PROPERTY LIABILITY)

We shall pay on **your** behalf **damages** and **claims expenses** that exceed **your deductible** as stated within item 4 of the Declarations, which **you** become legally obligated to pay as a result of any **claim** first made against **you** and notified by **you to us** in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, resulting from any actual or alleged **multimedia and intellectual property wrongful act(s)** arising during **your multimedia** activities, provided that such act(s) occurred on or after the **retroactive date**.

INSURING MODULE 3: (TECHNOLOGY SERVICES)

We shall pay on **your** behalf **damages** and **claims expenses** that exceed **your deductible** as stated within item 4 of the Declarations, which **you** become legally obligated to pay as a result of any **claim** first made against **you** and notified by **you to us** in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, arising from an actual or alleged **professional wrongful act(s)**, provided that such act(s) occurred on or after the **retroactive date**.

INSURING MODULE 4: (MISCELLANEOUS PROFESSIONAL SERVICES)

We shall pay on **your** behalf **damages** and **claims expenses** that exceed **your deductible** as stated within item 4 of the Declarations, which **you** become legally obligated to pay as a result of any **claim** first made against **you** and notified by **you to us** in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, arising from an actual or alleged **professional wrongful act(s)**, provided that such act(s) occurred on or after the **retroactive date**.

INSURING MODULE 5: (NETWORK INTERRUPTION AND RECOVERY)

We shall indemnify **you** for **network expenditure** that exceed **your deductible** as stated within item 4 of the Declarations, and for **loss of business income** incurred during the **restoration period** after expiration of the applicable **waiting period** as stated within item 4 of the Declarations, resulting from a **network event** sustained by **you** and notified by **you to us** in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, provided that such event(s) occurred on or after the **retroactive date**.

INSURING MODULE 6: (EVENT SUPPORT EXPENSES)

We shall pay on **your** behalf **event management costs**, **notification expenses**, **support and credit monitoring expenses** and **third party event support expenses** that exceed **your deductible** as stated within item 4 of the Declarations, when such costs and expenses are incurred, following a **security event**, **privacy event**, **social media event** or breach of **privacy regulations** and notified by **you to us** in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, provided that such event(s) or breach(es) occurred on or after the **retroactive date**.

INSURING MODULE 7: (PRIVACY REGULATORY DEFENSE AND PENALTIES)

We shall pay on **your** behalf those amounts that exceed **your deductible** as stated within item 4 of the Declarations, which **you** are legally obligated to pay, including **claims expenses**, as a result of a civil administrative proceeding or regulatory action, including a **regulatory compensatory award**, civil penalty, or fines to the extent insurable by law, imposed by a federal, provincial, territorial, state, governmental or other regulatory body against **you** and notified by **you to us** in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, as a result of a **privacy event**, **security event**, or breach of **privacy regulations** sustained by **you**, provided that such event(s) or breach(es) occurred on or after the **retroactive date**.

INSURING MODULE 8: (NETWORK EXTORTION)

We shall pay on **your** behalf **network extortion monies** that exceed **your deductible** as stated within item 4 of the Declarations, when such monies are paid by **you** following a **network extortion threat**, to the extent insurable by law and notified by **you** to **us** in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, provided that such threat (s) occurred on or after the **retroactive date**.

INSURING MODULE 9: (ELECTRONIC THEFT, COMPUTER FRAUD AND TELECOMMUNICATIONS FRAUD)

We shall indemnify **you** for **your** direct monetary loss that exceed **your deductible** as stated within item 4 of the Declarations sustained from **electronic theft, computer fraud, or telecommunications fraud**, which occurs on **your computer network** and arises from a **security event** sustained by **you** and notified by **you** to **us** in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, provided that such event(s) occurred on or after the **retroactive date**. Direct monetary loss only includes the specific amount lost by **you** due to the **electronic theft, computer fraud or telecommunications fraud** and does not include any other amounts.

INSURING MODULE 10: (SOCIAL ENGINEERING FRAUD)

We shall indemnify **you** for **your** direct monetary loss that exceeds **your deductible** as stated within item 4 of the Declarations sustained from **social engineering fraud** sustained by **you** and notified by **you** to **us** in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, provided that such event(s) occurred on or after the **retroactive date**. Direct monetary loss only includes the specific amount lost by **you** due to the **social engineering fraud** and does not include any other amounts.

INSURING MODULE 11: (REPUTATIONAL DAMAGE)

We shall indemnify **you** for **reputational damage** incurred during the **restoration period** that exceeds **your deductible** as stated within item 4 of the Declarations arising directly from a **network event** sustained by **you** and notified by **you** to **us** in writing, in accordance with Section XI of this policy, during the **policy period** or any **extended reporting period**, if applicable, provided that such **network event** occurred on or after the **retroactive date**.

II. DEFENSE, SETTLEMENT, AND INVESTIGATION OF CLAIMS

- A. With respect to Insuring Modules 1, 2, 3, 4, and 7, **we** shall have the right and duty to defend any **claim** by a third party against **you** seeking payment under the terms of this policy, even if any of the allegations of the **claim** are groundless, false, or fraudulent, and subject to the Limit of Liability, exclusions, and other terms and conditions of this policy. **You** have the right to select counsel to defend any **claim** notified under this Policy, subject to **our** consent, which shall not be unreasonably withheld
- B. The Limit of Liability available to pay **damages** and as stated within item 3 of the Declarations shall be reduced, and may be completely exhausted, by payment of **claims expenses** or any other amounts covered under the policy. **Damages, claims expenses, and any other amounts covered under this policy shall be applied against the deductible.**
- C. **We** shall have the right to make any investigation **we** deem necessary including, without limitation, any investigation with respect to the **application** and statements made in the **application** and with respect to coverage.
- D. With respect to Insuring Modules 1, 2, 3, 4, and 7, if **you** refuse to consent to any settlement or compromise recommended by **us** that is acceptable to the claimant and elect to contest the **claim, our** total liability for any **damages, claims expenses, and other amounts covered under this policy shall not exceed:**
 1. The amount for which the **claim** could have been settled, less the remaining **deductible**, plus the **claims expenses** incurred up to the time of such refusal; and
 2. Eighty percent (80%) of any **damages, claims expenses, or other amounts covered under this policy** incurred after the date such settlement or compromise was recommended to **you**. The remaining twenty percent (20%) of such **damages, claims expenses, or other amounts covered under this policy** are to be borne by **you** at **your** own risk and uninsured under this policy.

or the unexhausted portion of the applicable Limit of Liability, whichever is less.

- E. It is further provided that **we** shall not be obligated to pay any **damages, claims expenses**, or any other amounts covered under this policy, or to undertake or continue defense of any suit or proceeding after the applicable Limit of Liability has been exhausted by payment of **damages, claims expenses**, or other amounts covered under this policy and that upon such payment, **we** shall have the right to withdraw from the further defense thereof by tendering control of said defense to **you**.

III. LIMIT OF LIABILITY

- A. The Limits of Liability set forth in item 3(A) of the Declarations shall be the limit of **our** liability for each **claim** and in the aggregate arising under each Insuring Module, including **claims expenses**, where applicable.
- B. The Limits of Liability set forth in item 3(B) of the Declarations shall be **our** total Limit of Liability under this policy regardless of the number of Insuring Modules that apply, including **claims expenses** where applicable.
- C. Notwithstanding the aggregate Limit of Liability under each Insuring Module as set forth in item 3(A) of the Declarations, all payments made under this policy, regardless of the number of Insuring Modules that apply, will reduce the total Limit of Liability set forth in item 3(B) of the Declarations. In no event will **we** pay more than the total Limit of Liability as set forth in item 3(B) of the Declarations.
- D. All **claims** arising out of the same, related, or continuing acts, facts, or circumstances, without regard to the number of insureds, **claims**, or claimants shall be considered a single **claim** and only one Limit of Liability, as set forth in item 3(A) of the Declarations, will apply. All such **claims** shall be deemed to have been made at the time of the first such **claim**.
- E. In the event that a **claim** is notified by **you**, in accordance with Section XI of this policy, and attaches to more than one Insuring Module, only one Limit of Liability as set forth in item 3(A) of the Declarations shall apply. In such event, at most, only the highest of the applicable Limits of Liability shall apply to such **claim**. **We** have the sole discretion to allocate **claims** paid, if any, against the appropriate applicable Limit of Liability. With regard to such **claim**, in no event shall the amount paid by **us** under any Insuring Module be greater than the Limit of Liability set forth in item 3(A) of the Declarations.
- F. The Limit of Liability for the **extended reporting period**, if applicable, shall be part of and not in addition to the Limit of Liability for the **policy period**.

IV. DEDUCTIBLE

- A. The **deductible** amount set forth in item 4 of the Declarations shall apply to each and every **claim**. The **deductible** shall be satisfied by **your** payment of amounts covered under the policy. If a **claim** attaches to more than one Insuring Module, only the highest **deductible** applies.
- B. **Your** payment of the applicable **deductible** is a condition precedent to the payment by **us** of any amounts covered under this policy and **we** shall only be liable for the amount in excess of **deductible**, not to exceed **our** total Limit of Liability as stated in item 3 of the Declarations. **You** shall make direct payments within the **deductible** to the appropriate parties.
- C. All **claims** arising out of the same, related, or continuing acts, facts, or circumstances, without regard to the number of insureds, **claims**, or claimants shall be considered a single **claim** and only one **deductible** shall apply. All such **claims** shall be deemed to have been made at the time of the first such **claim**.
- D. **We** will not indemnify **you** in respect of **loss of business income** incurred during the time of the **waiting period** listed in item 4 of the Declarations.

V. TERRITORIAL LIMITS

This policy applies to any wrongful acts, insured events, breaches or threats detailed under the relevant Insuring Modules, committed, alleged to have been committed or occurring anywhere in the world unless otherwise stated in item 10 of the Declarations.

VI. INSURED

The insured means:

- A. The legal entity(s) shown in item 1 of the Declarations;
- B. Any **subsidiary** of the legal entity(s) shown in item 1 of the Declarations, but only with respect to wrongful acts, insured events, breaches or threats as detailed under the relevant Insuring Module that occur while it is a **subsidiary** and otherwise covered by this policy;
- C. Any past, present, or future officer, director, (whether elected, appointed or de facto), trustee, or **employee** of any party described in VI (A) or (B) above, but only while acting within the scope of their duties as such;
- D. In the event that any party described in VI (A) or (B) above is a partnership, limited liability partnership, or limited liability company, then any partner, principal, stockholder, or owner thereof, but only while acting within the scope of their duties as such;
- E. Any agent or independent contractor, including distributors, licensees, and sub-licensees, but only while acting on behalf of, at the direction of, or under the control of any party described in VI (A) or (B) above; and
- F. With respect to Insuring Module(s) 1, 2, 3, and/or 4, if purchased, coverage hereunder is extended to any individual(s) or entity(ies) required by contract to be named as an additional insured under this policy but only to the extent of the services as provided by the contract between the party described in VI (A) or (B) above and the individual(s) or entity(ies) and only with respect to **damages** and **claims expenses** that exceed **your** deductible which they become legally obligated to pay as a result of any **claim** arising solely out of **security and privacy wrongful act(s), multimedia and intellectual property wrongful act(s), and/or professional wrongful act(s)** committed or allegedly committed by the party(ies) described in VI (A) or (B) above. It is a condition precedent to coverage under the foregoing paragraph that:
 - 1. all individuals and entities included in VI (F) above must abide by all of the policy's terms and conditions;
 - 2. all individuals and entities included in VI (F) above must accept and abide by the decisions of **us** and the legal entity(s) shown in item 1 of the Declarations with regard to the handling and resolving of any **claim**; and
 - 3. the **named insured** is authorized to act and agrees to act on behalf of all individual(s) or entity(ies) insured under this policy with respect to all matters pertaining to the insurance afforded by the policy;

Nothing in this policy shall serve to provide coverage for any party described in VI (F) above for **claims** arising out of **security and privacy wrongful act(s), multimedia and intellectual property wrongful act(s), and/or professional wrongful act(s)** committed or allegedly committed by any party described in VI (F) above.

VII. DEFINITIONS

- A. **Application** means all application forms, including any attachments thereto, and all other information and materials submitted to **us** by **you** or on **your** behalf in connection with the underwriting of this policy. All such applications, attachments, information, and materials are deemed attached to and incorporated into this policy.
- B. **Bodily injury** means physical injury, sickness, disease, death, mental anguish, mental injury, shock, humiliation or emotional distress sustained by any person.
- C. **Breach of contract** means breach of a written contract(s) with a client to perform **technology services** because of:
 - 1. The **technology services** being negligently performed or containing a material defect;
 - 2. The **technology services** failing to meet any statutory term concerning quality, safety, or fitness for a particular express purpose, or failing to meet an implied duty to exercise that degree of care or skill consistent with applicable industry standards; or
 - 3. Breach of any hold harmless or indemnity provision regarding infringement of intellectual property rights, breach of security, or the confidentiality of information.

D. **Claim** means:

1. A written demand for monetary damages or non-monetary relief, a request for a tolling agreement, the service of a civil suit, (including a writ of summons, statement of claim, notice of a civil claim, petition, originating application, motion to institute proceedings, or any like or similar originating proceeding), or institution of arbitration proceedings received by **you**, in which you are required to participate, seeking monetary damages or the threat or initiation of a suit and/or proceeding seeking a temporary restraining order or a preliminary or permanent injunction;
2. A formal civil administrative proceeding or regulatory action to the extent covered by Insuring Module 7;
3. A **network event**;
4. Notification to **us** of the need to incur **event management costs, notification expenses, support and credit monitoring expenses** or **third party event support expenses**;
5. A **network extortion threat**; or
6. Notification to **us** that **electronic theft, computer fraud, social engineering fraud** and/or **telecommunications fraud** has occurred.

E. **Claims expenses** means:

1. Reasonable and necessary legal costs and expenses incurred solely to defend a **claim** and incurred with **our** consent and charged by an attorney(s) approved by **us**;
2. All other reasonable and necessary fees, costs, and expenses resulting from the investigation, adjustment, defense, and appeal of a **claim**, if incurred by **us**, or by **you** with **our** written consent; or
3. With respect to Insuring Modules 1 and 7, **your** reasonable and necessary legal costs and expenses incurred with **our** consent in the defense of any civil administrative proceeding or regulatory action as a result of a **privacy event, security event, or breach of privacy regulations** by **you** or on **your** behalf by someone for whom **you** are legally responsible.

Claims expenses does not include any salary, overhead, or other charges incurred by you for any time spent in cooperating in the defense and investigation of any **claim** or circumstance which might lead to a **claim** notified under this policy.

F. **Computer fraud** means an intentional, unauthorized or fraudulent entry of **data** including when such entry is made via the internet or another **computer network** provided that such act is committed by any person or persons who is not an **employee**, director or partner, or is committed by an **employee** with the intent to defraud that results in any or all of the following;

1. **Your money, your securities** or **your other asset** being transferred, disbursed, paid, delivered, altered, corrupted or lost.
2. **Money, securities** or **other asset** of **your** customers or clients being disbursed, paid, delivered, altered, corrupted, or lost from an account that is in **your** trust or control.
3. Creation of an unauthorized or fictitious account in **your** name

Computer fraud does not include **electronic theft, social engineering fraud, or telecommunications fraud**.

G. **Computer network(s)** means interconnected electronic, wireless, web, or similar systems (including all **hardware** and software) used to share or process **data** or information in an analog, digital, electronic or wireless format including, but not limited to, computer programs, electronic data, operating systems, servers, media libraries, associated input and output devices, mobile devices, networking equipment, telecommunications system, websites, extranets, off line storage facilities (to the extent that they hold electronic data), and electronic backup equipment. With the exception of Insuring Modules 5, 9 and 11 **computer network(s)** also means the use of computing resources that are delivered as a service over a network or the internet (commonly known as "cloud computing") and/or **your** outsourced data center or other premises where **your data** is stored or managed by a third party

- H. **Computer virus** means a program that possesses the ability to create replicas of itself (commonly known as “auto-reproduction” program) within other programs or operating system areas, or which is capable of spreading copies of itself wholly or partly to other **computer network(s)**.
- I. **Credit card association** means Visa, MasterCard, American Express, Discover, or JCB.
- J. **Damages** means multiples of compensatory damages, punitive or exemplary damages, including aggravated damages in a monetary judgment, consumer redress fund, award or settlement (provided that such is agreed in writing by us) to the extent insurable under the law of any applicable jurisdiction that most favors coverage. **Damages does not include:**
1. **Your future profits or royalties, restitution, or disgorgement of your profits;**
 2. **The cost to comply with orders granting injunctive or non-monetary relief, including specific performance, or any agreement to provide such relief;**
 3. **Loss of your fees or profits, return or offset of your fees or charges, or your commissions or royalties provided or contracted to be provided;**
 4. **Taxes, fines, penalties, or sanctions; however, this does not include civil fines or penalties to the extent insurable by law or to the extent otherwise covered under insuring module 7;**
 5. **Any amount which you are not financially or legally obligated to pay;**
 6. **Disgorgement or return of any remuneration or financial advantage to which you were not legally entitled;**
 7. **Monetary judgments, awards, or settlements which are uninsurable under the law pursuant to which this policy is construed;**
 8. **Past, present and/or future license fees of any kind; or**
 9. **Liquidated damages;**
 10. **Payment Card Industry fines and assessments; or**
 11. **Any charge backs, interchange fees, settlements, discount fees or prospective service fees or any amounts due under a Merchant Services Agreement;**
- K. **Data** means any machine readable information, including ready for use programs or electronic data, irrespective of the way it is used and rendered including, but not limited to, text or digital media.
- L. **Deductible** means the amount specified in item 4 of the Declarations
- M. **Denial of service** means an unauthorized or malicious attempt or attack on or via a **computer network** to make a **computer network** unavailable to its intended users.
- N. **Electronic theft** means;
1. The transfer, alteration, corruption, or theft of **your intangible asset**
 2. Disclosure, duplication, or theft of **your intangible asset(s)** to a person(s) or entities(s) who are not authorized to receive it.
- Electronic theft** does not include **social engineering fraud, computer fraud or telecommunications fraud**
- O. **Employee(s)** means any individual in **your** service, including any volunteers, interns, part-time, seasonal, leased and temporary workers or any individual who is working on **your** behalf, or at **your** direction, and under **your** direct control. **Employee** does not include any of **your** partners or directors.
- P. **Event management costs** means those reasonable and necessary fees **you** incur with **our** consent and which are approved by **us** for the engagement of a public relations consultant or a breach counsel if **you** reasonably consider that

such appointment is needed in order to avert or mitigate any material damage to any of your brands following an actual or alleged security event or breach of privacy regulations, privacy event or a social media event.

- Q. **Extended reporting period** means the period of time after the end of the **policy period** for reporting **claims** as provided in Section X of this policy.
- R. **Hardware** means any and all physical components of a computer system.
- S. **Human error** means an accidental action or operating error, by **your employee(s)**.
- T. **Intangible Asset** means non-public information or non-tangible property, which is owned by **you** and is held within **your computer network** but has no physical substance including trade secrets, copyrights, patents, trademarks, **data** or other information when the disclosure, theft, corruption or copying of such would cause you a monetary loss or give a competitor commercial advantage to which they would not have previously had.
- U. **Loss of business income** means the net income (net profit or loss before income taxes) that **you** would have earned had no **network event** occurred.
- Loss of business income** does not include **reputational damage, computer fraud, electronic theft, social engineering fraud or telecommunications fraud.**
- V. **Malicious code** means software designed to infiltrate, disrupt, or damage a **computer network** or gather sensitive information, all without the owner's informed consent, by a variety of forms including, but not limited to, Trojan horses, spyware, malware, ransomware, dishonest adware, and crimeware.
- W. **Merchant Services Agreement** means an agreement between **you** and a financial institution, **credit card association** or payment card processor that enables **you** to accept credit cards, debit cards or prepaid cards for the payment of goods, services or donations.
- X. **Miscellaneous professional services** means **your** business services, which are performed for and on behalf of **your** clients or in the course of **your** business and limited to those services stated in Item 11 of the Declarations.
- Y. **Money** means a medium of exchange in current use and authorized or adopted by a domestic or foreign government and includes currency, coins, banknotes, bullions, or registered checks. **Money** also means virtual currencies including bitcoins.
- Z. **Multimedia** means the release of any content in a physical or electronic format, including, internet content, newspapers, newsletters, magazines, books, brochures, images or other types of publications and advertising materials.
- AA. **Multimedia and intellectual property wrongful act** means:
1. Defamation including, but not limited to, disparagement or harm to the reputation or character of any person or organization, libel, slander, product disparagement, trade libel, or infliction of emotional distress or mental anguish;
 2. Invasion, infringement, or interference with the right to privacy or right of publicity, including false light, public disclosure of private facts, including those of an **employee**, intrusion, or commercial appropriation of name or likeness;
 3. Plagiarism, piracy or misappropriation of ideas;
 4. Infringement of copyright, domain name, title, or slogan; trade dress; or the dilution or infringement of trademark, service mark, service name, or trade name;
 5. Wrongful entry or eviction, trespass, eavesdropping, false arrest, malicious prosecution; or
 6. Liability arising out of **your** negligence in connection with **your** release of **multimedia** content in advertising.
- BB. **Named insured** means the individual, partnership, entity, or corporation designated as such in the item 1 of the **Declarations.**
- CC. **Network event** means loss sustained by **you** in connection with **your computer network(s)** arising from:

1. A **security event**; **privacy event** or a breach of **privacy regulations**;
2. **Computer virus**;
3. **Malicious code**;
4. Accidental corruption or destruction of **your data** because of **human error**;
5. Damage or destruction of **hardware**, so that **your data** stored is not machine readable;
6. Malfunction or failure of **your computer network**;
7. **Programming error**;
8. Natural disaster, but only in respect of **your network expenditure** due to corruption, destruction, or damage to **your data** and not in respect of any **loss of business income**;
9. Failure of a direct or back-up power supply or under/over voltage but only if such power supply is owned, operated, and controlled by **you**; or
10. Any other unintentional and unplanned outage of **your computer network(s)** or any negligent act or failure to act by **your employee**, relating to the failure to maintain or upgrade **your computer network(s)**.

However, a network event;

1. Only pertains to **your** loss and does not include coverage for any **claim** made by a third party or any **claim** resulting from an incident occurring on the computer infrastructure of an outsourced entity or third party service provider.
2. Does not include coverage for loss of any **money** or **securities**.

DD. **Network expenditure** means costs incurred with **our** consent and authorized by **us** arising from a **network event**, which may include:

1. **Your** actual costs to restore, re-collect, or replace **data**, including expenses for materials, working time, and overhead cost allocation at the affected location(s) associated with restoring or replacing **data**;
2. **Your** reasonable and necessary costs and expenses incurred with **our** consent of specialists, investigators, forensic auditors, breach counsel or loss adjusters retained by **you** for the purpose of conducting a review or audit to substantiate that a **network event** is occurring or has occurred, or to determine the scope, cause, or extent of any theft or unauthorized disclosure of information or **data**, including when **your** portable media and **data** storage devices are away from **your** premises;
3. **Your** reasonable and necessary costs and expenses for the use of rented, leased, or hired external equipment, services, labor, premises, or additional operating costs, including staff overtime and expenditure, provided that these costs and expenses were reasonably incurred as a result of a **network event**; or
4. Any other reasonable and necessary costs and expenses that **you** incur directly as a result of a **network event**.

Network expenditure does not include loss of profits or **loss of business income** or **reputational damage**. **Network expenditure** is part of, and not in addition to, the Limit of Liability stated within item 3 of the Declarations.

EE. **Network extortion monies** means:

1. Monies payable by **you**, with **our** prior written consent, to a person(s) or entity(ies) reasonably believed to present a **network extortion threat** for the purpose of terminating such a threat; or
2. Other reasonable and necessary costs and expenses payable by **you** with **our** prior written consent directly resulting from a **network extortion threat**.

- FF. **Network extortion threat** means a credible threat or series of related threats, including a demand for funds, securities, bitcoins, **property** or services directed at **you** and threatening;
1. corruption, damage, and/or destruction to any aspect of **your computer network**;
 2. introduction of a **computer virus, malicious code**, or a **denial of service** to any aspect of **your computer network**; and/or
 3. the release, or disclosure of confidential and personal information which resides within **your computer network**.
- GG. **Notification expenses** means those reasonable and necessary legal expenses, postage expenses, and related advertising expenses **you** incur with **our** consent and which are approved by **us**:
1. to mitigate damage to **your** brand; or
 2. To comply with governmental privacy legislation mandating notification to affected individuals or regulators
- in the event of a **security event, privacy event**, or breach of **privacy regulations** that results in the compromise or potential compromise of personal information maintained by **you** or otherwise residing on a **computer network** operated by **you** or on **your** behalf. Coverage is also provided for **your** reasonable and necessary costs and expenses to provide voluntary notification to individuals or entities whose private information may have been compromised in the event of a **security event** or **privacy event** which occurs on **your computer network**, provided that **our** prior consent has been obtained.
- HH. **Other asset** means a tangible and physical product that is owned by **you** or is under **your** trust or control and:
1. Has an economic value; or
 2. Is held as inventory for sale; or
 3. Is sold or exchanged in trade or commerce, or
 4. Is shipped via land sea or air
- Other asset** does not include **money** or **securities**
- II. **Payment Card Industry Data Security Standards** means Payment Card Industry Data Security Standard implemented and/or published by or on behalf of the Payment Card Industry Security Standards Council.
- JJ. **Payment Card Industry fines and assessments** means all financial responsibilities and liabilities including, but not limited to, monetary fines, fees, costs, expenses, financial settlements, reimbursements, operational reimbursement, operational expense recoveries or assessments, fraud recoveries or assessments, resulting from an actual or alleged violation of the **Payment Card Industry Data Security Standard** or the security rules
- KK. **Policy period** means the period of time from the effective date to the expiration date as specified in item 2 of the Declarations, or to any earlier cancellation date.
- LL. **Privacy event** means a breach of confidentiality, infringement, or violation of any right to privacy including, but not limited to, a breach of **your** privacy policy, breach of a person's right of publicity, false light, intrusion upon a person's seclusion, or public disclosure of a person's private information.
- MM. **Privacy regulations** means statutes and regulations, associated with the confidentiality, access, control, and use of personally identifiable, non-public information including, but not limited to the following or similar statutes and regulations:
1. Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191), known as HIPAA, including amendments contained in the Health Information Technology for Economic and Clinical Health Act (HITECH) and related state medical privacy laws;
 2. Gramm-Leach-Bliley Act of 1999 (G-L-B), also known as the Financial Services Modernization Act of 1999;
 3. Federal, state, provincial, or territorial statutes and regulations regarding the security and privacy of consumer information;

4. Governmental privacy protection regulations or laws associated with the control and use of personal information;
5. Privacy provisions of consumer protection laws, including the Federal Fair Credit Reporting Act (FCRA) and similar state laws;
6. Children's Online Privacy Protection Act or similar laws;
7. The EU Data Protection Act or other similar privacy laws in other jurisdictions;
8. Identity Theft Red Flags Rules under the Fair and Accurate Credit Transactions Act of 2003 (FACTA).
9. Personal Information Protection and Electronic Documents Act S.C.2000, c5, and Privacy Act R.S.C 1985, c.21;
10. Canadian provincial and territorial Freedom of Information and Protection of Privacy Acts, Privacy Acts, Personal Information Protection Acts, Personal Health Information Acts, and similar laws and regulations; or
11. General Data Protection Act (GDPR).

NN. **Professional wrongful act** means:

1. Negligent breach of duty, negligent misrepresentation, or negligent act, error, omission or misleading statement or negligent infringement of copyright in **your** performance of or failure to perform **technology services** with reference to Insuring Module 3; or **miscellaneous professional services** with reference to Insuring Module 4.
2. Unintentional **breach of contract**, but only in connection with **your** performance of or failure to perform **technology services**.

OO. **Programming error** means an error, flaw, mistake, failure, or fault, which occurs during the development or encoding of a computer program, software, or application, which would, when in operation, result in a malfunction or incorrect operation of a **computer network**.

PP. **Property damage** means physical injury to, impairment, destruction, or corruption of any tangible property, including the loss thereof. **Data** is not considered tangible property.

QQ. **Regulatory compensatory award** means a regulatory agency's monetary award to a third party, including a sum or amount which **you** are legally required to deposit into a fund as equitable relief for the payment of consumer claims due to an adverse judgement or settlement of a regulatory proceeding. **Regulatory compensatory award** does not include a criminal penalty or fine issued by a regulatory agency of any kind, including federal, state, provincial, territorial, or local governmental agencies.

RR. **Reputational damage** means **your** loss of net income (net profit or loss before income taxes) due to;

1. Termination of **your** services contract by one of **your** client(s) and/or
2. Reduction in the value of **your** business and brands;

where such loss arises directly from a **network event**.

SS. **Restoration period** means the period of time that commences upon the date when the **network event** began and ends on the earlier of:

1. The date when **your computer network** is repaired or restored or could have been repaired or restored with reasonable speed to the same condition, functionality and level of service that existed prior to the **network event** plus no more than thirty (30) days after the restoration of **your computer network**, or
2. Twelve (12) months after the **network event** began.

TT. **Retroactive date** means the date specified in item 5 of the Declarations.

UU. **Securities** means written negotiable and non-negotiable instruments or contracts which represent **money** or **other asset**. **Securities** does not include the actual **money** or **other asset**.

VV. **Security and privacy wrongful act** means:

1. A **privacy event, security event** or breach of **privacy regulations** committed by **you** or which occurs on **your computer network**;
2. **Your** failure to disclose a **security event** or **privacy event** in violation of notification laws or regulations;
3. Your failure to prevent transmission of malicious code, a computer virus, or a denial of service attack from your computer network;
4. **Your** failure to prevent loss of **employee** personally identifiable information, as defined in **privacy regulations**; or
5. **Your** failure to maintain the security or confidentiality of personally identifiable information stored on **your computer network** under any contract.

WW. **Security event** means

1. The misuse or unauthorized access of **your computer network**;
2. The use of **your computer network** for a **denial of service** attack; or
3. **Your** breach of duty to protect the security and confidentiality of non-public proprietary corporate information and/or personally identifiable non-public information either in an electronic or physical format.

XX. **Social engineering fraud** means a misrepresentation of fact or an intentional, malicious, wilful or fraudulent act undertaken by a third party and delivered via any aspect of **your computer network** that misleads **your employee**, officer or director and directly results in any or all of the following:

1. **Your money, your securities, your intangible asset** or **your other asset** being transferred, disbursed, paid, delivered, altered, corrupted or lost;
2. **Money, securities, intangible asset** or **other asset** of **your** customers or clients being disbursed, paid, delivered, altered, corrupted, or lost from an account that is in **your** trust or control.

Social engineering fraud does not include **electronic theft, telecommunications fraud, or computer fraud**

YY. **Social media event** means the release of any electronic **multimedia** content, by an **employee** on any social network or social media electronic platform;

ZZ. **Subsidiary(ies)** means:

1. Any entity of which more than fifty percent (50%) of the issued and outstanding shares are owned by **you**, on or before the commencement of the **policy period**; or
2. Any entity which becomes a **subsidiary** during the **policy period** provided that such entity does not represent more than a twenty percent (20%) increase in **your** total assets, employee count or gross revenue as of the date of the acquisition. Where such entity represents an increase in **your** total assets, employee count or gross revenue of more than twenty percent (20%), such entity shall be deemed a **subsidiary** under this policy, but only upon the condition that within thirty (30) days of it becoming a **subsidiary**, **you** shall have provided **us** with full particulars of the new **subsidiary** and agreed to any additional premium and/or amendment of the provisions of this policy required by **us** relating to such new **subsidiary**, subject to advanced receipt, review and acceptance by **us** of full and complete underwriting information.

AAA. **Support and credit monitoring expenses** means those reasonable and necessary expenses **you** incur with **our** consent and which are approved by **us** for the provision of credit file monitoring services, credit repair and restoration costs, identity theft monitoring expenses, identity theft education and assistance, including call center expenses, in the event of a **security event, privacy event** or a breach of **privacy regulations**, which results in the compromise or potential compromise of personal information maintained by **you** or otherwise residing on a **computer network** operated by **you** or on **your** behalf.

BBB. **Technology services** means **your** computer and electronic technology services, which are performed for and on behalf of **your** clients or in the course of **your** business and may include data processing, web design, hosting, internet or network services, content delivery, programming, technology consulting, installation, integration, configuration, support or management services, software development, design, sale or other related technology services. **Technology services** does not include any other professional activities or advice which is not directly related to technology activities.

CCC. **Telecommunications fraud** means an intentional, malicious or wilful act that results in the misuse or unauthorized access of **your** telecommunication system by a third party.

Telecommunications fraud does not include **electronic theft, social engineering fraud, or computer fraud**

DDD. **Third party event support expenses** means **notification expenses** and **support and credit monitoring expenses** which an entity(ies) **you** have contractually agreed to indemnify becomes legally obligated to pay due to a **security event, privacy event, social media event** or breach of **privacy regulations** which occurs on **your computer network** and results in the compromise or potential compromise of personal information **you** hold on **your computer network** on behalf of this entity(ies), subject to our consent, which shall not be unreasonably withheld. It is a condition precedent to coverage for **third party event support expenses** that:

1. The entity(ies) **you** have contractually agreed to indemnify must abide by all of the policy's terms and conditions; and
2. The entity(ies) **you** have contractually agreed to indemnify must accept and abide by the decision of **us** and the legal entity(ies) shown in item 1 of the Declarations with regard to the handling and resolving of any **claim**; and
3. The legal entity(ies) shown in item 1 of the Declarations is authorized to act on behalf of this entity(ies) **you** have contractually agreed to indemnify with respect to all matters pertaining to the insurance afforded by this policy.

For the avoidance of doubt, no coverage is provided hereunder for an event which did not occur on **your computer network**.

EEE. **Waiting period** means the number of hours that must elapse as provided in item 4 of the Declarations before the recovery of **loss of business income** can be considered.

FFF. "**We**," "**us**," or "**our**" means the insurers providing this insurance.

GGG. "**You**," "**your**" and "**yours**" means the insured as provided in Section VI of this policy.

VIII. WHAT WE DO NOT COVER: EXCLUSIONS

We shall not be liable for any **claim** or any amounts based upon, arising out of directly or indirectly resulting from, in consequence of, or in any way involving or attributable, in whole or part, to:

- A. Any wrongful acts or the same, related, or continuing acts, facts, or circumstances that were first committed or first occurred prior to the **retroactive date**; or any circumstance arising therefrom;
- B. Any event, threat and/or breach of regulations or the same, related or continuing events, threats, breaches, facts or circumstances that were first committed or first occurred prior to the **retroactive date**;
- C. Any wrongful acts or the same, related or continuing acts, facts, or circumstances that took place prior to the continuity date if after reasonable enquiry **your** Chief Information Officer, Risk Manager, General Counsel, Chief Operations Officer, Chief Executive Officer or their functional equivalents within the legal entity(s) shown in item 1 of the Declarations knew or could have reasonably foreseen by that date that such acts, facts, or circumstances could be the basis of a **claim** or circumstance. The continuity date is the earlier of the inception date of either this policy or **your** first policy issued by Ascent Underwriting that has been continuously renewed;
- D. Any event, threat and/or breach of regulations or the same, related or continuing events, threats, breaches, facts or circumstances that took place prior to the continuity date of this policy, if after reasonable enquiry **your** Chief Information Officer, Risk Manager, General Counsel, Chief Operations Officer, Chief Executive Officer or their functional equivalents within the legal entity(s) shown in item 1 of the Declarations knew or could have reasonably foreseen such events, threats, breaches, facts or circumstances could be the basis of a **claim** or circumstance. The continuity date is the earlier of the inception date of either this policy or **your** first policy issued by Ascent Underwriting that has been continuously renewed;

- E. Any **claim** or circumstance notified to a previous insurer prior to the inception of this policy;
- F. Any **claim** made by an insured against another insured, unless such **claim** is:
1. brought by an **employee** under Insuring Modules 1 or 6; or
 2. the result of **your** actual or alleged **security and privacy wrongful act(s), multimedia and intellectual property wrongful act(s), and/or professional wrongful act(s)** as provided by the contract between **you** and any party covered under section VI. (F).
- G. **Your** malicious, fraudulent, dishonest, or criminal act. Notwithstanding the foregoing, the insurance afforded by this policy shall apply to **claims expenses** incurred in defending any such **claim** until final adjudication, but shall not apply to any **damages** that **you** might become legally obligated to pay. **We** will have the right to recover those **claims expenses** incurred from those parties found to have committed malicious, fraudulent, dishonest, or criminal acts by a court, jury, or arbitrator. However, this exclusion does not bar coverage for the actions of a rogue **employee**, or coverage afforded under Insuring Module 9. For purposes of this exclusion, “rogue **employee**” means an **employee** who acts maliciously, fraudulently, dishonestly or criminally without the knowledge or consent of **your** Chief Information Officer, Risk Manager, General Counsel, Chief Operations Officer, Chief Executive Officer or their functional equivalents within the legal entity(s) shown in item 1 of the Declarations;
- H. **Bodily injury**, except that this exclusion shall not apply to wrongful infliction of emotional distress or mental anguish arising out of **technology services, multimedia, privacy event, security event**, or a breach of **privacy regulations**;
- I. **Property damage**; except that this exclusion shall not apply to **claims** otherwise covered under Insuring Module 9 and/or 10. For the avoidance of doubt, this policy provides coverage arising from the loss of **data** when such loss arises from physical damage to **hardware**;
- J. Satellite failures; electrical or mechanical failures and/or interruption including, but not limited to, electrical disturbance, spike, brownout, or blackout; outages to electricity, gas, water, telephone, cable, telecommunications; gradual deterioration of overhead transmission, distribution lines or subterranean insulation or cabling or other infrastructure. For the avoidance of doubt, this exclusion does not apply in respect of infrastructure under **your** operational control to the extent they are covered under a **network event**;
- K. The actual or alleged inaccurate, inadequate, or incomplete description of the price of goods, products, or services; including **your** cost guarantees, cost representations, contract price, or cost estimates being exceeded;
- L. The violation of any economic or trade sanctions by the United States government including, but not limited to, sanctions administered and enforced by the United States Treasury Department’s Office of Foreign Assets Control (“OFAC”);
- M. Any breach of any express, implied, actual, or constructive contract, warranty, guarantee, or promise, or the liability of others assumed by **you** under any contract or agreement, but this exclusion does not apply to:
1. Any liability or obligation **you** would have in the absence of such contract or agreement;
 2. Unintentional **breach of contract**, but only with respect to **technology services**;
 3. A breach of **your** privacy policy; or
 4. **Third party event support expenses**
- N. The actual or alleged government enforcement or investigation of any federal, state, provincial or territorial regulation including, but not limited to, regulations promulgated by the United States Federal Trade Commission, Federal Communications Commission, the Securities and Exchange Commission, the Canadian Competition Bureau, the Canadian Radio-television and Telecommunications Commission, the Ontario Securities Commission, or any like or similar Canadian provincial or territorial securities regulator; but this exclusion does not apply:
1. To the extent that a **claim** falls under Insuring Module 7; or
 2. To a **claim** by a government entity brought in its capacity as a customer of **you** arising in the course of **your** provision of **technology services** or **miscellaneous professional services** to such government entity;

- O. Any employer-**employee** relations policies, practices, acts, or omissions, any actual or alleged refusal to employ any person, or any misconduct with respect to **employees**. This includes, but is not limited to, claims arising under workers compensation or similar laws unless such claims are made by an employee arising out of a **security event, privacy event** or breach of **privacy regulations**;
- P. Any actual or alleged discrimination of any kind including, but not limited to, age, color, race, gender, creed, national origin, marital status, sexual preferences, disability, or pregnancy;
- Q. Strikes or similar labor actions, war, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular uprising, military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions. This exclusion also excludes coverage for any loss or damages arising out of confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority. This exclusion also excludes loss, cost, **damages**, or **claims expenses** of whatsoever nature directly or indirectly caused by, resulting from, or in connection with any action taken in controlling, preventing, suppressing, or in any way relating to the above;
- R. All losses or expenses arising from a terrorist act. For the purposes of this agreement, a terrorist act means an act or series of acts including the use of force or violence of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious, or ideological purposes, including the intention to influence any government and/or to put the public in fear for such purposes;
- S. Prizes, awards, or coupons;
- T. 1. **Payment Card Industry fines or assessments**;
2. Any charge backs, interchange fees, discount fees or prospective service fees and/or any other amount arising out of any agreement by **you** to comply with or follow the **Payment Card Industry Data Security Standards** or any Payment Card Company rules; or implement, maintain, or comply with any security measures or standards related to any payment card data or any other amounts due under a **Merchant Services Agreement**;
- U. Any actual or alleged unfair competition, antitrust violations, deceptive trade practices, or restraint of trade or antitrust statute, legislation, or regulation. However, this exclusion shall not apply to the extent that a **claim** falls under Insuring Module 7;
- V. The actual or alleged infringement of any patent or the misappropriation, theft, copying, display or publication of any trade secret, unless such **claim** arises from a **security event** or a **privacy event** and does not involve **your** actual or alleged infringement, misappropriation, theft, copying, display or publication;
- W. **Your** knowing use of illegal or unlicensed programs that are in violation of the provisions or laws referring to software protection;
- X. The actual or alleged purchase, sale, offer of, or solicitation of an offer to purchase or sell securities, or violation of any securities law including, but not limited to, the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, the Sarbanes-Oxley Act of 2002, the Ontario Securities Act, R.S.O. 1990, c. S5, and any like or similar legislation in any Canadian province or territory, or any regulations promulgated under the foregoing statutes, or any federal, state, provincial, territorial, local, or foreign laws in any other jurisdiction similar to the foregoing statutes, including "Blue Sky" laws, whether such law is statutory, regulatory, civil or common law;
- Y. Unauthorized trading of **money, securities, property** or any other medium whether or not in **your** name and whether or not in a genuine or fictitious account. This exclusion also applies to trading in excess of approved authority levels or outside of approved parameters. This exclusion shall not apply to direct losses incurred by **you** as a result of **computer fraud** which results in improper financial gain to an **employee**. However, **we** shall not be liable for any **employee** salary, commissions, fees or other employment associated compensation;
- Z. Deceptive, inaccurate, misleading or false advertising;
- AA. The unsolicited dissemination of any correspondence including but not limited to faxes, e-mails, telephone calls or SMS to multiple, actual or prospective customers of yours or any other third party, including but not limited to claims alleging any actual or alleged violation of the Telephone Consumer Protection Act (TCPA), Controlling the Assault of Non-Solicited Pornography And Marketing (CAN-SPAM) Act or any federal or state anti-spam statutes, or any other federal or state statute, law or regulation relating to a person's or entity's right of seclusion;

- BB. The failure to comply with the Fair Credit Reporting Act, Fair Debt Collection Act, or any other similar federal or state statute, law or regulations.

IX. INNOCENT INSURED PROVISION

- A. Whenever coverage under this policy would be excluded, suspended, or lost because of non-compliance with Section XI, relating to the giving of notice of **claim to us**, with respect to which any other insured shall be in default solely because of the failure to give such notice or concealment of such failure by one or more insureds responsible for the loss or damage otherwise insured hereunder, then such insurance as would otherwise be afforded under this policy shall cover and be paid with respect to those insureds who did not personally commit, personally participate in committing, or personally acquiescing in such failure to give notice, provided that the insured entitled to the benefit of this provision shall comply with Section XI promptly after obtaining knowledge of the failure of any other insured to comply therewith. Notwithstanding the foregoing, the reporting of any such **claim** must be made during the **policy period** or **extended reporting period**, if applicable.
- B. Whenever coverage under this policy would be excluded, suspended, or lost because of Exclusion G relating to malicious, fraudulent, dishonest, or criminal acts by any insured, then such insurance as would otherwise be afforded under this policy shall cover and be paid with respect to those insureds who did not personally commit, personally participate in committing, personally acquiesce, or remain passive after having personal knowledge thereof.

X. EXTENDED REPORTING PROVISIONS

- A. Automatic Extended Reporting Period: If either **you** or **us** shall cancel or non-renew this policy, **you** shall have the right following the effective date of such cancellation or non-renewal, to a period of sixty (60) days thereafter in which to give written notice to **us** of **claims**, relating to those Insuring Module(s) purchased as shown in the Declarations, provided that any actual or alleged wrongful acts under Insuring Module(s) 1, 2, 3, or 4, **network event** under Insuring Module(s) 5 or 11, **security event, privacy event**, or breach of **privacy regulations** under Insuring Module 6, **privacy event, security event**, or breach of **privacy regulations** under Insuring Module 7, **network extortion threat** under Insuring Module 8, or **security event** under Insuring Module 9 or 10, all if applicable, occurred prior to the end of the **policy period** and are otherwise covered by this policy, and are reported to **us** during the **automatic extended reported period**, and subject to the conditions set forth herein.
- B. Extended Reporting Period Endorsement: In the event of cancellation or non-renewal of this policy by **you** or **us**, **you** shall have the right, upon payment in full and not proportionally or otherwise in part of:
1. One hundred percent (100%) of the gross annual premium set forth in item 6 of the Declarations to have issued an endorsement providing a 12-month **extended reporting period** for **claims** relating to those Insuring Module(s) purchased as shown in the Declarations, provided that any actual or alleged wrongful acts under Insuring Module(s) 1, 2, 3, or 4, **network event** under Insuring Module(s) 5 or 11, **security event, privacy event**, or breach of **privacy regulations** under Insuring Module 6, **privacy event, security event**, or breach of **privacy regulations** under Insuring Module 7, **network extortion threat** under Insuring Module 8, or **security event** under Insuring Module 9 and 10, all if applicable, occurred prior to the end of the **policy period** and are otherwise covered by this policy and are reported to **us** during the **extended reporting period**, and subject to the conditions set forth herein; or
 2. One hundred and fifty percent (150%) of the gross annual premium set forth in item 6 of the Declarations to have issued an endorsement providing a 24-month **extended reporting period** for **claims** relating to those Insuring Module(s) purchased as shown in the Declarations, provided that any any actual or alleged wrongful acts under Insuring Module(s) 1, 2, 3, or 4, **network event** under Insuring Module(s) 5 or 11, **security event, privacy event**, or breach of **privacy regulations** under Insuring Module 6, **privacy event, security event**, or breach of **privacy regulations** under Insuring Module 7, **network extortion threat** under Insuring Module 8, or **security event** under Insuring Module 9 and 10, all if applicable, occurred prior to the end of the **policy period** and are otherwise covered by this policy and are reported to **us** during the **extended reporting period**, and subject to the conditions set forth herein.

In order for the **named insured** to purchase the **extended reporting period**, the payment of the additional premium must be paid to **us** within thirty (30) days of the non-renewal or cancellation.

- C. The Limit of Liability for the above **extended reporting periods** shall be part of, and not in addition to, the Limit of Liability for the **policy period**.
- D. **Our** quotation of a different premium, **deductible**, or Limit of Liability or changes in policy language for the purpose of renewal shall not constitute a refusal to renew by **us**.
- E. The right to the **extended reporting period** shall not be available to the **named insured** where cancellation or non-renewal by **us** is because of non-payment of premium or **your** failure to pay amounts within the applicable **deductible**.
- F. All notices and premium payments with respect to the above **extended reporting period** shall be directed to **us** through **your** insurance agent or broker.
- G. At the commencement of the **extended reporting period** in either Paragraph B. above, the entire premium shall be deemed earned and in the event the **named insured** terminates the **extended reporting period** for any reason prior to its natural expiration, **we** will not be liable to return any premium paid for the **extended reporting period**.

XI. NOTICE OF CLAIM OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

- A. It is a condition precedent to coverage under this policy that, if any **claim** under Insuring Module(s) 1, 2, 3, or 4 is made against **you**, then **you** shall immediately forward, as soon as **you** become aware of any **claim**, to **us** through persons named in item 7 of the Declarations as soon as practicable after **your** Chief Information Officer, Risk Manager, General Counsel, Chief Operations Officer, Chief Executive Officer or their functional equivalents within the legal entity(s) shown in item 1 of the Declarations have first become aware of such **claim**, provided that such demand, notice, summons or other information is not received by **us** more than fourteen (14) days after the expiration of the **policy period**.
- B. It is a condition precedent to coverage under this policy that, if **you** have any **claim** under Insuring Module(s) 5, 6, 7, 8, 9, 10 or 11 then **you** shall immediately forward to **us** notice of such **claim** through persons named in item 7 of the Declarations, as soon as practicable after your Chief Information Officer, Risk Manager, General Counsel, Chief Operations Officer, Chief Executive Officer or their functional equivalents within the legal entity(s) shown in item 1 of the Declarations have first become aware of such **claim**, provided that such notice is not received by **us** more than fourteen (14) days after the expiration of the **policy period**.
- C. If during the **policy period**, **your** Chief Information Officer, Risk Manager, General Counsel, Chief Operations Officer, Chief Executive Officer or their functional equivalents within the legal entity(s) shown in item 1 of the Declarations become aware of any acts, facts, or circumstances that they believe could give rise to a **claim**, they must give written notice of the following information to **us**, through persons named in item 7 of the Declarations, as soon as practicable during the **policy period**:
 1. Specific details of the acts, facts, or circumstances that could reasonably be the basis for a **claim**;
 2. Possible **damages**, penalties, or other amounts potentially covered under this policy that may result or has resulted from the acts, facts or circumstances;
 3. Details regarding how **you** first became aware of the acts, facts, or circumstances; and
 4. The **computer network** security and event logs, which provide evidence of the alleged incident.

Any subsequent **claim** arising out of such acts, facts, or circumstances which is the subject of the written notice will be deemed to be a **claim** at the time written notice complying with the above requirements was first given to **us**. Any **claim** arising under Insuring Module(s) 5, 9, 10 or 11 will be deemed to have been made on the date **you** first became aware of the acts, facts, or circumstances resulting in such loss.
- D. A **claim** shall be considered to be reported to **us** when notice is first given to **us** through persons named in item 7 of the Declarations.

XII. CALCULATION OF LOSS PROVISIONS REGARDING LOSS OF BUSINESS INCOME, INTANGIBLE ASSET AND REPUTATIONAL DAMAGE

In the event of loss occurring under Insuring Modules 5, 9, 10 and/or 11 and if **you** and **us** cannot agree on a loss amount, then an auditor and/or a loss adjuster will be appointed by mutual agreement of **us** and **you** to calculate the amount of loss. If such an

agreement cannot be reached, we will appoint the auditor and/or loss adjuster subject to **your** consent, such consent not to be unreasonably withheld. **We** will pay the cost and expense related to the auditor and/or loss adjuster that exceed **your deductible** as stated in Item 4 of the Declarations. Such payment will be applied against the applicable Limit of Liability.

Requests made by **you** for indemnity by **us** shall be accompanied by a computation of the loss consistent with this section of the policy. This shall set out in detail how the loss has been calculated and what assumptions have been made. **You** shall produce any documentary evidence, including any applicable reports, books of accounts, bills, invoices, and other vouchers and copies of such which **we** may require, and **you** shall afford **us** or **our** agent every assistance in their investigations.

Any **claims** payment under this Section will, where applicable, be reduced by the extent to which **you**:

- A. Use damaged or undamaged **data**, or **intangible asset**, or
- B. Make use of available stock, merchandise, or other **data or intangible asset**; or
- C. Use substitute facilities, equipment, or personnel.

LOSS OF BUSINESS INCOME UNDER INSURING MODULE 5 AND REPUTATIONAL DAMAGE UNDER INSURING MODULE 11

The calculation of loss regarding **loss of business income** and **reputational damage** under Insuring Module(s) 5 and 11 will be based on the loss of the net income incurred during the **restoration period** attributable to a **network event** and shall be based on an analysis of the revenues and costs generated during each month of the twelve (12) months prior to the loss occurring and will also take into account the reasonable projection of future profitability or otherwise had no loss occurred and will include all material changes in market conditions that would affect the profits generated.

The purpose of the calculation of **loss of business income** and **reputational damage** is to put **you** in the position that you would have been in had no **network event** been incurred.

INTANGIBLE ASSET UNDER INSURING MODULE 9 AND 10

The calculation of loss regarding **intangible asset** under Insuring Module 9 and 10 will be based solely on loss of the net income attributable to **electronic theft**, **computer fraud** or **social engineering fraud** and shall be based on an analysis of the revenues and costs generated during each month of the twelve (12) months prior to the loss occurring and will also take into account the reasonable projection of future profitability or otherwise had no loss occurred and will include all material changes in market conditions that would affect the profits generated.

Any dispute that arises between **you** and **us** regarding the calculation of loss shall be resolved In accordance with Section **XXII DISPUTE RESOLUTION**.

XIII. ASSISTANCE AND COOPERATION

- A. **You** shall cooperate with **us** in all investigations. **You** shall execute all papers and render all assistance as requested by **us**. Part of this assistance may require **you** to provide copies of a third party's system security and event logs.
- B. Upon **our** request, **you** shall assist in making settlements in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to **you** with respect to which insurance is afforded under this policy; and **you** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses at **your** own cost.
- C. **You** shall not admit any liability, make any payment, assume any obligations, incur any expense, enter into any settlement, stipulate to any judgment or award, or dispose of any **claim** without **our** written consent. However, the prompt public admission of a **security event** potentially impacting non-public personally identifiable information of **employees** or third parties as required by governmental privacy legislation or credit card association operating requirements will not be considered as an admission of liability requiring **our** prior consent; however **we** are to be informed as soon as practicable of such public admission if such public admission is a circumstance that could lead to a **claim**.

- D. **We** shall have the right to make any investigation that **we** deem necessary with respect to coverage including, but not limited to, any investigation with respect to the **application**, statements made in the **application** and any supplemental material submitted therewith. **We** shall be permitted to inspect your property, operations, or records.
- E. **You** shall submit for examination under oath by **our** representative, if requested, in connection with all matters relating to this policy.

XIV. SUBROGATION

If any payment is made under this policy and there is available to **us** any of **your** rights of recovery against any third party, then **we** shall maintain all such rights of recovery. **You** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. **You** shall do nothing to prejudice such rights. Any recoveries shall be applied first to subrogation expenses. If the net amount recovered after deducting the costs of recovery is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount must be divided between **us** and **you** in the proportions in which the loss or damage has been borne by **us** and **you** respectively.

XV. OTHER INSURANCE

This policy shall apply in excess of any other valid and collectible insurance policy available to **you**, including any **deductible** or deductible portion thereof, unless such other insurance is written only as specific excess insurance over the Limit of Liability of this policy.

XVI. ENTIRE AGREEMENT

By acceptance of this policy, **you** agree that this policy embodies all agreements between **you** and **us** relating to this insurance. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or stop **us** from asserting any right under the terms of this insurance; nor shall the terms of this insurance be waived or changed, except by endorsement issued to form a part of this policy and signed by **us**.

XVII. ASSIGNMENT

The interest hereunder is not assignable by **you** or **your subsidiaries**. If an insured shall die or be adjudged incompetent, such insurance shall cover **your** legal representative as **you** would be covered under this policy.

XVIII. CANCELLATION BY YOU

If this policy is cancelled by **you**, thirty percent (30%) of the premium shall be earned upon inception of this policy and **we** will refund the remaining unearned premium computed on a daily pro rata basis thereafter. No premium will be refunded where any **claims** or circumstances have been notified under this policy.

XIX. CANCELLATION BY US

We will only cancel this policy if **you** fail to pay the premium within the terms of the payment warranty specified within the Declarations, or if a principal, partner, executive officer, or director intentionally makes a material misrepresentation to **us** in regard to any **claim** notified to **us** under this policy; in which case, **we** will provide a notice of cancellation in accordance with the applicable law.

XX. CHANGE OF CONTROL

Should there be a "change of control" to the **Named Insured** during the **policy period** all coverage under this Policy shall terminate at the date of such "change of control" unless **we** have issued an endorsement extending coverage under this Policy and **you** have agreed to pay any additional premium and agreed to any additional terms of coverage required by **us**.

A "change of control" to the **Named Insured** will be considered to be any of the following: **your** acquisition by or merger into another entity, **your** liquidation or dissolution, or the sale, or disposition of substantially all of **your** assets.

XXI. WORDS AND TITLES OF PARAGRAPHS

The titles of paragraphs, section, provisions, or endorsements of or to this policy are intended solely for convenience and reference and are not deemed in any way to limit or expand the provisions to which they relate and are not part of this policy. Whenever the singular form of a word is used herein, the same shall include the plural when required by context.

XXII. DISPUTE RESOLUTION

- A. No action shall lie against **us** unless, as a condition precedent thereto, there shall have been full compliance with all terms of this policy, and until the amount of **your** obligation to pay shall have been finally determined either by judgment or award against **you** after actual trial or arbitration or by written agreement of **you**, the claimant, and **us**.
- B. No person or organization or any legal representative thereof who has secured such judgment, award, or written agreement shall thereafter be entitled to make a **claim** under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join **us** as a party to an action or other proceeding against **you** to determine **your** liability, nor shall **we** be impleaded by **you** or **your** legal representative. Bankruptcy or insolvency of **you** or of **your** estate shall not relieve **us** of **our** obligations under this policy.
- C. Mediation. If any dispute arises between **you** and **us** involving this policy and/or a **claim** hereunder, it is hereby mutually agreed by **you** and **us** that such dispute shall be referred to a qualified mediator in a good faith effort to negotiate a resolution of the dispute, prior to the initiation of any arbitration or other proceedings. The party electing to mediate shall provide written notice to the other party setting forth its request to mediate and a brief statement regarding the issue to be mediated. The persons named in item 8 of the Declarations are authorized and directed to accept the Notice of Mediation on behalf of **us**. The **named insured** is authorized and directed to accept the Notice of Mediation on behalf of any insured.
- D. Arbitration. As a condition precedent to any right of action hereunder, in the event that a good faith effort to mediate pursuant to Section XXII (C) above cannot resolve a dispute between **you** and **us** involving this policy or a **claim** hereunder, it is hereby mutually agreed that such dispute shall be determined by final and binding arbitration before a single arbitrator under the provisions of the provincial Arbitration Act currently in force in the jurisdiction of the named insured's principal address indicated in item 1 of the Declarations. Such arbitration cannot be commenced until thirty (30) days after the conclusion of the mediation pursuant to Section XXII (C). If the parties cannot mutually select the arbitrator, the parties will refer the selection of the arbitrator to the chapter of the ADR Institute of Canada Inc. Operating in the jurisdiction of the applicable Arbitration Act.

XXIII. SERVICE OF SUIT CLAUSE (Canada)

- A. All disputes concerning the interpretation of this policy are understood and agreed by both **us** and **you** to be subject to the law of the province or territory of the named insured's principal address indicated in Item 8 of the Declarations. Each party agrees to submit to the jurisdiction of any court of competent jurisdiction within Canada and to comply with all requirements necessary to give such court jurisdiction.
- B. In any action to enforce **our** obligations under this policy, **we** can be designated or named as "Lloyd's Underwriters" and such designation shall be binding on **us** as if each of **us** had been individually named as Defendant. Service of such proceedings may validly be made upon the Attorney in Fact in Canada for Lloyd's Underwriters, whose address for such service is 1155 rue Metcalfe, Suite 2220, Montreal, Quebec, H3B 2V6.
- C. Every action or proceeding against **us** for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time permitted under the *Insurance Act* in force in the province or territory as reflected as the Insured's principal place of business as provided for in item 1 of the Declarations.

XXIV. CHOICE OF LAW

The interpretation of this policy and any disputes involving this policy shall be resolved applying the law designated in item 9 of the Declarations.

XXV. WARRANTY BY YOU

By acceptance of this policy, all insureds agree that the statements contained in the **application**, any application for insurance if this policy is a renewal, and any supplemental materials submitted therewith are their agreements and representations, which shall be deemed material to the risk assumed by **us**, and that this policy is issued in reliance upon the truth thereof.

The **application**, and any supplemental materials submitted to **us** are deemed incorporated into and made a part of this policy.

XXVI. ALLOCATION

- A. In the event that a **claim** made against **you** is partly covered by this policy and partly not covered by this policy, or a **claim** is made against **you** and against any persons or entities not insured by this policy, **you** agree that **our** obligation to make payment for **claims expenses** under this policy is limited to payments in respect of covered **claims**, persons and entities only, and all **claims expenses** shall be allocated as between the covered and non-covered **claims**, and covered and non-covered persons or entities, as follows:
1. **you** recognize and agree that all **claims expenses** paid by **us** under the policy must be allocated only to the defense of **claims** covered under the policy, and **you** agree that **we** and **you** will use best efforts to determine a fair and proper allocation of **claims expenses** as between covered and non-covered **claims**, and as between covered and non-covered persons or entities, taking into account the relative legal and financial exposures, and the relative benefits obtained by **you**.
 2. in the event that **we** and **you** are not able to agree on the allocation to be made pursuant to Section XXII of this policy, then **you** agree that **we** shall advance such amounts as **we** believe to be fair and proper until a different amount shall be agreed upon or determined pursuant to the provisions of this policy and applicable law. The allocation determined by **us** under this section shall not create any presumption with respect to the allocation of other **claims** or amounts as between **you** and uninsured persons or entities, or as between covered and non-covered **claims**.

XXVII. STATUTORY CONDITIONS (applicable to Insuring Modules 5, 9, 10 and 11 only)

The statutory conditions set out in Section XXVI. of this policy apply only to Insuring Modules 5, 9, 10 and 11.

Misrepresentation

1. If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

Property of others

2. The insurer is not liable for loss or damage to property owned by a person other than the insured unless
 - (a) otherwise specifically stated in the contract, or
 - (b) the interest of the insured in that property is stated in the contract.

Change of interest

3. The insurer is liable for loss or damage occurring after an authorized assignment under the *Bankruptcy and Insolvency Act* (Canada) or a change of title by succession, by operation of law or by death.

Material change in risk

4. (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
 - (a) material to the risk, and
 - (b) within the control and knowledge of the insured.

(2) If an insurer or its agent is not properly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.

(3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may

(a) terminate the contract in accordance with Statutory Condition 5, or

(b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.

(4) If the insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.

Termination of insurance

5. (1) The contract may be terminated

(a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or

(b) by the insured at any time on request.

(2) If the contract is terminated by the insurer,

(a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and

(b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.

(3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.

(4) The 15 day period referred to in subparagraph (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

Requirements after loss

6. (1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,

(a) immediately give notice in writing to the insurer,

(b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,

(i) giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed,

(ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,

(iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,

(iv) stating the amount of other insurances and the names of other insurers,

(v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,

(vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and

(vii) stating the place where the insured property was at the time of loss,

(c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and

(d) if required by the insurer and if practicable,

(i) produce books of account and inventory lists,

(ii) furnish invoices and other vouchers verified by statutory declaration, and

(iii) furnish a copy of the written portion of any other relevant contract.

(2) The evidence given, produced or furnished under subparagraph (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

Fraud

7. Any fraud or wilfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

Who may give notice and proof

8. Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under Statutory Condition 6 (1) (b) may be made

(a) by the agent of the insured, if

(i) the insured is absent or unable to give the notice or make the proof, and

(ii) the absence or inability is satisfactorily accounted for, or

(b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in clause (a) of this condition.

Salvage

9. (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.

(2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

Entry, control, abandonment

10. After loss or damage to insured property, the insurer has

(a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and

(b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but

(i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and

(ii) without the insurer's consent, there can be no abandonment to it of the insured property.

In case of disagreement

11. (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act*, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.

(2) There is no right to a dispute resolution process under this condition until
 - (a) a specific demand is made for it in writing, and
 - (b) the proof of loss has been delivered to the insurer.

When loss payable

12. Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the insurer.

Repair or replacement

13. (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.

(2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

Notice

14. (1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.

(2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.