

- **NETWORK SECURITY AND PRIVACY LIABILITY**
- **WEBSITE MEDIA OCCURRENCE LIABILITY**
- **EXTORTION THREAT**
- **BREACH EVENT**
- **BUSINESS INTERRUPTION EVENT AND NETWORK DATA EVENT**



PORTIONS OF THIS POLICY APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE UNDERWRITER DURING THE POLICY PERIOD OR APPLICABLE EXTENDED REPORTING PERIOD. CLAIM EXPENSES ARE PART OF AND NOT IN ADDITION TO THE LIMITS OF LIABILITY. PLEASE READ THE ENTIRE POLICY CAREFULLY.

In consideration of the payment of the premium, and in reliance on all statements made and information furnished to the Underwriter, and subject to all of the terms and conditions of this Policy (including all endorsements hereto), the Underwriter and the **Insureds** agree as follows:

I. INSURING AGREEMENTS

Coverage may apply under an INSURING AGREEMENT only if such INSURING AGREEMENT is indicated as having been purchased in ITEM 3 of the Declarations.

(A) Network Security and Privacy Liability

The Underwriter will pay on behalf of the **Insured** any **Damages** and **Claim Expenses**, in excess of the Retention, that the **Insured** is legally obligated to pay as a direct result of any covered **Claim** or covered **Regulatory Claim** for:

- (1) a **Network Security Wrongful Act**; or
- (2) a **Privacy Wrongful Act**,

first committed or allegedly committed on or after the **Retroactive Date**; provided that such **Claim** is first made against the **Insured** during the **Policy Period** or applicable Extended Reporting Period and reported to the Underwriter in accordance with GENERAL CONDITION (D) of this Policy.

(B) Website Media Occurrence Liability

The Underwriter will pay on behalf of the **Insured** any **Damages** and **Claim Expenses**, in excess of the Retention, that the **Insured** is legally obligated to pay as a direct result of any covered **Claim** for a **Website Media Occurrence** first committed or allegedly committed during the **Policy Period**; provided that such **Claim** is reported to the Underwriter in accordance with GENERAL CONDITION (D) of this Policy.

(C) Extortion Threat

The Underwriter will pay the **Named Insured** for any **Extortion Payments**, in excess of the Retention, that the **Named Insured** pays as a direct result of any **Extortion Threat** that first occurs during the **Policy Period**; provided that such **Extortion Threat** is reported to the Underwriter in accordance with GENERAL CONDITION (D) of this Policy.

(D) Breach Event

The Underwriter will:

- (1) provide the **Named Insured** with **Breach Consultation Services** as a direct result of any **Breach Event**;
- (2) pay the **Named Insured** for **Breach Notification Costs**, in excess of the Retention, that the **Named Insured** pays as a direct result of any **Breach Event**; and
- (3) pay the **Named Insured** for **Breach Management Expenses**, in excess of the Retention, that the **Named Insured** pays as a direct result of any **Breach Event** that is widely reported to the general public through a mainstream print or broadcast media outlet and,

that first occurs during the **Policy Period**; provided that such **Breach Event** is reported to the Underwriter in accordance with GENERAL CONDITION (D) of this Policy.

(E) Business Interruption Event and Network Data Event

The Underwriter will pay the **Named Insured**:

- (1) for a **Business Interruption Loss**, in excess of the Retention, sustained by the **Named Insured** as a direct result of any **Business Interruption Event**, or
- (2) for a **Network Data Loss**, in excess of the Retention, sustained by the **Named Insured** as a direct result of any **Network Data Event**,

that first occurs during the **Policy Period**; provided that such **Business Interruption Event** or **Network Data Event** is reported to the Underwriter in accordance with GENERAL CONDITION (D) of this Policy.

II. DEFINITIONS

- (A) "Advertising"** means publicly disseminated material in electronic form that promotes the products, services, or business of the **Named Insured** or a client of the **Named Insured**, but only where such material was disseminated by the **Named Insured** or with the prior written consent of the **Named Insured**.
- (B) "Bodily Injury"** means bodily or physical injury, sickness, or disease sustained by any person, including but not limited to death resulting from any of these at any time. **Bodily Injury** also includes mental or emotional illness, anguish, injury, or distress, or pain or suffering or shock, sustained by any person, regardless of whether it results from bodily or physical injury, sickness, or disease.
- (C) "Breach Consultation Services"** means the following consulting services provided by the **Designated Service Provider** on behalf of the **Named Insured** as a direct result of a **Breach Event**:
- (1) review of any notification requirement under any **Breach Notification Law**;
 - (2) drafting of a **Breach Notification Letter** to any customer or client of the **Named Insured**;

- (3) creation of a toll free response line for any recipient of a **Breach Notification Letter** with questions about such **Breach Event**; and
- (4) response to a media inquiry, where requested in writing by the **Named Insured**;

provided that before any such services are rendered by the **Designated Service Provider**, the **Named Insured** shall give the Underwriter and the **Designated Service Provider** notice in accordance with GENERAL CONDITION (D) of this Policy and shall obtain the Underwriter's prior written consent for any such services.

The amount of any **Breach Consultation Services** shall be determined by the Underwriter based on the fees and costs of the **Designated Service Provider**.

- (D) "**Breach Event**" means the unauthorized taking, obtaining, use, or disclosure of **Personally Identifiable Information** from the **Named Insured's Operating System** that requires the **Named Insured** to issue a **Breach Notification Letter** to any customer or client of the **Named Insured** informing such customer or client of such taking, obtaining, use, or disclosure.
- (E) "**Breach Management Expenses**" means the reasonable and necessary expenses incurred by the **Named Insured** for the public relations services of an independent public relations company for the purpose of mitigating any material damage to the reputation of the **Named Insured** as a direct result of a **Breach Event** that is widely reported to the general public through a mainstream print or broadcast media outlet; provided that before incurring any such expenses, the **Named Insured** shall give the Underwriter notice in accordance with GENERAL CONDITION (D) of this Policy and shall obtain the Underwriter's prior written consent for any such expenses.
- (F) "**Breach Notification Costs**" means the reasonable and necessary costs incurred by the **Named Insured** for the printing, postage, or posting of **Breach Notification Letters** as a direct result of a **Breach Event**; provided that before incurring any such costs, the **Named Insured** shall give the Underwriter notice in accordance with GENERAL CONDITION (D) of this Policy and shall obtain the Underwriter's prior written consent for any such costs.

Breach Notification Costs shall also mean the reasonable and necessary costs incurred by the **Named Insured** for the printing, postage, or posting of **Breach Notification Letters** as a direct result of a **Breach Event** where the **Designated Service Provider** reasonably recommends the issuance of such **Breach Notification Letters** even though an applicable **Breach Notification Law** may not require such notification; provided that before incurring any such costs, the **Named Insured** shall give the Underwriter notice in accordance with GENERAL CONDITION (D) of this Policy and shall obtain the Underwriter's prior written consent for any such costs.
- (G) "**Breach Notification Law**" means any local, state, federal or foreign act, statute, rule, regulation, requirement, or other law that requires the **Named Insured** to notify any customer or client of the **Named Insured** where **Personally Identifiable Information** of such customer or client has been accessed, or the **Named Insured** reasonably believes **Personally Identifiable Information** of such customer or client has been accessed, by an unauthorized natural person in an unauthorized manner.
- (H) "**Breach Notification Letter**" means a notification letter or other electronic or print notification that the **Named Insured** is required to issue or post in compliance with a **Breach Notification Law**.
- (I) "**Business Interruption Event**" means the failure of the **Named Insured's Operating System** to properly operate and function as intended that directly results from an

Unauthorized Access or the transmission of **Malicious Code** to the **Named Insured's Operating System** that the **Security System** failed to prevent.

(J) **"Business Interruption Loss"** means the sum of:

- (1) **Income Loss;**
- (2) **Extra Expenses;** and
- (3) **Forensic Expenses,**

incurred by the **Named Insured** during the **Period of Recovery**, but after the expiration of the **Waiting Period**, and as a direct result of a **Business Interruption Event**.

Business Interruption Loss does not include:

- (a) any loss, cost, or expense for, based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged liability of any type, nature, or kind to any third party for whatever reason;
- (b) any attorneys' fees or legal costs or expenses of any type, nature, or kind;
- (c) any loss, cost, or expense for, based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any unfavorable business or market conditions or developments;
- (d) any loss, cost, or expense for, based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any lost profit (or loss), other than the net profit (or loss) before income taxes that the **Named Insured** is prevented from earning (or avoiding) through those business operations of the **Named Insured** dependent on the **Named Insured's Operating System** as a direct result of the **Business Interruption Event** and that is otherwise covered under this Policy;
- (e) any loss, cost, or expense for, based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any update, upgrade, enhancement, repair, removal, restoration, replacement, reproduction, inspection, recall, reprinting, disposal, withdrawal, correction, completion, adjustment, research, or development of or to any computer, computer component (including but not limited to any hardware, network, terminal device, data storage devices, input and output device, or back up facility), application, program, software, code, script, or data of any type, nature, or kind, including but not limited to any **Electronic Data**;
- (f) any loss, cost, or expense for, based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any inspection, identification, or investigation of any error, vulnerability, deterioration, wear or tear, malfunction, failure, or defect of any computer, computer component (including but not limited to any hardware, network, terminal device, data storage devices, input and output device, or back up facility), application, program, software, code, script, or data of any type, nature, or kind, including but not limited to any **Electronic Data**, other than **Forensic Expenses** that are otherwise covered under this Policy; or
- (g) any loss, cost, or expense for, based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the monetary value of any computer, computer component (including but not limited to any hardware, network, terminal device, data storage devices, input and output device, or back up facility), application,

program, software, code, script, or data of any type, nature, or kind, including but not limited to any **Electronic Data**.

- (K) **"Circumstance"** means any **Network Security Wrongful Act** or **Privacy Wrongful Act** that may subsequently give rise to a **Claim**.
- (L) **"Claim"** means:
- (1) a written demand for money or services, or a civil or arbitration proceeding for money or services commenced by the service of a complaint or similar pleading or the issuance of an arbitration demand, against an **Insured** for a **Network Security Wrongful Act**, **Privacy Wrongful Act**, or **Website Media Occurrence**; or
 - (2) a **Regulatory Claim**.
- (M) **"Claim Expenses"** means the reasonable and necessary legal fees, costs and expenses incurred in the investigation, adjustment, defense, or appeal of a **Claim**. **Claim Expenses** includes the cost of any bond or appeal bond required in any defended suit; provided that the Underwriter shall not be obligated to apply for or furnish any such bond. **Claim Expenses** does not include:
- (1) remuneration, salaries, wages, fees, expenses, overhead, or benefit expenses of any **Insured**;
 - (2) any fees, costs, or expenses incurred prior to the time that a **Claim** is first made against the **Insured**; or
 - (3) any regulatory, governmental, or other similar fine, penalty, or fee.
- (N) **"Damages"** means any damages, settlements, judgments, pre-judgment interest, post-judgment interest or other amounts (including punitive or exemplary damages if insurable under the applicable law most favorable to the insurability thereof) which an **Insured** is legally obligated to pay as a direct result of a **Claim**. **Damages** does not include:
- (1) any fine, penalty, forfeiture, sanction, tax, liquidated damages, or the multiple portion of any multiplied damage award, other than a governmental or regulatory fine or penalty directly resulting from a **Regulatory Claim** and that is otherwise covered under this Policy;
 - (2) any non-monetary or equitable relief or redress awarded against any **Insured**, including but not limited to any cost or expense of complying with any injunctive, declaratory, or administrative relief or specific performance award;
 - (3) any payment, restitution, return, or disgorgement of fees, profits, royalties, commissions, charges, or any funds allegedly wrongfully or unjustly held or obtained;
 - (4) any fee, profit, royalty, commission, charge, cost, or expense incurred to obtain a license or right to use or promote the use of any property, data, or information of any type, nature, or kind, including but not limited to any **Electronic Data** or **Media Communication**;
 - (5) any loss, cost, or expense of updating, upgrading, enhancing, restoring, reprinting, recalling, removing, disposing, withdrawing, repairing, replacing, reproducing, correcting, performing, completing, adjusting, inspecting, researching, or developing any product,

service, property, data, or information of any type, nature, or kind, including but not limited to any **Electronic Data** or **Media Communication**;

- (6) any discount, coupon, prize, award, redemption, or other incentive;
 - (7) **Bodily Injury** or **Property Damage**; or
 - (8) any matter that is uninsurable under applicable law.
- (O) **"Denial of Service Attack"** means any unauthorized attack directed at the **Named Insured's Operating System** or the **Named Insured's Website** that successfully corrupts, damages, or impairs the **Named Insured's Operating System** or the **Named Insured's Website**.
- (P) **"Designated Service Provider"** means a service provider selected and approved in writing by the Underwriter.
- (Q) **"Electronic Data"** means any data, including **Personally Identifiable Information** and confidential and proprietary marketing, financial, and other information, that exists on the **Named Insured's Operating System** and that is subject to scheduled back up procedures and **Security System** protections and that is necessary for use by the **Named Insured** in the ordinary course of the **Named Insured's** business operations. **Electronic Data** does not include any funds, currency, securities, or other financial, debt, credit, bond, or equity instruments.
- (R) **"Extortion Payments"** means the reasonable and necessary payments made by the **Named Insured** for the elimination of an **Extortion Threat** and all residual effects; provided that:
- (1) before agreeing to make any such payment, the **Named Insured** shall give the Underwriter notice in accordance with GENERAL CONDITION (D) of this Policy and shall obtain the Underwriter's prior written consent for any such payment;
 - (2) before agreeing to make any such payment, the **Named Insured** conducts a reasonable investigation and reasonably determines that such **Extortion Threat** is technologically feasible and credible; and
 - (3) such payment is made to the natural person whom the **Named Insured** reasonably believes to be responsible for such **Extortion Threat**.
- (S) **"Extortion Threat"** means a serious threat made by an unauthorized natural person to an **Insured** where such natural person:
- (1) has gained or alleges he or she has gained **Unauthorized Access** to the **Named Insured's Operating System**;
 - (2) is threatening to:
 - (a) corrupt, damage, or impair such **Named Insured's Operating System**;
 - (b) transmit **Malicious Code** into such **Named Insured's Operating System**; or
 - (c) take or disclose **Personally Identifiable Information** from such **Named Insured's Operating System**; and
 - (3) is demanding payment as a condition for the elimination of such threat and all residual effects.

- (T) **"Extra Expenses"** means the reasonable and necessary expenses incurred by the **Named Insured** during the **Period of Recovery** to reduce or avoid its **Income Loss**, provided that such expenses:
- (1) are over and above the reasonable and necessary expenses the **Named Insured** would have incurred had the **Business Interruption Event** not occurred; and
 - (2) do not exceed the amount by which the **Income Loss** in excess of the **Retention** and covered under this Policy is thereby reduced or avoided.
- (U) **"First Inception Date"** means the date stated in ITEM 6 of the Declarations.
- (V) **"First Named Insured"** means the entity designated as such in ITEM 1 of the Declarations.
- (W) **"Forensic Expenses"** means the reasonable and necessary expenses incurred by the **Named Insured** during the **Period of Recovery** to investigate the source or cause of the failure of the **Security System** to prevent the applicable **Unauthorized Access** or transmission of **Malicious Code** to the **Named Insured's Operating System**; provided that before incurring any such expenses, the **Named Insured** shall give the Underwriter notice in accordance with GENERAL CONDITION (D) of this Policy and shall obtain the Underwriter's prior written consent for any such expenses.
- (X) **"Income Loss"** means:
- (1) the net profit (or loss) before income taxes that the **Named Insured** is prevented from earning (or avoiding) through those business operations of the **Named Insured** dependent on the **Named Insured's Operating System** as a direct result of the **Business Interruption Event**; and
 - (2) the fixed operating expenses, including payroll, of the **Named Insured**, but only to the extent that such operating expenses must necessarily continue during the **Period of Recovery** and would be incurred even if the **Business Interruption Event** had not occurred;
- provided that:
- (a) **Income Loss** shall be reduced to the extent the **Named Insured** is able, by means of reasonable due diligence or other reasonable acts, to reduce, mitigate, or limit **Income Loss** or the impact of the **Business Interruption Event**, including but not limited to conducting the business operations of the **Named Insured** through another operation or some other means; and
 - (b) both the prior experience of the **Insured's** business operations before the **Business Interruption Event** occurred and the probable business operations the **Insured** could have performed had the **Business Interruption Event** not occurred shall be considered in determining the amount of **Income Loss**.
- Income Loss** will be calculated on an hourly basis.
- (Y) **"Insured"** means:
- (1) the **Named Insured**; and
 - (2) Any current or former officer, director, or employee of the **Named Insured**, but only for acts within the capacity and scope of his or her duties as such.

- (Z) **"Malicious Code"** means any unauthorized computer virus, contaminant, worm, trojan horse, logic bomb, or other similar application, program, software, code, or script that successfully corrupts, damages, or impairs the **Named Insured's Operating System**.
- (AA) **"Media Communication"** means the broadcast, dissemination, or publication by the **Named Insured** to the general public of any words, sounds, numbers, images, or graphics in electronic form, including any such broadcast, dissemination, or publication in any **Advertising**; provided that **Media Communication** does not include any broadcast, dissemination, or publication of words, sounds, numbers, images, or graphics in any application, program, software, code, or script.
- (BB) **"Named Insured"** means the **First Named Insured** and each other individual or entity stated in ITEM 1 of the Declarations.
- (CC) **"Named Insured's Operating System"** means a computer, and its hardware, software, network, application, terminal device, data storage devices, input and output device, and back up facility by which **Electronic Data** is electronically collected, transmitted, and processed, that are operated and owned by the **Named Insured** or operated and leased by the **Named Insured** pursuant to a written contract.
- (DD) **"Named Insured's Website"** means a website that is operated and owned by the **Named Insured** or operated and leased by the **Named Insured** pursuant to a written contract.
- (EE) **"Network Data Event"** means:
- (1) the corruption, damaging, impairment, destruction, or deletion of any **Electronic Data** of the **Named Insured**; or
 - (2) the inability of the **Named Insured** to access any **Electronic Data** of the **Named Insured**,
as a direct result of an **Unauthorized Access** or the transmission of **Malicious Code** to the **Named Insured's Operating System** that the **Security System** failed to prevent.
- (FF) **"Network Data Loss"** means:
- (1) with respect to any **Electronic Data** of the **Named Insured** that was corrupted, damaged, impaired, destroyed, or deleted as a direct result of a **Network Data Event**, the reasonable and necessary expenses incurred by the **Named Insured** to restore such **Electronic Data** from back-up or original data sources to the condition in which such **Electronic Data** existed before such corruption, damaging, impairment, destruction, or deletion; or
 - (2) with respect to any **Electronic Data** of the **Named Insured** that was unable to be accessed as a direct result of a **Network Data Event**, the lesser of the reasonable and necessary expenses incurred by the **Named Insured** to: (i) regain access to such **Electronic Data**; or (ii) restore such **Electronic Data** from back-up or original data sources to the condition in which such **Electronic Data** existed before such **Electronic Data** was unable to be accessed;
- provided that:

- (i) before incurring any such expenses, the **Named Insured** shall give the Underwriter notice in accordance with GENERAL CONDITION (D) of this Policy and shall obtain the Underwriter's prior written consent for any such expenses; and
- (ii) if such **Electronic Data** cannot reasonably be restored or access to such **Electronic Data** cannot reasonably be regained, then **Network Data Loss** only means the reasonable and necessary expenses incurred by the **Named Insured** to reach this determination.

Network Data Loss does not include:

- (a) any loss, cost, or expense for, based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged liability of any type, nature, or kind to any third party for whatever reason;
- (b) any attorneys' fees or legal costs or expenses of any type, nature, or kind;
- (c) any loss, cost, or expense for, based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any unfavorable business or market conditions or developments;
- (d) any loss, cost, or expense for, based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any lost profit (or loss);
- (e) any loss, cost, or expense for, based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any update, upgrade, enhancement, repair, removal, restoration, replacement, reproduction, inspection, recall, reprinting, disposal, withdrawal, correction, completion, adjustment, research, or development of or to any computer, computer component (including but not limited to any hardware, network, terminal device, data storage devices, input and output device, or back up facility), application, program, software, code, script, or data of any type, nature, or kind, including but not limited to any **Electronic Data**, other than the reasonable and necessary expenses incurred by the **Named Insured** to regain access to **Electronic Data** of the **Named Insured** or restore **Electronic Data** of the **Named Insured** from back-up or original data sources to the condition in which such **Electronic Data** existed before such corruption, damaging, impairment, destruction, or deletion and that are otherwise covered under this Policy;
- (f) any loss, cost, or expense for, based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any inspection, identification, or investigation of any error, vulnerability, deterioration, wear or tear, malfunction, failure, or defect of any computer, computer component (including but not limited to any hardware, network, terminal device, data storage devices, input and output device, or back up facility), application, program, software, code, script, or data of any type, nature, or kind, including but not limited to any **Electronic Data**, other than the reasonable and necessary expenses incurred by the **Named Insured** to determine that **Electronic Data** of the **Named Insured** cannot reasonably be restored or access to such **Electronic Data** cannot reasonably be regained and are otherwise covered under this Policy; or
- (g) any loss, cost, or expense for, based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the monetary value of any computer, computer component (including but not limited to any hardware, network, terminal device, data storage devices, input and output device, or back up facility), application,

program, software, code, script, or data of any type, nature, or kind, including but not limited to any **Electronic Data**.

(GG) "Network Security Wrongful Act" means any actual or alleged act, error or omission, or series of acts, errors or omissions, by the **Named Insured** in connection with a failure of the **Security System** to protect the **Named Insured's Operating System** or the **Named Insured's Website** and that directly results in:

- (1) an **Unauthorized Access** that directly results in:
 - (a) the inability of a third party, who is so authorized, from gaining access to the **Named Insured's Operating System**;
 - (b) the unauthorized taking, obtaining, use, or disclosure of **Personally Identifiable Information** from the **Named Insured's Operating System**; or
 - (c) the damaging, destruction, or deletion of **Electronic Data** on the **Named Insured's Operating System**;
- (2) a **Denial of Service Attack** that directly results in the inability of a third party, who is so authorized, from gaining access to the **Named Insured's Operating System** or the **Named Insured's Website**; or
- (3) the transmission of **Malicious Code** from the **Named Insured's Operating System** to a third party's computer system.

(HH) "Period of Recovery" means the time period that:

- (1) begins on the date and time that the **Business Interruption Event** first occurs; and
- (2) ends on the date and time that the operation of the **Named Insured's Operating System** is substantially restored, or would have been restored had the **Named Insured** exercised reasonable due diligence or other reasonable acts, to the level that existed before the **Business Interruption Event** occurred;

provided that in no event shall the **Period of Recovery** exceed more than thirty (30) days beginning from the date and time that the **Business Interruption Event** first occurs.

(II) "Personally Identifiable Information" means a natural person's name used in combination with one or more of the following:

- (1) health care or other medical information, including "protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and any regulation issued pursuant to the Act;
- (2) "non-public personal information" as defined in the Gramm-Leach Bliley Act of 1999, as amended, and any regulation issued pursuant to the Act;
- (3) social security, driver's license, or other state identification numbers or credit, debit, or other financial account numbers with their related security and access codes, passwords or pin numbers that provide access to the natural person's financial account information; or

- (4) any other non-public personally identifiable information protected under any local, state, federal or foreign act, statute, rule, regulation, requirement, ordinance, common law, or other law.

Personally Identifiable Information does not include information that is lawfully available to the general public, including but not limited to information from any local, state, federal, or foreign administrative, governmental, or regulatory agency, body, entity, or tribunal.

(JJ) "Policy Period" means the period from the Inception Date of this Policy stated in ITEM 2(a) of the Declarations to the Expiration Date of this Policy stated in ITEM 2(b) of the Declarations or to any earlier cancellation or termination of this Policy.

(KK) "Pollutants" means (1) any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or any similar local, state, federal, or foreign administrative, governmental, or regulatory agency, body, entity, or tribunal, including but not limited to solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials, or (2) any other air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos or asbestos products or any noise.

(LL) "Privacy Policy" means the **Named Insured's** policies, practices, and procedures, in written or electronic form, established with respect to the use, disclosure, or protection of **Personally Identifiable Information** in the care, custody, or control of the **Named Insured**.

(MM) "Privacy Law" means any local, state, federal or foreign act, statute, rule, regulation, requirement, or other law that requires persons or entities that collect **Personally Identifiable Information** to post privacy policies, adopt certain privacy or security measures, or notify natural persons in the event of the unauthorized taking or use or the unintentional disclosure of **Personally Identifiable Information**.

(NN) "Privacy Wrongful Act" means any actual or alleged act, error or omission, or series of acts, errors or omissions, by the **Named Insured** that directly results in:

- (1) unauthorized taking or use or the unintentional disclosure of **Personally Identifiable Information** that is in the care, custody, or control of the **Named Insured**;
- (2) the **Named Insured's** unintentional failure to timely disclose an unauthorized taking or use or unintentional disclosure of **Personally Identifiable Information** that is in the care, custody, or control of the **Named Insured** in violation of any **Breach Notification Law**; or
- (3) an unintentional violation by the **Named Insured** of its **Privacy Policy** that directly results in the **Named Insured's** violation of any **Privacy Law**.

(OO) "Property Damage" means:

- (1) physical injury to, or loss or destruction of, tangible property, including but not limited to all loss of use of that property; or
- (2) loss of use of tangible property that is not physically injured;

provided that **Property Damage** does not include the corruption, damaging, impairment, destruction, or deletion of any **Electronic Data** of the **Named Insured** or the inability of the

Named Insured to access any **Electronic Data** of the **Named Insured** as a direct result of a **Network Data Event**.

- (PP) **"Regulatory Claim"** means a civil proceeding commenced by the service of a complaint or similar pleading brought by a local, state, federal, or foreign governmental or regulatory agency, body, entity, or tribunal against the **Named Insured** for a **Network Security Wrongful Act** or **Privacy Wrongful Act**.
- (QQ) **"Related Claims"** means **Claims** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the same or related facts, circumstances, situations, transactions, decisions, or events or the same or related series of facts, circumstances, situations, transactions, decisions, or events, whether related logically, causally, or in any other way.
- (RR) **"Related Losses"** means **Extortion Threats, Breach Events, Business Interruption Events, or Network Data Events** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the same or related facts, circumstances, situations, transactions, decisions, or events or the same or related series of facts, circumstances, situations, transactions, decisions, or events, whether related logically, causally, or in any other way.
- (SS) **"Retroactive Date"** means the date stated in ITEM 7 in the Declarations.
- (TT) **"Security System"** means network, hardware, and software devices, including anti-virus and intrusion detection software, firewalls, and electronic systems, that control access to the **Named Insured's Operating System** or the **Named Insured's Website** by means of passwords or other similar identification methods and that are operated and installed on the **Named Insured's Operating System** or the **Named Insured's Website** to prevent an **Unauthorized Access** or the transmission of **Malicious Code** to the **Named Insured's Operating System** or a **Denial of Service Attack** to the **Named Insured's Operating System** or the **Named Insured's Website**.
- (UU) **"Unauthorized Access"** means the use of or access to the **Named Insured's Operating System** by a natural person unauthorized by the **Named Insured** to do so or the authorized use of or access to the **Named Insured's Operating System** by a natural person in a manner not authorized by the **Named Insured**.
- (VV) **"Waiting Period"** means the period of time that begins when the **Period of Recovery** begins and expires after the elapse of the number of hours stated in ITEM 8 of the Declarations. A separate **Waiting Period** applies to each **Period of Recovery**.
- (WW) **"Website Media Occurrence"** means any of the following offenses committed or allegedly committed by the **Named Insured** in any **Media Communication** on the **Named Insured's Website**:
- (1) Libel, slander, defamation, or disparagement;
 - (2) Invasion of or interference with the right of privacy; or
 - (3) Plagiarism or infringement of copyright, title, slogan, trademark, trade name, trade dress, service mark, or service name.

Website Media Occurrence does not include any offense involving any patent, process, idea, style of doing business, trade secret, or other similar information or property of any type, nature, or kind.

III. EXCLUSIONS

This policy does not apply to, and no coverage will be available under this Policy for, any **Claim, Damages, Claim Expenses, Extortion Payments, Breach Consultation Services, Breach Notification Costs, Breach Management Expenses, Business Interruption Loss, or Network Data Loss**:

- (A) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, transaction, event, act, error, or omission that, before the **First Inception Date**, was the subject of any notice under any prior or concurrent policy;
- (B) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any prior or pending demand, litigation, or alternative dispute resolution, administrative, regulatory, investigation, or arbitration proceeding as of the **First Inception Date**, or the same or substantially similar fact, circumstance, situation, transaction, event, act, error, or omission underlying or alleged therein;
- (C) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, transaction, event, act, error, or omission if any **Insured**, before the **First Inception Date**, knew or reasonably could have foreseen that such fact, circumstance, situation, transaction, event, act, error, or omission might give rise to a **Claim, Extortion Threat, Breach Event, Business Interruption Event, or Network Data Event**;
- (D) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving:
 - (1) any **Network Security Wrongful Act** or **Privacy Wrongful Act** that was first committed or allegedly committed before the **Retroactive Date**;
 - (2) any **Website Media Occurrence** that was first committed or allegedly committed before the Inception Date of this Policy stated in ITEM 2(a) of the Declarations;
 - (3) any **Extortion Threat, Breach Event, Business Interruption Event, or Network Data Event** that first occurs before the Inception Date of this Policy stated in ITEM 2(a) of the Declarations;
- (E) brought by or on behalf of or in the name or right of:
 - (1) any **Insured** or any business entity or venture that is currently or was formerly owned, controlled, managed or operated, directly or indirectly or in whole or in part, by any **Insured**; or
 - (2) any parent company, affiliate, subsidiary, predecessor, successor, or assign of any **Insured** or any business entity or venture that is currently or was formerly owned, controlled, managed or operated, directly or indirectly or in whole or in part, by any **Insured**;

provided that this EXCLUSION (E) shall not apply to a **Claim** for a **Privacy Wrongful Act** brought by an employee of the **Named Insured**;

- (F) brought by or on behalf of or in the name or right of any local, state, federal, or foreign administrative, governmental, or regulatory agency, body, entity, or tribunal, including by not limited to the Federal Trade Commission or the Federal Communication Commission, provided that this EXCLUSION (F) shall not apply to a **Regulatory Claim**;
- (G) brought by or on behalf of or in the name or right of any trade or licensing agency, body, entity, society, or tribunal, including but not limited to the American Society of Composers, Authors and Publishers, the Society of European Stage Authors and Composers, the Recording Industry Association of America, or Broadcast Music, Inc.;
- (H) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any **Claim** made against any **Insured** for any act, error, or omission committed or allegedly committed during any time when such person or entity was not an officer, director, or employee of any **Insured** or was not a subsidiary or affiliate of the **First Named Insured**;
- (I) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged violation of any responsibility, duty, or obligation imposed under:
- (1) the Employee Retirement Income Security Act of 1974 or any similar local, state, federal or foreign act, statute, rule, regulation, requirement, ordinance, common law, or other law, including but not limited to any amendment thereto any regulation promulgated thereunder;
 - (2) the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, the Investment Advisors Act of 1940, any Blue Sky or other securities law, or any similar local, state, federal or foreign act, statute, rule, regulation, requirement, ordinance, common law, or other law, including but not limited to any amendment thereto any regulation promulgated thereunder; or
 - (3) the Interstate Commerce Act of 1887, the Sherman Antitrust Act of 1890, the Clayton Act of 1914, the Robinson-Patman Act of 1936, the Cellar-Kefauver Act of 1950, the Federal Trade Commission Act of 1914, the Racketeer Influenced and Corrupt Organizations Act of 1970, any law involving or prohibiting any antitrust activity, price fixing (including but not limited to horizontal or other price fixing of wages, hours, salaries, compensation, benefits, or other terms or conditions of employment), price discrimination, predatory pricing, monopoly or monopolization, restraint of trade, unfair competition, conspiracy, collusion, or unfair, false, deceptive or misleading trade or business practices or advertising, or any similar local, state, federal or foreign act, statute, rule, regulation, requirement, ordinance, common law, or other law, including but not limited to any amendment thereto any regulation promulgated thereunder;
- (J) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving:
- (1) the gaining of any profit, remuneration, or advantage to which any **Insured** is not legally entitled;
 - (2) any dishonest, fraudulent, deceptive, misleading, illegal, unlawful, criminal, malicious, unfair, false, or bad faith act of any **Insured**, or any collusion with or any assistance, knowledge, consent, or direction of any **Insured**;
 - (3) any willful, intentional, or knowing violation of any local, state, federal or foreign act, statute, rule, regulation, requirement, ordinance, common law, or other law by or on

behalf of or in the name or right of any **Insured**, including but not limited to any **Privacy Law**; or

- (4) any unauthorized use or accessing by or on behalf of or in the name or right of any **Insured** of any computer, computer component (including but not limited to any hardware, network, terminal device, data storage devices, input and output device, or back up facility), application, program, software, code, script, or data of any type, nature, or kind, including but not limited to any **Electronic Data**;

provided that, for the purposes of determining the applicability of this EXCLUSION (J), no act of any **Insured** will be imputed to any other **Insured** who was not aware of or did not participate in such act, except that any act of any former, current, or future chief executive officer, chief operating officer, chief financial officer, president, or in-house general counsel (or equivalent positions thereof) of any **Insured** shall be imputed to all **Insureds**;

- (K) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged **Bodily Injury** or **Property Damage**;
- (L) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged employment-related act, error, or omission or any actual or alleged discrimination, humiliation, or harassment, including but not limited to discrimination, humiliation, or harassment of a sexual nature or involving race, creed, color, age, gender, national origin, religion, disability, marital status, sexual preference, or other classification of any type, nature, or kind;
- (M) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged infringement, misappropriation, misuse, gaining, or taking of, or any inducement to infringe, misappropriate, misuse, gain, or take, any patent, process, idea, style of doing business, intellectual property, copyright, title, slogan, trademark, trade name, trade dress, service mark, service name, trade secret, confidential or proprietary information, or other similar information or property of any type, nature, or kind, other than an offense specifically enumerated in the definition of **Website Media Occurrence** and otherwise covered under INSURING AGREEMENT (B);
- (N) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving:
- (1) any actual or alleged liability assumed by or on behalf of or in the name or right of any **Insured** under any express, implied, actual, constructive, written, or oral contract, agreement, warranty, guarantee, assurance, covenant, representation, or promise; provided that this EXCLUSION (N)(1) shall not apply to liability which would have attached in the absence of such contract, agreement, warranty, guarantee, assurance, covenant, representation, or promise;
 - (2) any express, implied, actual, constructive, written, or oral contract, agreement, warranty, guarantee, assurance, covenant, representation, or promise: (a) for or involving any cost savings, performance, time of delivery, investment, or profit; or (b) that creates or requires compliance with any duty to exercise a degree or standard of care or skill higher than applicable industry standards;
 - (3) any actual or alleged failure, malfunction, or defect of any good, product, or service or any actual or alleged failure of any good, product, or service to conform with any represented or implied quality or performance;

- (4) any fee, expense, cost guarantee, cost representation, price guarantee, price representation, contract price, estimate of probable cost, or cost estimate actually or allegedly being exceeded or any actual or alleged inaccurate, inadequate, or incomplete description with respect to any good, product, or service, including but not limited to the price of any good, product, or service;
 - (5) any actual or alleged obligation to make or pay any fee, profit, royalty, commission, charge, cost, or expense incurred to obtain a license or right to use or promote the use of any good, product, service, property, data, or information of any type, nature, or kind, including but not limited to any **Electronic Data** or **Media Communication**; or
 - (6) any updating, upgrading, enhancing, reprinting, recalling, removing, disposing, withdrawing, repairing, restoring, replacing, reproducing, correcting, performing, completing, adjusting, inspecting, research, or developing of any good, product, service, property, data, or information of any type, nature, or kind, including but not limited to any **Electronic Data** or **Media Communication**;
- (O) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged gambling, contest, lottery, sweepstake, coupon, promotional game, or other game of chance, including but not limited to any redemption in connection therewith;
- (P) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged:
- (1) distribution, dissemination, or transmission of any unsolicited facsimile, wireless or telephone communication, electronic mail, direct mail, voice mail, or telemarketing, including but not limited to Short Message Service or Multimedia Message Service;
 - (2) gathering, collecting, acquiring, using, obtaining, or taking of any information of any type, nature, or kind by means of any electronic spider, spy bots, spyware, wire tapping, bugging, videoing, radio frequency identification tags, or other similar means;
 - (3) unlawful or unauthorized gathering, collecting, acquiring, using, obtaining, or taking of any information of any type, nature, or kind, including but not limited to **Personally Identifiable Information**; or
 - (4) failure to comply with any local, state, federal or foreign act, statute, rule, regulation, requirement, ordinance, common law, or other law requiring that individuals be provided with the ability to assent, consent to, or opt-in or withhold or withdraw assent to, consent to, or opt-out from the gathering, collecting, acquiring, using, obtaining, or taking of any information of any type, nature, or kind, including but not limited to **Personally Identifiable Information**,
- by or on behalf of or in the name or right of any **Insured**;
- (Q) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any gradual deterioration, wear or tear, malfunction, mechanical failure, or defect of any computer, computer component (including but not limited to any hardware, network, terminal device, data storage devices, input and output device, or back up facility), application, program, software, code, script, or data of any type, nature, or kind, including but not limited to any **Electronic Data**;

- (R) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged failure to install in a timely manner any available software or other update, upgrade, release, enhancement, replacement, or patch of any type, nature, or kind to or of any computer or computer component, including but not limited to any hardware, software, network, application, program, terminal device, data storage device, input or output device, or back-up facility;
- (S) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any seizure, nationalization, confiscation, destruction, or deletion by or on behalf of or in the name or right of any local, state, federal, or foreign administrative, governmental, or regulatory agency, body, entity, or tribunal of any computer, computer component (including but not limited to any hardware, network, terminal device, data storage devices, input and output device, or back up facility), application, program, software, code, script, or data of any type, nature, or kind, including but not limited to any **Electronic Data**, or other property or information of any type, nature, or kind;
- (T) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual, alleged, or threatened: (1) inhalation of, ingestion of, contact with, exposure to, generation, storage, transportation, discharge, emission, release, seepage, dispersal, escape, treatment, removal, handling, processing or disposal of any **Pollutants** or any mold, mildew, spore, mycotoxin, fungus, pathogen, organism or microorganism, rust, smut, or mushroom of any type, nature, or kind; (2) any order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, detect, disclose, or report any **Pollutants** or any mold, mildew, spore, mycotoxin, fungus, pathogen, organism or microorganism, rust, smut, or mushroom of any type, nature, or kind; or (3) failure to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, detect, disclose, or report any **Pollutants** or any mold, mildew, spore, mycotoxin, fungus, pathogen, organism or microorganism, rust, smut, or mushroom of any type, nature, or kind;
- (U) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged nuclear reaction, nuclear radiation, radioactive contamination, radioactive substance, electromagnetic field, electromagnetic radiation, or electromagnetism;
- (V) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any furnishing of services, products, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, air traffic control, life support, weapons system or similar facility or system;
- (W) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fire, flood, earthquake, volcanic eruption, explosion, lighting, wind, hail, tidal wave, landslide, act of god or other physical event;
- (X) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any war or any war-like action, including but not limited to any undeclared or civil war or any action in hindering or defending against an actual or expected attack by any government, sovereign or other authority using military personnel or other agents; or
- (Y) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any electrical or satellite power interruption, surge, brownout, blackout, or failure, including but not limited to any failure, malfunction, or defect of telephone, telecommunications, wireless communications, or data transmission lines, equipment, facilities, infrastructure, systems, or services.

IV. GENERAL CONDITIONS

(A) LIMITS OF LIABILITY

- (1) **Network Security and Privacy Liability.** The amount stated in ITEM 4(A) of the Declarations shall be the maximum Limit of Liability of the Underwriter for all **Damages** and all **Claim Expenses** from each **Claim** (other than a **Regulatory Claim**) or **Related Claims** for which this Policy provides coverage under INSURING AGREEMENT (A). The amount stated in ITEM 4(B) of the Declarations shall be the maximum Limit of Liability of the Underwriter for all **Damages** and all **Claim Expenses** from each **Regulatory Claim** or **Related Claims** for which this Policy provides coverage under INSURING AGREEMENT (A). The Each Claim Limit of Liability stated in ITEM 4(A) and the Each Regulatory Claim Limit of Liability stated in ITEM 4(B) shall be part of, and not in addition to, the Policy Aggregate Limit of Liability stated in ITEM 4(J) of the Declarations.
- (2) **Website Media Occurrence Liability.** The amount stated in ITEM 4(C) of the Declarations shall be the maximum Limit of Liability of the Underwriter for all **Damages** and all **Claim Expenses** from each **Claim** or **Related Claims** for which this Policy provides coverage under INSURING AGREEMENT (B). This Limit of Liability shall be part of, and not in addition to, the Policy Aggregate Limit of Liability stated in ITEM 4(J) of the Declarations.
- (3) **Extortion Threat – Extortion Payments.** The amount stated in ITEM 4(D) of the Declarations shall be the maximum Limit of Liability of the Underwriter for all **Extortion Payments** from each **Extortion Threat** or **Related Losses** for which this Policy provides coverage under INSURING AGREEMENT (C). This Limit of Liability shall be part of, and not in addition to, the Policy Aggregate Limit of Liability stated in ITEM 4(J) of the Declarations.
- (4) **Breach Event – Breach Consultation Services.** The amount stated in ITEM 4(E) of the Declarations shall be the maximum Limit of Liability of the Underwriter for all **Breach Consultation Services** from each **Breach Event** or **Related Losses** for which this Policy provides coverage under INSURING AGREEMENT (D). This Limit of Liability shall be in addition to, and not part of, the Policy Aggregate Limit of Liability stated in ITEM 4(J) of the Declarations.
- (5) **Breach Event – Breach Notification Costs.** The amount stated in ITEM 4(F) of the Declarations shall be the maximum Limit of Liability of the Underwriter for all **Breach Notification Costs** from each **Breach Event** or **Related Losses** for which this Policy provides coverage under INSURING AGREEMENT (D). This Limit of Liability shall be part of, and not in addition to, the Policy Aggregate Limit of Liability stated in ITEM 4(J) of the Declarations.
- (6) **Breach Event – Breach Management Expenses.** The amount stated in ITEM 4(G) of the Declarations shall be the maximum Limit of Liability of the Underwriter for all **Breach Management Expenses** from each **Breach Event** or **Related Losses** for which this Policy provides coverage under INSURING AGREEMENT (D). This Limit of Liability shall be part of, and not in addition to, the Policy Aggregate Limit of Liability stated in ITEM 4(J) of the Declarations.
- (7) **Business Interruption Event.** The amount stated in ITEM 4(H)(iii) of the Declarations shall be the maximum Limit of Liability of the Underwriter for all **Business Interruption Loss** from each **Business Interruption Event** or **Related Losses** for which this Policy

provides coverage under INSURING AGREEMENT (E). The amount stated in ITEM 4(H)(i) shall be the maximum Limit of Limit of the Underwriter for all **Extra Expenses** from each **Business Interruption Event** or **Related Losses** for which this Policy provides coverage under INSURING AGREEMENT (E), which shall be part of, and not in addition to, the Business Interruption Loss Limit of Liability stated in ITEM 4(H)(iii). The amount stated in ITEM 4(H)(ii) shall be the maximum Limit of Limit of the Underwriter for all **Forensic Expenses** from each **Business Interruption Event** or **Related Losses** for which this Policy provides coverage under INSURING AGREEMENT (E), which shall be part of, and not in addition to, the Business Interruption Loss Limit of Liability stated in ITEM 4(H)(iii). The Extra Expenses Limit of Liability stated in ITEM 4(H)(i), the Forensic Expenses Limit of Liability stated in ITEM 4(H)(ii), and the Business Interruption Loss Limit of Liability stated in ITEM 4(H)(iii) shall be part of, and not in addition to, the Policy Aggregate Limit of Liability stated in ITEM 4(J) of the Declarations.

- (8) **Network Data Event.** The amount stated in ITEM 4(I) of the Declarations shall be the maximum Limit of Liability of the Underwriter for all **Network Data Loss** from each **Network Data Event** or **Related Losses** for which this Policy provides coverage under INSURING AGREEMENT (E). This Limit of Liability shall be part of, and not in addition to, the Policy Aggregate Limit of Liability stated in ITEM 4(J) of the Declarations.
- (9) **Policy Aggregate Limit of Liability.** The amount stated in ITEM 4(J) of the Declarations shall be the maximum aggregate Limit of Liability of the Underwriter for all **Damages**, all **Claim Expenses**, all **Extortion Payments**, all **Breach Notification Costs**, all **Breach Management Expenses**, all **Business Interruption Loss**, and all **Network Data Loss** from all **Claims**, all **Extortion Threats**, all **Breach Events**, all **Business Interruption Events**, all **Network Data Events**, all **Related Claims**, and all **Related Losses** for which this Policy provides coverage.
- (10) Each Limit of Liability described in this GENERAL CONDITION (A) of this Policy shall apply regardless of the time of the payment or service under this Policy, the number of persons or entities included within the definition of **Insured**, or the number of **Claims**, **Network Security Wrongful Acts**, **Privacy Wrongful Acts**, **Website Media Occurrences**, **Extortion Threats**, **Breach Events**, **Business Interruption Losses**, or **Network Data Losses** under this Policy.
- (11) With respect to **Claims** under this Policy, **Claim Expenses** are part of, and not in addition to, the Underwriter's applicable Limits of Liability, and payment of **Claim Expenses** by the Underwriter will reduce, and may exhaust, the Underwriter's applicable Limits of Liability.

(B) RETENTION

The **Insured** shall be responsible for payment in full of the applicable Retention amount as stated with respect to the each of the following:

- (1) the Retention amount stated in ITEM 5(A) shall apply to **Damages** and **Claim Expenses** for each **Claim** (other than a **Regulatory Claim**) for which this Policy provides coverage under INSURING AGREEMENT (A);
- (2) the Retention amount stated in ITEM 5(B) shall apply to **Damages** and **Claim Expenses** for each **Regulatory Claim** for which this Policy provides coverage under INSURING AGREEMENT (A);

- (3) the Retention amount stated in ITEM 5(C) shall apply to **Damages and Claim Expenses** for each **Claim** for which this Policy provides coverage under INSURING AGREEMENT (B);
- (4) the Retention amount stated in ITEM 5(D) shall apply to **Extortion Payments** for each **Extortion Threat** for which this Policy provides coverage under INSURING AGREEMENT (C);
- (5) the Retention amount stated in ITEM 5(E) shall apply to **Breach Notification Costs** for each **Breach Event** for which this Policy provides coverage under INSURING AGREEMENT (D);
- (6) the Retention amount stated in ITEM 5(F) shall apply to **Breach Management Expenses** for each **Breach Event** for which this Policy provides coverage under INSURING AGREEMENT (D);
- (7) the Retention amount stated in ITEM 5(G)(i) shall apply to **Extra Expenses** for each **Business Interruption Event** for which this Policy provides coverage under INSURING AGREEMENT (E);
- (8) the Retention amount stated in ITEM 5(G)(ii) shall apply to **Forensic Expenses** for each **Business Interruption Event** for which this Policy provides coverage under INSURING AGREEMENT (E);
- (9) the Retention amount stated in ITEM 5(G)(iii) shall apply to **Business Interruption Loss** for each **Business Interruption Event** for which this Policy provides coverage under INSURING AGREEMENT (E); and
- (10) the Retention amount stated in ITEM 5(H) shall apply to **Network Data Loss** for each **Network Data Event** for which this Policy provides coverage under INSURING AGREEMENT (E).

The Underwriter's obligation to pay any amount with respect to any applicable coverage shall be excess of the applicable Retention as stated above. If any **Insured** is unable or unwilling to pay the full amount of the applicable Retention, the **First Named Insured** shall be responsible for payment in full of such Retention on behalf of such **Insured**. The Underwriter shall have no obligation whatsoever, either to the **Insured** or to any other person or entity, to pay all or any portion of the Retention on behalf of the **Insured**. The Underwriter shall, however, at its sole discretion have the right and option to do so, in which event the **Insured** will repay the Underwriter any amounts so paid, and the amounts so paid will be credited against and will reduce the Underwriter's Limits of Liability unless and until they are repaid in full to the Underwriter.

(C) RELATED CLAIMS, RELATED LOSSES, AND LOSSES SUSTAINED

- (1) All **Related Claims**, whenever made, shall be deemed to be a single **Claim**, regardless of:
 - (a) the number of **Related Claims**;
 - (b) the number or identity of claimants;
 - (c) the number or identity of **Insureds** involved or against whom **Related Claims** have been or could have been made;

- (d) whether the **Related Claims** are asserted in a class action or otherwise; and
- (e) the number and timing of the **Related Claims**, even if the **Related Claims** comprising such single **Claim** were made in more than one **Policy Period**.

All **Related Claims** will be treated as a single **Claim** made when the earliest of such **Related Claims** was first made, or when the earliest of such **Related Claims** is treated as having been made in accordance with GENERAL CONDITION (D)(3) of this Policy, whichever is earlier.

- (2) All **Related Losses**, whenever occurring, shall be deemed to be a single loss, regardless of:
 - (a) the number of **Related Losses**;
 - (b) the number or identity of **Insureds** involved; and
 - (c) the number and timing of the **Related Losses**, even if the **Related Losses** comprising such single loss occurred in more than one **Policy Period**.

All **Related Losses** will be treated as a single loss occurring when the earliest of such **Related Losses** first occurred.

- (3) With respect to any **Extortion Threat, Breach Event, Business Interruption Event, or Network Data Event**, any such **Extortion Threat, Breach Event, Business Interruption Event, or Network Data Event** must first occur during the **Policy Period** and the Underwriter shall only be liable for the portion of any **Extortion Payment, Breach Consultation Services, Breach Notification Costs, Breach Management Expenses, Business Interruption Loss, or Network Data Loss** sustained during the **Policy Period**.

(D) REPORTING

- (1) With respect to any **Claim** for a **Network Security Wrongful Act** or **Privacy Wrongful Act** first made against an **Insured** during the **Policy Period** or any applicable Extended Reporting Period, the **Insured** must, as a condition precedent to any right to coverage under this Policy, give the Underwriter written notice of such **Claim** as soon as practicable thereafter and in no event later than:
 - (a) sixty (60) days after the Expiration Date or earlier cancellation or termination of this Policy; or
 - (b) the expiration of any Extended Reporting Period.

With respect to any **Claim** for a **Website Media Occurrence** first committed or allegedly committed during the **Policy Period**, the **Insured** must, as a condition precedent to any right to coverage under this Policy, give the Underwriter written notice of such **Claim** as soon as practicable thereafter and in no event later than sixty (60) days after the Expiration Date or earlier cancellation or termination of this Policy.

Timely and sufficient notice by one **Insured** of a **Claim** shall be deemed timely and sufficient notice for all **Insureds** involved in the **Claim**. Such notice shall give full particulars of the **Claim**, including but not limited to: a description of the **Claim** and the

Network Security Wrongful Act, Privacy Wrongful Act, or Website Media Occurrence; the identity of all potential claimants and any **Insureds** involved; a description of the damages that resulted from the **Network Security Wrongful Act, Privacy Wrongful Act, or Website Media Occurrence**; information on the time, place, and nature of the **Network Security Wrongful Act, Privacy Wrongful Act, or Website Media Occurrence**; and the manner in which an **Insured** first became aware of the **Network Security Wrongful Act, Privacy Wrongful Act, or Website Media Occurrence**.

- (2) With respect to any **Extortion Threat, Breach Event, Business Interruption Event, or Network Data Event** that first occurs during the **Policy Period**, the **Insured** must, as a condition precedent to any right to coverage under this Policy, give the Underwriter written notice of such **Extortion Threat, Breach Event, Business Interruption Event, or Network Data Event** as soon as practicable thereafter and in no event later than sixty (60) days after the Expiration Date or earlier cancellation or termination of this Policy.

Timely and sufficient notice by one **Insured** of a **Extortion Threat, Breach Event, Business Interruption Event, or Network Data Event** shall be deemed timely and sufficient notice for all **Insureds** involved in such **Extortion Threat, Breach Event, Business Interruption Event, or Network Data Event**. Such notice shall give full particulars of the **Extortion Threat, Breach Event, Business Interruption Event, or Network Data Event**, including but not limited to: a description of the **Extortion Threat, Breach Event, Business Interruption Event, or Network Data Event**; the identity of any **Insureds** involved; a description of the loss that resulted from the **Extortion Threat, Breach Event, Business Interruption Event, or Network Data Event**; information on the time, place, and nature of the **Extortion Threat, Breach Event, Business Interruption Event, or Network Data Event**; and the manner in which an **Insured** first became aware of the **Extortion Threat, Breach Event, Business Interruption Event, or Network Data Event**.

- (3) If, during the **Policy Period**, an **Insured** first becomes aware of a **Circumstance**, and the **Insured**:

- (a) gives the Underwriter written notice of such **Circumstance** with full particulars as soon as practicable thereafter but in any event before the Expiration Date or earlier cancellation or termination of this Policy; and
- (b) requests coverage under this Policy for any **Claim** subsequently arising from such **Circumstance**;

then any **Claim** not otherwise excluded from this Policy subsequently made against the **Insured** arising out of such **Circumstance** and for which written notice is given to the Underwriter as soon as practicable thereafter shall be treated as if it had been first made and reported to the Underwriter during the **Policy Period**. Full particulars shall include but are not be limited to: a description of the **Circumstance**; the identity of all potential claimants and any **Insureds** involved; information on the time, place, and nature of the **Circumstance**; the manner in which the **Insured** first became aware of such **Circumstance**; and the reasons the **Insured** believes the **Circumstance** is likely to result in a **Claim**.

(E) DEFENSE AND SETTLEMENT

- (1) The Underwriter has the right and duty to defend any covered **Claim**, even if the allegations of such **Claim** are groundless, false or fraudulent. The **Insured** may propose to the Underwriter counsel to represent the **Insured** in connection with a covered **Claim**; provided that the Underwriter, in its sole discretion, shall have the right to select counsel to represent the **Insured** in connection with any such **Claim**. The Underwriter, in its sole discretion, may elect to appeal any judgment in connection with a covered **Claim**, but the Underwriter has no duty to appeal any such judgment. No **Insured** shall, except at its own cost, incur any expense, make any payment, admit any liability, assume any obligation, or settle any **Claim** without the Underwriter's prior written consent.
- (2) With respect to any **Claim**, the Underwriter will have the right to make investigations, direct the defense, and conduct negotiations and, with the consent of the **Insured**, enter into a settlement of any **Claim** as the Underwriter deems appropriate. If the **Insured** refuses to consent to a settlement acceptable to the claimant in accordance with the Underwriter's recommendation, then, subject to the Underwriter's applicable Limits of Liability stated in ITEM 4 of the Declarations, the Underwriter's liability for such **Claim** shall not exceed:
 - (a) the amount for which such **Claim** could have been settled plus **Claim Expenses** incurred up to the date the **Insured** refused to settle such **Claim** (the "Potential Resolution Amount"); plus
 - (b) fifty percent (50%) of any **Damages** or **Claim Expenses** in excess of the Potential Resolution Amount incurred in connection with such **Claim**, with the remaining fifty percent (50%) of any **Damages** or **Claim Expenses** in excess of the Potential Resolution Amount being the responsibility of the **Insured**.

(F) EXHAUSTION OF LIMITS

- (1) The Underwriter will have no obligation to pay or provide for **Damages, Claim Expenses, Extortion Payments, Breach Consultation Services, Breach Notification Costs, Breach Management Expenses, Business Interruption Loss, or Network Data Loss**, or to defend or to continue to defend any **Claim**, after the Underwriter's applicable Limit of Liability has been exhausted by payments under this Policy.
- (2) If the Underwriter's Policy Aggregate Limit of Liability, as stated in ITEM 4(J) of the Declarations, is exhausted by payments under this Policy, the premium will be fully earned, all obligations of the Underwriter under this Policy will be completely fulfilled and exhausted, and the Underwriter will have no further obligations of any type, nature, or kind under this Policy.

(G) TERRITORY

This Policy applies to **Network Security Wrongful Act, Privacy Wrongful Act, Website Media Occurrence, Extortion Threat, Breach Event, Business Interruption Event, or Network Data Event** taking place anywhere in the world. All monetary terms in this Policy are in United States dollars. If any amounts for **Damages, Claim Expenses, Extortion Payments, Breach Consultation Services, Breach Notification Costs, Breach Management Expenses, Business Interruption Loss, or Network Data Loss** are sustained or incurred in currency other than United States dollars, the amounts will be converted

into United States dollars according to the prevailing rate of exchange on the date the amounts are sustained or incurred.

(H) ASSISTANCE AND COOPERATION

In the event of a **Claim, Extortion Threat, Breach Event, Business Interruption Event, or Network Data Event**, the **Insured** shall provide the Underwriter with all information, assistance, and cooperation that the Underwriter reasonably requests. At the Underwriter's request, the **Insured** shall assist in: the investigation, defense, settlement, or other resolution of any matter; the pursuit or enforcement of any right of contribution or indemnity against another who may be liable to any **Insured**; conduct with respect to any action, suit, appeal, or other proceeding, including but not limited to attending any trial, hearing, or deposition, securing and giving evidence, or obtaining the attendance of any witness.

(I) SUBROGATION

In the event of any payment hereunder, the Underwriter shall be subrogated to the extent of any payment to all of the rights of recovery of the **Insured**. The **Insured** shall execute all papers and do everything necessary to secure such rights, including but not limited to the execution of any documents necessary to enable the Underwriter effectively to bring suit in its name. The **Insured** shall do nothing that may prejudice the Underwriter's position or potential or actual rights of recovery. The obligations of the **Insured** under this GENERAL CONDITION (I) shall survive the expiration, cancellation, or termination of this Policy.

With respect to a **Claim**, any amount recovered upon the exercise of such rights of subrogation will be applied as follows: first, to the repayment of expenses incurred in recovery by exercise of such subrogation rights; second, to **Damages or Claim Expenses** paid by the **Insured** in excess of the Limits of Liability; third, to **Damages or Claim Expenses** paid by the Underwriter; and last, to **Damages or Claim Expenses** paid by the **Insured** toward the Retention. With respect to any **Extortion Threat, Breach Event, Business Interruption Event, or Network Data Event**, any amount recovered upon the exercise of such rights of subrogation will be applied as follows: first, to the repayment of expenses incurred in recovery by exercise of such subrogation rights; second, to amounts paid by the **Insured** in excess of the Limits of Liability; third, to amounts paid by the Underwriter; and last, to amounts paid by the **Insured** toward the Retention.

Notwithstanding the foregoing, the Underwriter agrees to waive any right of subrogation under this GENERAL CONDITION (I) against the **Insured**, and against a client of the **Insured**, with respect to any payment made in connection with a **Claim** if, and to the extent that, prior to the occurrence of any **Network Security Wrongful Act, Privacy Wrongful Act, or Website Media Occurrence** giving rise to such **Claim**, the **Insured** had agreed to waive its rights of subrogation against such client pursuant to a written contract or agreement.

(J) CHANGES IN RISK

- (1) If, during the **Policy Period**, the **Named Insured** acquires or creates another entity, other than a joint venture or partnership, in which the **Named Insured** holds directly or indirectly a 50% or greater beneficial or legal interest, or if the **Named Insured** merges or consolidates with another entity such that the **Named Insured** is the surviving entity (any such acquired, created, merged or consolidated entity an "Acquired Entity"), then for a period of sixty (60) days after the effective date of the transaction, such Acquired Entity shall be included within the term "**Named Insured**" but only with respect to: **Network Security Wrongful Acts, Privacy Wrongful Acts, or Website Media Occurrences** first committed or allegedly committed after the effective date of such

transaction; or **Extortion Threats, Breach Events, Business Interruption Events, or Network Data Events** that first occur after the effective date of such transaction. Upon the expiration of the sixty (60) day period, there will be no coverage available under this Policy for any **Claim, Extortion Threat, Breach Event, Business Interruption Event, or Network Data Event** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the Acquired Entity or its **Insureds** unless within such sixty (60) day period:

- (a) the **First Named Insured** gives the Underwriter such information regarding such transaction as the Underwriter requests; and
 - (b) the Underwriter has specifically agreed by written endorsement to this Policy to provide coverage with respect to such Acquired Entity and its **Insureds**, and the **First Named Insured** accepts any terms, conditions, exclusions or limitations, including payment of additional premium, as the Underwriter, in its sole discretion, imposes in connection with the transaction.
- (2) If, during the **Policy Period**, the **Named Insured** becomes a member of a new joint venture or partner in a new partnership, there will be no coverage available under this Policy for any **Claim, Extortion Threat, Breach Event, Business Interruption Event, or Network Data Event** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving such joint venture or partnership, unless:
- (a) the **First Named Insured** gives the Underwriter such information regarding the new joint venture or partnership as the Underwriter requests; and
 - (b) the Underwriter specifically agrees by written endorsement to this Policy to provide coverage with respect to such new joint venture or partnership, and the **First Named Insured** accepts any terms, conditions, exclusions or limitations, including payment of additional premium, as the Underwriter, in its sole discretion, imposes in connection with such transaction.
- (3) If, during the **Policy Period**, any of the following events occur:
- (a) the **First Named Insured** is dissolved, sold, acquired by, merged into, or consolidated with another entity such that the **First Named Insured** is not the surviving entity; or
 - (b) a third party receiver, conservator, trustee, liquidator, rehabilitator or any similar official is appointed for or with respect to the **First Named Insured**;

coverage under this Policy shall continue in full force and effect until the Expiration Date or any earlier cancellation or termination date, but this Policy shall only apply to: **Network Security Wrongful Acts, Privacy Wrongful Acts, or Website Media Occurrences** first committed or allegedly committed before the effective date of such event; or **Extortion Threats, Breach Events, Business Interruption Events, or Network Data Events** that first occur before the effective date of such event. There will be no coverage available under this Policy based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving: any **Network Security Wrongful Act, Privacy Wrongful Act, or Website Media Occurrence** committed or allegedly committed on or after the effective date of such event; or any **Extortion Threat, Breach Event, Business Interruption Event, or Network Data Event** that occurs after the effective date of such event.

- (4) If, during the **Policy Period**, any of the following events occur:
- (a) any **Named Insured**, other than the **First Named Insured**, is dissolved, sold, acquired by, merged into, or consolidated with another entity such that such **Named Insured** is not the surviving entity; or
 - (b) a third party receiver, conservator, trustee, liquidator, rehabilitator or any similar official is appointed for or with respect to any **Named Insured**, other than the **First Named Insured**;

coverage under this Policy shall continue in full force and effect with respect to such **Named Insured** and its **Insureds** until the Expiration Date or any earlier cancellation or termination date, but this Policy shall only apply to: **Network Security Wrongful Acts, Privacy Wrongful Acts, or Website Media Occurrences** first committed or allegedly committed by such **Named Insured** or its **Insureds** before the effective date of such event; or **Extortion Threats, Breach Events, Business Interruption Events, or Network Data Events** involving such **Named Insured** or its **Insureds** that first occurs before the effective date of such event. There will be no coverage available under this Policy based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving: any **Network Security Wrongful Act, Privacy Wrongful Act, or Website Media Occurrence** committed or allegedly committed by such **Named Insured** or its **Insureds** on or after the effective date of such event; or any **Extortion Threat, Breach Event, Business Interruption Event, or Network Data Event** involving such **Named Insured** or its **Insureds** that occurs on or after the effective date of such event.

(K) OTHER INSURANCE

The coverage afforded under this Policy shall be specifically excess of and will not contribute with any other valid and collectible insurance available to the **Insured**, whether such other insurance is stated to be primary, *pro rata*, contributory, excess, contingent or otherwise, unless such other insurance is specifically written as excess insurance over the limits of liability provided in this Policy.

(L) EXTENDED REPORTING PERIODS

If this Policy is canceled for any reason other than fraud, misrepresentation or non-payment of premium or is not renewed by the Underwriter or the **First Named Insured**, an additional period of time during which **Claims for Network Security Wrongful Acts or Privacy Wrongful Acts** may be reported (an "Extended Reporting Period") shall be made available as described in this GENERAL CONDITION (L), but any such Extended Reporting Period shall apply only to **Claims for Network Security Wrongful Acts or Privacy Wrongful Acts** first committed or allegedly committed before the effective date of such cancellation or non-renewal (the "Termination Date") or the effective date of any event described in GENERAL CONDITION (J)(3) or (J)(4) of this Policy (as applicable), whichever is earlier. No Extended Reporting Period shall in any way increase the Underwriter's Limits of Liability stated in ITEM 4 of the Declarations, and the Underwriter's Limit of Liability for all such **Claims** made during any Extended Reporting Period shall be part of, and not in addition to, the Underwriter's Policy Aggregate Limit of Liability stated in ITEM 4(J) of the Declarations. The Extended Reporting Period will apply as follows:

- (1) An Extended Reporting Period of sixty (60) days, beginning as of the Termination Date, will apply automatically and requires no additional premium; provided that such Extended

Reporting Period will remain in effect only as long as no other policy of insurance is in effect that would apply to any **Claim** made during such Extended Reporting Period.

- (2) The **First Named Insured** may purchase an additional Extended Reporting Period for one of the periods of time stated in ITEM 10 of the Declarations by notifying the Underwriter in writing of its intention to do so no later than sixty (60) days after the Termination Date. The additional premium for this additional Extended Reporting Period shall be equal to the applicable amount stated in ITEM 10 of the Declarations and must be paid no later than sixty (60) days after the Termination Date. Such additional premium shall be deemed fully earned upon inception of such Extended Reporting Period.

If no election to purchase an additional Extended Reporting Period is made as described in GENERAL CONDITION (L)(2) above, or if the additional premium for any such Extended Reporting Period is not paid within sixty (60) days after the Termination Date, there will be no right to purchase an additional Extended Reporting Period at any later time.

(M) CANCELLATION/NONRENEWAL

- (1) The Underwriter may cancel this Policy by mailing written notice to the **First Named Insured** stating when, not less than sixty (60) days thereafter, such cancellation shall be effective; except that, in the event of cancellation for non-payment of premium, the Underwriter may make the cancellation effective upon written notice of only ten (10) days. If the Underwriter cancels this Policy, earned premium will be computed *pro rata*.
- (2) Except as set forth in GENERAL CONDITION (F), the **First Named Insured** may cancel this Policy by mailing the Underwriter written notice stating when, not later than the Expiration Date of this Policy, such cancellation will be effective. In such event, the earned premium will be computed in accordance with the customary short rate table and procedure.

Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

- (3) The Underwriter will not be required to renew this Policy upon its expiration. If the Underwriter elects not to renew this Policy, the Underwriter will mail to the **First Named Insured** written notice of nonrenewal at least sixty (60) days prior to the Expiration Date of this Policy. Any offer of renewal on terms involving a change of retention, premium, limit of liability, or other terms and conditions shall not constitute, nor be construed as, a failure or refusal by the Underwriter to renew this Policy.

(N) REPRESENTATIONS; INCORPORATION OF APPLICATION

The **Insureds** represent that the particulars and statements contained in the application or other materials submitted for this Policy are true, accurate and complete and agree that:

- (1) this Policy is issued and continued in force by the Underwriter in reliance upon the truth of such representations;
- (2) those particulars and statements are the basis of this Policy; and
- (3) the application and those particulars and statements are incorporated in and form a part of this Policy.

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

(O) NO ACTION AGAINST UNDERWRITER

- (1) No action shall be taken against the Underwriter by any **Insured** unless, as conditions precedent thereto, the **Insured** has fully complied with all of the terms of this Policy and the amount of the **Insured's** obligation to pay has been finally determined either by judgment against the **Insured** after adjudicatory proceedings or by written agreement of the **Insured**, the claimant and the Underwriter.
- (2) No individual or entity shall have any right under this Policy to join the Underwriter as a party to any **Claim** to determine the liability of any **Insured**; nor shall the Underwriter be impleaded by the **Insured** or his/her/its legal representative in any such **Claim**.

(P) DESIGNATED SERVICE PROVIDER

Any **Designated Service Provider** selected and approved by the Underwriter under this Policy shall have a direct relationship with the **Insureds** and any services provided by any **Designated Service Provider** are for the **Insureds**.

(Q) AUTHORIZATION AND NOTICES

The **First Named Insured** will act on behalf of all **Insureds** with respect to: the giving and receiving of any notices under this Policy; the payment of premiums to, and the receiving of return premiums from, the Underwriter; the receiving and acceptance of any endorsements issued to form a part of this Policy; and the exercising or declining to exercise any Extended Reporting Period.

(R) NOTICE

- (1) Notice sent to the **Insured** shall be sent to the **First Named Insured** at the address stated in ITEM 1 of the Declarations.
- (2) Notice to the Underwriter shall be sent to the address designated in ITEM 11 of the Declarations.

(S) CHANGES

Notice to or knowledge possessed by any agent or other person acting on behalf of the Underwriter shall not effect a waiver or change in any part of this Policy or prevent or estop the Underwriter from asserting any right(s) under this Policy. This Policy can only be altered, waived, or changed by written endorsement issued to form a part of this Policy.

(T) LIBERALIZATION

If the Underwriter files with the appropriate regulator any revision to the terms and conditions of this Policy that would broaden the coverage under this Policy without an additional premium charge at any time during the **Policy Period**, this Policy will automatically provide such broadened coverage as of the date such revision is effective in the state shown in the address stated in ITEM 1 of the Declarations for the **First Named Insured**.

(U) INSOLVENCY

The Underwriter will not be relieved of any of its obligations under this Policy by the bankruptcy or insolvency of any **Insured** or his/her/its estate.

(V) ASSIGNMENT

No assignment of interest under this Policy shall bind the Underwriter without the Underwriter's written consent issued as a written endorsement to form a part of this Policy.

(W) EXAMINATION OF BOOKS AND RECORDS

The Underwriter may examine and audit the books and records of the **Insured** as they relate to this Policy.

(X) ENTIRE AGREEMENT

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

(Y) ECONOMIC AND TRADE SANCTIONS OR VIOLATIONS OF LAW

Any **Claim, Extortion Threat, Breach Event, Business Interruption Event, Network Data Event**, or transaction uninsurable under any act, statute, rule, regulation, requirement, ordinance, common law, or other law of the United States of America concerning trade or economic sanctions or export control laws are not covered under this Policy.

(Z) HEADINGS

The descriptions in the headings and sub-headings of this Policy are solely for convenience, and form no part of the terms and conditions of coverage.

In witness whereof, the Underwriter has caused this Policy to be executed by its authorized representative.