

Cyber Insurance Proposal for Erie County Land Bank

Prepared on 4/4/2024



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Quote Summary

Proposal For: Erie County Land Bank

Website: www.eriecountylandbank.org

Address: 1230 Townhall Road West, Erie, PA 16509

Estimated Annual Revenue (next 12 months): \$1,100,000

Estimated Number of Employees: 3

NAICS Code/Description: 925120 - Administration of Urban Planning and Community and Rural Development

Insurance Type	Admitted				
AmBest Rating	Beazley Insurance Company, Inc. (A)				
Limit	\$1M				
Retention / Deductible	\$1K				
Total Payable	\$1,150.00				
Premium	\$1,000.00				
Carrier Fee	N/A				
Service Fee	\$150.00				
SL Fees & Taxes	N/A				

Price and coverage may change based on the application answers provided.
Please carefully review carrier quote information as this comparison is a simplified view and may not include all the information required to make a purchase decision.
Please note that quotes typically expire after 30 days.

Questions about any terminology?

Please refer to the Glossary pages.

Coverage Comparison

	beazley				
Cyber Risk Assessment	No				
24/7 Security Monitoring	No				
Access to Security Tools and Experts	Yes				
Preferred Partners Enhanced Coverage	Yes				
Cyber Liability					
3rd Party Coverage					
Network Security Liability	\$1M				
Privacy Liability	\$1M				
Regulatory Liability	\$1M				
PCI-DSS Liability	\$1M				
Media Liability	\$1M				
1st Party Coverage					
Business Interruption	\$1M				
Business Interruption (System Failure)	\$1M				
Contingent/Dependent Business Interruption	\$100K				
Contingent/Dependent System Failure	\$100K				
Data Restoration / Recovery	\$1M				
Cyber Extortion	\$1M				
Bricking	\$1M				
Reputational Harm	\$1M				
Cryptojacking	\$1M				
Social Engineering	\$250K				
Breach Costs Outside Policy Aggregate	\$1M				
Invoice Manipulation	Included				

Price and coverage may change based on application answers provided.
Please carefully review carrier quote information as this comparison is a simplified view
and may not include all the information required to make a purchase decision.
Please note that quotes typically expire after 30 days.

6 Common Misconceptions about Purchasing Cyber Insurance

You may be thinking, why do I need cyber liability insurance? Or is it worth the additional cost in premium? These common misconceptions will shed light on the importance of purchasing a cyber insurance policy and the potential risks of not having one in place.

1. I'm not responsible because I outsource.

According to state and federal privacy laws, the obligation to protect personal records remains with you and your customer. Your customers have no relationship with the third-party vendors you use. Even though a third-party vendor may be responsible for losing confidential information, they are working on your behalf and therefore, you are responsible for responding to your customer. You may be able to get financial assistance from a third party for a loss they've caused, but they could potentially harm your customer relationship in their response to the cyber event.

2. I use paper records, so a cyber liability policy won't help me.

Privacy laws apply to protected health Information (PHI), personally identifiable information (PII) and other protected information stored in any format, including paper. Cyber liability insurance also applies to protected information stored in any format, including paper.

3. I'm covered on someone else's policy.

Danger lurks behind this assumption. The other party's policy may not cover you for your own expenses and liabilities. An additional insured endorsement on someone else's policy may only cover that other party's liability to you. Not all cyber liability policies will address exposures applicable to your organization.

4. I have a contract that will provide protection.

Indemnification from a contract is often limited to circumstances involving or caused by the other party in the contract. It is unlikely that the other party will indemnify you for your own mistakes or breaches. You would also need certainty that the other party has the means to assist you and no "out" clauses. Relying on a contract adds the additional burden of suing another party for breach of contract in the event they offer limited to no assistance.

5. My business is too small to be a target.

Hackers know that smaller organizations may not have adequate IT infrastructure, which makes them a more desirable target. They also know that smaller organizations cannot afford to be offline very long, which might make them more inclined to pay ransom demands to recover systems and data. In fact, 43% of all cyber-attacks target small business.

6. I have coverage on my other insurance policies.

Due to past ambiguity in policy language, some cyber claims were covered by non-cyber insurance policies. Most non-cyber policies now have exclusions to make it clearer that cyber losses are not covered anywhere but a dedicated cyber liability policy. Even if there is some unintentional coverage on a non-cyber policy, the other policy terms and conditions will greatly limit the coverage available to you.

Other policies are designed to cover bodily injury, property damage, third-party damages, theft of funds by employees and advertising injury arising from anything you publish. Those policies are not designed to respond to losses from ransomware, social engineering, data spills, network interruptions, bricked electronic devices, responding to regulators, notifying potential victims, paying for credit monitoring, fraud resolution services, and many other coverage features included in a cyber liability with technology errors and omissions policy.

Glossary of Cyber Insurance Terms

Carrier Status and Carrier Rating

- Admitted carriers are insurers that have been granted a license by a state's department of insurance to do business within that state. Admitted Carriers contribute to their state's guaranty fund which provides relief for insureds, based on state specific limits, in the case of an insurers' insolvency.
- Surplus lines insurers are referred to as non-admitted carriers because they are not licensed in the state of the insured's principal place of business or residence. While the surplus lines market is regulated differently than the admitted market, to provide the flexibility necessary to cover the hard-to-place risks, it is a regulated marketplace. State surplus lines insurers' capitalization requirements are generally higher than admitted carriers which allows for greater protection for policyholders.
- AM Best is a credit rating agency that evaluates the financial strength and creditworthiness of insurance companies worldwide. AM Best Insurance Company Ratings measure an insurer's ability to meet its financial obligations, such as paying claims and other liabilities. Ratings are assigned on a letter scale ranging from A++ (Superior) to F (In Liquidation), with higher ratings indicating a more financially stable insurer and a lower risk of default.

Breach Costs Outside: Breach costs are the expenses that organizations have to pay in responding to a cyber incident. Breach Costs Outside indicates that these costs are provided in addition to the policy aggregate limit. Breach Costs vary by carrier, but often include Notification and Forensic Investigation costs, Legal Costs, Reputation Costs, and Operational Costs that can add up to significant amounts, potentially impacting an organization's financial stability and reputation.

Bricking: Insure against the loss of use or functionality of hardware (such as servers) as a result of a hacking event.

Contingent / Dependent Business Interruption (BI): Financial loss resulting from outage of a 3rd party's system which causes disruption to your system. These entities can include vendors, suppliers, and other similar entities. Refer to policy details for specifics.

Contingent / Dependent System Failure: Financial loss resulting from outage of a 3rd party's system which causes disruption to your system. These entities can include vendors, suppliers, and other similar entities. Refer to policy details for specifics.

Cryptojacking: Cybercrime that involves the unauthorized use of people's devices (computers, smartphones, tablets, or servers) to mine for cryptocurrency.

Deductible: The amount an insurer will deduct from the loss before paying up to its policy limits.

Cyber Extortion: A type of cyber-attack that blocks access to a victim's data, website, client services systems or other critical resources coupled with a demand for funds to stop or remediate the cyber-attack.

First-party Coverage: In accordance to the terms of the policy, coverage for data breaches and losses to your own network or systems.

Issuing Insurer: The insurance company providing the coverage and paying claims.

Limit: Aggregate limit refers to the maximum amount of coverage that an insurance policy will provide for all covered losses or claims during the policy period.

Glossary of Cyber Insurance Terms Continued

Media Liability: Coverage for defamation, invasion of privacy, infringement of copyright and plagiarism resulting from a cybersecurity event.

Network Security and Privacy Liability: Protects the policyholder against losses for the failure to protect a customer's personally identifiable information (such as social security number, credit card numbers, medical information, and passwords) from various cyber-attacks.

Ransomware: This method is used to demand payment of monies in return for unblocking access to the victim's resources.

Reputational Harm: Typically covers the costs of public relations, media purchasing and other related costs to mitigate harm to a brand's reputation due to a cybersecurity event.

Retention: An insured's assumption of risk of loss through noninsurance, self-insurance, or deductibles.

Social Engineering: A cybercrime technique that manipulates people in an online environment to divulge sensitive, personal information in good faith – such as account numbers, passwords, or banking information.

Third-party Coverage: Helps pay for lawsuits caused by data breaches on a client's network or systems.

Claims Scenarios

Ransomware

A regional hospital was the victim of a ransomware attack when hackers stole control of the entire computer system and demanded a \$50,000 ransom to return to normal operations. Even though the ransom was not particularly high, the financial and operational impact was steep. While under attack, the accounting department could not bill any of the health insurance reimbursements or process payroll, delaying payment processing. The imaging department was completely shut down, putting MRIs and CT scans on hold indefinitely, which had a severe impact on emergency patients and scheduled surgeries. The malware installed destroyed the hospital's records system, forcing all patient vitals and monitoring to be recorded by hand. Thankfully, the hospital had cyber insurance, which covered \$600,000 worth of losses due to business interruptions, data recovery, forensics investigation and the crisis management that ensued.

Social Engineering

Someone posing as the CFO of a regional bank sent an email to the bank's controller requesting all employees to submit their W2s in order for them to process returns. The controller then forwarded all of the W2s requested to the bad actor. The bad actor then filed false returns on the behalf of each employee. The bank had a cyber insurance policy which covered over \$200,000 to remedy the situation and worked with the IRS to remove the falsified files from their records and restore the employees' sensitive data.

Privacy-Related

A clothing manufacturer was the victim of a data breach when a hacker bypassed the security system on their online ordering platform. The manufacturer only discovered this when they were notified by the federal government that a hacker had been arrested and had accounts linked back to the manufacturer that showed he was in possession of credit card information for 5,000 of the company's customers. The company enlisted the help of their cyber insurance carrier to hire a forensics team, which determined the hacker had been in their system for four months, steadily stealing customer names, addresses, credit card numbers and account passwords. Extensive measures were needed to remedy the situation, including notifying all affected customers, paying for a year of credit monitoring, as well as hiring a public relations team to repair their damaged public reputation. Without cyber insurance, the company could have expected to pay \$300,000 in legal fees, \$200,000 in investigation and forensics costs, \$150,000 in fines and penalties, and \$40,000 in customer notification, reimbursement and crisis management.



Cyber Liability Insurance Proposal for **Erie County Land Bank**

Total Payable: \$1,150.00

Premium: \$1,000.00

Carrier Fee: \$0.00

Service Fee: \$150.00

SL Fees & Taxes: \$0.00

Limit: \$1,000,000

Retention: \$1,000

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Price and coverage may change based on application answers provided.



BEAZLEY BREACH RESPONSE

QUOTE

QUOTE ISSUED: 04 Apr 2024

Risk ID: RBQ/9757

AmWins Insurance Brokerage, LLC - Hopkinton, MA
Matthew Wischnowsky
35 Parkwood Drive

Hopkinton, MA 01748

RE: Erie County Land Bank
INSURANCE QUOTE: BEAZLEY BREACH RESPONSE

Dear Matthew Wischnowsky,

We are pleased to offer the following quote for the above captioned account.

In accordance with your request for a proposal and based on the information submitted, this quote is provided, subject to receipt, favorable review and written acceptance of the following information:

1. Contact person, email address and phone number of the employee that is designated to manage a response to a data breach event.
2. Fully completed, currently signed and dated Beazley application
3. Please be advised that the appropriate licensure must be in place in order to bind this risk. We will contact you for any outstanding confirmation of required licensure at binding.

This quote is strictly conditioned upon no material change in risk occurring between the date of this letter and the inception date of the proposed policy (including but not limited to any claim or notice of circumstances which may reasonably be expected to give rise to a claim under any policy of which the policy being proposed by this letter is a renewal or replacement). In the event of such change of risk, the Insurer may in its sole discretion, whether or not this offer has already been accepted by the Insured, modify and/or withdraw this offer.

For additional information on this product offering, please review our Beazley Cyber Fact Sheet.

Please be advised that if coverage is bound, premium must be remitted by the due date on the invoice.

Thank you for the opportunity to quote.

Best Regards,

Beazley Digital UW Team
Beazley Group
65 Memorial Road, Suite 320
West Hartford, CT 06107
e: AskBeazley@beazley.com

COVERAGE SCHEDULE (Currency in USD)				
LIMITS	OPTION #1	OPTION #2	OPTION #3	OPTION #4
Breach Response				
Notified Individuals:	100,000	100,000	100,000	100,000
Legal, Forensic & Public Relations/Crisis Mgmt:	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
THE BREACH RESPONSE LIMITS ABOVE ARE IN ADDITION TO THE POLICY AGGREGATE LIMIT OF LIABILITY				
Policy Aggregate Limit of Liability:	\$1,000,000	\$1,000,000	\$1,000,000	\$2,000,000
Additional Breach Response Limit				
Additional Breach Response Limit:	\$1,000,000	\$1,000,000	\$1,000,000	\$2,000,000
First Party Loss				
Business Interruption Loss:				
<i>Resulting from Security Breach:</i>	\$1,000,000	\$1,000,000	\$1,000,000	\$2,000,000
<i>Resulting from System Failure:</i>	\$1,000,000	\$1,000,000	\$1,000,000	\$2,000,000
Dependent Business Loss:				
<i>Resulting from Dependent Security Breach:</i>	\$100,000	\$100,000	\$100,000	\$100,000
<i>Resulting from Dependent System Failure:</i>	\$100,000	\$100,000	\$100,000	\$100,000
Cyber Extortion Loss:	\$1,000,000	\$1,000,000	\$1,000,000	\$2,000,000
Data Recovery Costs:	\$1,000,000	\$1,000,000	\$1,000,000	\$2,000,000
Liability				
Data & Network Liability:	\$1,000,000	\$1,000,000	\$1,000,000	\$2,000,000
Regulatory Defense & Penalties:	\$1,000,000	\$1,000,000	\$1,000,000	\$2,000,000
Payment Card Liabilities & Costs:	\$1,000,000	\$1,000,000	\$1,000,000	\$2,000,000
Media Liability:	\$1,000,000	\$1,000,000	\$1,000,000	\$2,000,000
eCrime				
Fraudulent Instruction:	\$250,000	\$250,000	\$250,000	\$250,000
Funds Transfer Fraud:	\$250,000	\$250,000	\$250,000	\$250,000
Telephone Fraud:	\$250,000	\$250,000	\$250,000	\$250,000
Criminal Reward				
Criminal Reward:	\$50,000	\$50,000	\$50,000	\$50,000
RETENTIONS	OPTION #1	OPTION #2	OPTION #3	OPTION #4
Breach Response				
Legal, Forensic & Public Relations/Crisis Mgmt:	\$1,000; \$500 for Legal	\$2,500; \$1,250 for Legal	\$5,000; \$2,500 for Legal	\$1,000; \$500 for Legal
Each Incident, Claim, or loss:	\$1,000	\$2,500	\$5,000	\$1,000
PREMIUM	\$1,000	\$1,000	\$1,000	\$1,390

COVERAGE SCHEDULE (Currency in USD)		
LIMITS	OPTION #5	OPTION #6
Breach Response		
Notified Individuals:	100,000	100,000
Legal, Forensic & Public Relations/Crisis Mgmt:	\$1,000,000	\$1,000,000
THE BREACH RESPONSE LIMITS ABOVE ARE IN ADDITION TO THE POLICY AGGREGATE LIMIT OF LIABILITY		
Policy Aggregate Limit of Liability:	\$2,000,000	\$2,000,000
Additional Breach Response Limit		
Additional Breach Response Limit:	\$2,000,000	\$2,000,000
First Party Loss		
Business Interruption Loss:		
<i>Resulting from Security Breach:</i>	\$2,000,000	\$2,000,000
<i>Resulting from System Failure:</i>	\$2,000,000	\$2,000,000
Dependent Business Loss:		
<i>Resulting from Dependent Security Breach:</i>	\$100,000	\$100,000
<i>Resulting from Dependent System Failure:</i>	\$100,000	\$100,000
Cyber Extortion Loss:	\$2,000,000	\$2,000,000
Data Recovery Costs:	\$2,000,000	\$2,000,000
Liability		
Data & Network Liability:	\$2,000,000	\$2,000,000
Regulatory Defense & Penalties:	\$2,000,000	\$2,000,000
Payment Card Liabilities & Costs:	\$2,000,000	\$2,000,000
Media Liability:	\$2,000,000	\$2,000,000
eCrime		
Fraudulent Instruction:	\$250,000	\$250,000
Funds Transfer Fraud:	\$250,000	\$250,000
Telephone Fraud:	\$250,000	\$250,000
Criminal Reward		
Criminal Reward:	\$50,000	\$50,000
RETENTIONS		
Breach Response		
Legal, Forensic & Public Relations/Crisis Mgmt:	\$2,500;	\$5,000;
	\$1,250 for Legal	\$2,500 for Legal
Each Incident, Claim, or loss:	\$2,500	\$5,000
PREMIUM	\$1,390	\$1,390

GENERAL INFORMATION

Quote Effective Until:	04 May 2024
Broker:	Matthew Wischnowsky AmWins Insurance Brokerage, LLC - Hopkinton, MA 35 Parkwood Drive Hopkinton, MA 01748
Named Insured:	Erie County Land Bank 1230 Townhall Road West Erie, Pennsylvania 16509
Underwriters:	Beazley Insurance Company, Inc. (Admitted) Beazley Digital UW Team AskBeazley@beazley.com

POLICY INFORMATION

Policy Period:	From:04 May 2024 To: 04 May 2025 Both at 12:01 a.m. Local Time at the Named Insured Address
Continuity Date:	Policy Inception
Optional Extension Period & Premium:	12 Months for 100% of the Annual Policy Premium
Notified Individuals Threshold:	100 Notified Individuals
Waiting Period:	8 Hours
Policy Form:	Beazley Breach Response (F00653 112017 ed.) with BBR Information Pack
Notes:	Quote is based on revenues of USD 1,100,000 Quote is based on industry of Administration of Urban Planning and Community and Rural Development

This policy provides coverage, for no additional charge, for loss arising out of "Certified Acts of Terrorism", as that term is defined in The Terrorism Risk Insurance Act of 2002, as amended. See your policy for complete information regarding this coverage.

SUBJECTIVITIES

In accordance with your request for a proposal and based on the information submitted, this quote is provided, subject to receipt, favorable review and written acceptance of the following information:

1. Contact person, email address and phone number of the employee that is designated to manage a response to a data breach event.
2. Fully completed, currently signed and dated Beazley application
3. Please be advised that the appropriate licensure must be in place in order to bind this risk. We will contact you for any outstanding confirmation of required licensure at binding.

In order to complete the underwriting process, we require that you send us any additional information requested above. We are not required to bind prior to our receipt and underwriting approval of the above information. However, if we do bind coverage prior to such approval, the terms and conditions as indicated could be amended until such receipt and acceptance.

ENDORSEMENTS EFFECTIVE AT INCEPTION

1. E10595 112017 ed. Asbestos, Pollution, and Contamination Exclusion Endorsement
2. E11122 012018 ed. Cap on Losses Arising Out of Certified Acts of Terrorism
3. E11783 072018 ed. Computer Hardware Replacement Cost
 - Sublimit: To Match Elected Limit
4. E10675 012019 ed. Contingent Bodily Injury With Sublimit Endorsement
 - Sublimit: \$250,000
5. E12968 052019 ed. CryptoJacking Endorsement
 - Sublimit: To Match Elected Limit
 - Retention: To Match Elected Retention
6. E15627 012023 ed. First Party Loss Exclusion Amendatory Endorsement
7. E11848 072018 ed. Invoice Manipulation Coverage
 - Limit: \$100,000
 - Retention: To Match Elected Retention
8. BICMU05090406 Nuclear Exclusion
9. A01694PA 042024 ed. Pennsylvania Addendum to Declarations
10. A00966PA 032020 ed. Pennsylvania Amendatory Endorsement
11. E06928 082020 ed. Policyholder Disclosure Notice of Terrorism Insurance Coverage
12. E13038 062019 ed. Reputation Loss
 - Limit: To Match Elected Limit
 - Retention: To Match Elected Retention
13. E02804 032011 ed. Sanction Limitation and Exclusion Clause
14. E15626 012023 ed. War and Cyber War Exclusion
15. E06799 112017 ed. Amend Definition of Fraudulent Instruction
16. E07594 112017 ed. Amend Notified Individuals Threshold

INSURED: Erie County Land Bank
This quote will remain in effect until 04 May 2024

17. E12813 042019 ed. Amendatory Endorsement
 - Broker Name: Amwins
18. E15628 012023 ed. Catastrophic First Party Loss Amendatory Endorsement
19. E11290 032018 ed. GDPR Cyber Endorsement
20. E10944 032019 ed. Post Breach Remedial Services Endorsement
21. E13372 092019 ed. State Consumer Privacy Statutes Endorsement
22. E12967 052019 ed. Voluntary Shutdown Coverage

All manuscript terms are subject to review and approval of Beazley.

Beazley's Cyber Services

With Beazley's 360° approach, cyber & tech policyholders have access to a comprehensive set of solutions created to help protect themselves on all fronts from the dangerous world of cyber risks. These solutions include pre-breach and risk management services offered through Beazley Breach Response (BBR) Services.

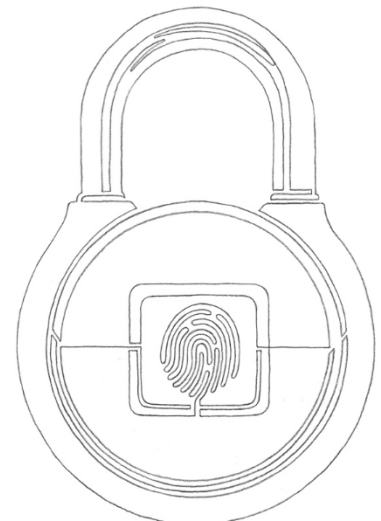
Resources available:

- Beazley's current panel of service providers
- Information on the risk management tools and resources included with your policy, including Beazley's in-house risk management portal, www.beazleybreachsolutions.com
- The process for notifying Beazley of a breach and the ability to report a breach or breach incident online
- Online cyber business interruption guide
- Beazley's 360° approach to ransomware protection
- A listing of cyber security vendors through which Beazley cyber & tech policyholders can benefit from discounted rates for anti-phishing tools and training, email security and identity and access management solutions, cyber risk assessment and testing, and other pre-breach services.

To learn more about Beazley's cyber services, visit

www.beazley.com/cyberservices.

The descriptions contained in this communication are for preliminary informational purposes only. The product is available on an admitted basis in some but not all US jurisdictions through Beazley Insurance Company, Inc., and is available on a surplus lines basis through either Beazley Excess and Surplus Insurance or a licensed surplus lines broker underwritten by Beazley syndicates at Lloyd's. The exact coverage afforded by the product described herein is subject to and governed by the terms and conditions of each policy issued. The publication and delivery of the information contained herein is not intended as a solicitation for the purchase of insurance on any US risk. Beazley USA Services, Inc. is licensed and regulated by insurance regulatory authorities in the respective states of the US and transacts business in the State of California as Beazley Insurance Services (License#: OG55497).



Effective date of this Endorsement:

This Endorsement is attached to and forms a part of Policy Number:

Beazley Insurance Company, Inc. referred to in this endorsement as either the “Insurer” or the “Underwriters”

ASBESTOS, POLLUTION, AND CONTAMINATION EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

In consideration of the premium charged for the Policy, it is hereby understood and agreed that the coverage under this Policy will not apply to any **Loss** arising out of either in whole or in part, directly or indirectly arising out of or resulting from or in consequence of, or in any way involving:

1. asbestos, or any materials containing asbestos in whatever form or quantity;
2. the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind; any action taken by any party in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins; and any governmental or regulatory order, requirement, directive, mandate or decree that any party take action in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins;

The Underwriters will have no duty or obligation to defend any **Insured** with respect to any **Claim** or governmental or regulatory order, requirement, directive, mandate or decree which either in whole or in part, directly or indirectly, arises out of or results from or in consequence of, or in any way involves the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind;

3. the existence, emission or discharge of any electromagnetic field, electromagnetic radiation or electromagnetism that actually or allegedly affects the health, safety or condition of any person or the environment, or that affects the value, marketability, condition or use of any property; or
4. the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants; or any governmental, judicial or regulatory directive or request that the **Insured** or anyone acting under the direction or control of the **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant including gas, acids, alkalis, chemicals, heat, smoke, vapor, soot, fumes or waste. Waste includes but is not limited to materials to be recycled, reconditioned or reclaimed.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

Effective date of this Endorsement:

This Endorsement is attached to and forms a part of Policy Number:

Beazley Insurance Company, Inc. Referred to in this endorsement as either the “Insurer” or the “Underwriters”

CAP ON LOSSES ARISING OUT OF CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

- A. If aggregate insured losses attributable to “Certified Acts of Terrorism” exceed \$100,000,000,000 in a calendar year and the Underwriters meet the applicable insurer deductible under the Terrorism Risk Insurance Act, the Underwriters are not liable for the payment of any portion of the amount of the losses exceeding \$100,000,000,000. Insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.
- B. As used in this endorsement, “Certified Act of Terrorism” means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C. Terrorism exclusions, or the inapplicability or omission of a terrorism exclusion, do not create coverage for injury or damage otherwise excluded under this Policy.

All other terms, exclusions and conditions of the policy remain unchanged.

Authorized Representative

SPECIMEN

Effective date of this Endorsement:

This Endorsement is attached to and forms a part of Policy Number:

Beazley Insurance Company, Inc. referred to in this endorsement as either the “Insurer” or the “Underwriters”

COMPUTER HARDWARE REPLACEMENT COST

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

1. The definition of **Extra Expense** is deleted in its entirety and replaced with the following:

Extra Expense means reasonable and necessary expenses incurred by the **Insured Organization** during the **Period of Restoration** to minimize, reduce or avoid **Income Loss**, over and above those expenses the **Insured Organization** would have incurred had no **Security Breach, System Failure, Dependent Security Breach** or **Dependent System Failure** occurred; and includes reasonable and necessary expenses incurred by the **Insured Organization** to replace computers or any associated devices or equipment operated by, and either owned by or leased to, the **Insured Organization** that are unable to function as intended due to corruption or destruction of software or firmware directly resulting from a **Security Breach**, provided however that the maximum sublimit applicable to **Extra Expense** incurred to replace such devices or equipment is USD To Match Elected Limit.

2. Part 2. of the **Bodily Injury or Property Damage** exclusion is deleted in its entirety and replaced with the following:

2. physical injury to or destruction of any tangible property, including the loss of use thereof; but this will not apply to the loss of use of computers or any associated devices or equipment operated by, and either owned by or leased to, the **Insured Organization** that are unable to function as intended due to corruption or destruction of software or firmware directly resulting from a **Security Breach**. Electronic data shall not be considered tangible property;

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

Effective date of this Endorsement:

This Endorsement is attached to and forms a part of Policy Number:

Beazley Insurance Company, Inc. referred to in this endorsement as either the "Insurer" or the "Underwriters"

CONTINGENT BODILY INJURY WITH SUBLIMIT ENDORSEMENT

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

1. Part 1. of the **Bodily Injury or Property Damage** exclusion is deleted in its entirety and replaced with the following:
 1. **Bodily Injury**; provided, this exclusion shall not apply to any **Claim for Contingent Bodily Injury**.
2. **DEFINITIONS** is amended by the addition of:

Bodily Injury means physical injury, sickness, disease or death of any person, including any mental anguish or emotional distress that results from such physical injury, sickness, disease or death.

Contingent Bodily Injury means those **Claims** wherein the **Damages** sought by the claimant are for **Bodily Injury** which arise solely out of a **Security Breach** affecting the **Insured Organization's Computer Systems** which is otherwise covered under the terms and conditions of this Policy; but not if the **Insured's** own act, error or omission is the direct immediate cause of such **Claim for Bodily Injury**. Furthermore, this extension of coverage applies only if such Claim for Bodily Injury is not covered under any other policy of insurance.
3. The Underwriter's aggregate limit of liability for all **Damages** resulting from all **Claims** covered under this Endorsement, made against any **Insured(s)** based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any **Contingent Bodily Injury** shall be \$250,000, which amount shall be part of and not in addition to the **Policy Aggregate Limit of Liability**.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

SPECIMEN

Effective date of this Endorsement:

This Endorsement is attached to and forms a part of Policy Number:

Beazley Insurance Company, Inc. referred to in this endorsement as either the “Insurer” or the “Underwriters”

CRYPTOJACKING ENDORSEMENT

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

1. The aggregate sublimit applicable to all loss under this endorsement is USD To Match Elected Limit
2. The Retention applicable to each incident, event, or related incidents or events, giving rise to an obligation to pay loss under this endorsement shall be USD To Match Elected Retention
3. **INSURING AGREEMENTS** is amended to include:

Cryptojacking

To indemnify the **Insured Organization** for any direct financial loss sustained resulting from **Cryptojacking** that the **Insured** first discovers during the **Policy Period**.

4. **DEFINITIONS** is amended to include:

Cryptojacking means the **Unauthorized Access or Use of Computer Systems** to mine for **Digital Currency** that directly results in additional costs incurred by the **Insured Organization** for electricity, natural gas, oil, or internet (the “**Utilities**”); provided, however, that such additional costs for the **Utilities** are:

1. incurred pursuant to a written contract between the **Insured Organization** and the respective utility provider, which was executed before the **Cryptojacking** first occurred;
2. billed to the **Insured Organization** by statements issued by the respective utility provider, which include usage or consumption information;
3. not charged to the **Insured Organization** at a flat fee that does not scale with the rate or use of the respective utility; and
4. incurred pursuant to statements issued by the respective utility provider and due for payment during the **Policy Period**.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

Effective date of this Endorsement:

This Endorsement is attached to and forms a part of Policy Number:

Beazley Insurance Company, Inc. referred to in this endorsement as either the “Insurer” or the “Underwriters”

FIRST PARTY LOSS EXCLUSION AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

1. **EXCLUSIONS** is amended as follows:

Parts 1. and 3. of the **First Party Loss** exclusion are deleted in their entirety and replaced with the following:

1. seizure, nationalization, confiscation, or destruction of property or data by official order of any governmental or public authority;
3. failure, interruption, or malfunction of **Financial Market Infrastructure, Digital and Internet Infrastructure**, power, water, oil, gas, electrical, sewage, or other utilities, or mechanical infrastructure or services, that are not under the **Insured Organization’s** direct operational control;

The above exclusions apply notwithstanding anything to the contrary in this Policy or any appendix or endorsement added to this Policy.

2. **DEFINITIONS** is amended to include:

Digital and Internet Infrastructure means Internet Exchange Point providers, Domain Name System (DNS) service providers, certificate authorities (including trust service providers), Content Delivery Network (CDN) providers, timing servers (including stratum-1 and 2), and **Electronic Communications Network Infrastructure** used for the provision of publicly available electronic communications services which support the transfer of information between network termination points.

Electronic Communications Network Infrastructure means:

1. transmission and telecommunication systems or services, whether or not based on a permanent infrastructure or centralized administration capacity;
2. switching or routing equipment; and
3. other resources, including network elements which are not active,

which permit the conveyance of signals by wire, radio, optical or other electromagnetic means, including satellite networks, fixed (circuit- and packet-switched, including internet) and mobile networks, electricity cable systems to the extent that they are used for the

purpose of transmitting signals, networks used for radio and television broadcasting, and cable television networks.

Financial Market Infrastructure means securities exchanges, central counterparty clearing houses, and central securities depositories.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

SPECIMEN

Effective date of this Endorsement:

This Endorsement is attached to and forms a part of Policy Number:

Beazley Insurance Company, Inc. referred to in this endorsement as either the “Insurer” or the “Underwriters”

INVOICE MANIPULATION COVERAGE

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

1. The aggregate sublimit applicable to all loss under this endorsement is USD \$100,000
2. The Retention applicable to each incident, event, or related incidents or events, giving rise to an obligation to pay loss under this endorsement shall be USD To Match Elected Retention
3. **INSURING AGREEMENTS** is amended to include:

Invoice Manipulation

To indemnify the **Insured Organization** for **Direct Net Loss** resulting directly from the **Insured Organization's** inability to collect **Payment** for any goods, products or services after such goods, products or services have been transferred to a third party, as a result of **Invoice Manipulation** that the **Insured** first discovers during the **Policy Period**:

4. **DEFINITIONS** is amended to include:

Direct Net Loss means the direct net cost to the **Insured Organization** to provide goods, products or services to a third party. **Direct Net Loss** will not include any profit to the **Insured Organization** as a result of providing such goods, products or services.

Invoice Manipulation means the release or distribution of any fraudulent invoice or fraudulent payment instruction to a third party as a direct result of a **Security Breach** or a **Data Breach**.

Payment means currency, coins or bank notes in current use and having a face value.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

Effective date of this Endorsement:

This Endorsement is attached to and forms a part of Policy Number:

Beazley Insurance Company, Inc. Referred to in this endorsement as either the "Insurer" or the "Underwriters"

NUCLEAR EXCLUSION

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

In consideration of the premium charged for the Policy, it is hereby understood and agreed that this Policy does not apply:

- I. Under any Liability Coverage, to injury, sickness, disease, death or destruction:
 - (a) with respect to which an insured under the Policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (b) resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the insured is, or had this Policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- II. Under any Medical Payments Coverage, or under any Supplementary Payments Provision relating to immediate medical or surgical relief, to expenses incurred with respect to bodily injury, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
- III. Under any Liability Coverage, to injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if:
 - (a) the nuclear material (1) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (2) has been discharged or dispersed therefrom;
 - (b) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 - (c) the injury, sickness, disease, death or destruction arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (c) applies only to injury to or destruction of property at such nuclear facility.
- IV. As used in this endorsement:

"hazardous properties" include radioactive, toxic or explosive properties; "nuclear material" means source material, special nuclear material or by-product material; "source material",

"special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act 1954 or in any law amendatory thereof; "spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor; "waste" means any waste material (1) containing by-product material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof; "nuclear facility" means:

- (a) any nuclear reactor,
- (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,
- (c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations; "nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material. With respect to injury to or destruction of property, the word "injury" or "destruction" includes all forms of radioactive contamination of property.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

Effective date of this Endorsement:

This Endorsement is attached to and forms a part of Policy Number:

Beazley Insurance Company, Inc. referred to in this endorsement as either the "Insurer" or the "Underwriters"

**POLICYHOLDER DISCLOSURE NOTICE OF
TERRORISM INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended ("TRIA"), insurance coverage provided by this Policy includes losses arising out of acts of terrorism, **as defined in Section 102(1) of the Act, as amended:** The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Any coverage you purchase for "acts of terrorism" shall expire at 12:00 midnight December 31, 2027, the date on which the TRIA Program is scheduled to terminate, or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THIS FORMULA, THE UNITED STATES PAYS 80% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER(S) PROVIDING THE COVERAGE. YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A USD100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS USD100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED USD100 BILLION, YOUR COVERAGE MAY BE REDUCED.

The portion of your annual premium that is attributable to coverage for certified acts of terrorism as defined in the Terrorism Risk Insurance Act of 2002, as amended, is \$0.

(LMA 9184 amended)

SPECIMEN

Effective date of this Endorsement:

This Endorsement is attached to and forms a part of Policy Number:

Beazley Insurance Company, Inc. referred to in this endorsement as either the “Insurer” or the “Underwriters”

REPUTATION LOSS

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

1. Limit listed in the Declarations under **COVERAGE SCHEDULE** is amended to include:

Reputation Loss: USD To Match Elected Limit

2. Retention listed in the Declarations under **COVERAGE SCHEDULE** is amended to include:

Each incident giving rise to **Reputation Loss:** USD To Match Elected Retention

3. **INSURING AGREEMENTS** is amended by the addition of:

Reputation Loss

To indemnify the **Insured Organization** for **Reputation Loss** that the **Insured Organization** sustains solely as a result of an **Adverse Media Event** that occurs during the **Policy Period**, concerning:

1. a **Data Breach, Security Breach, or Extortion Threat** that the **Insured** first discovers during the **Policy Period**; or
2. if this policy is a **Renewal**, a **Data Breach, Security Breach, or Extortion Threat** that the **Insured** first discovers during the last 90 days of the prior policy period.

4. **DEFINITIONS** is amended to include:

Adverse Media Event means:

1. publication by a third party via any medium, including but not limited to television, print, radio, electronic, or digital form of previously non-public information specifically concerning a **Data Breach, Security Breach, or Extortion Threat**; or
2. notification of individuals pursuant to part 4. of the **Breach Response Services** definition.

Multiple **Adverse Media Events** arising from the same or a series of related, repeated or continuing **Data Breaches, Security Breaches, or Extortion Threats**, shall be considered a single **Adverse Media Event**, and shall be deemed to occur at the time of the first such **Adverse Media Event**.

Claims Preparation Costs means reasonable and necessary costs that the **Named Insured** incurs to contract with a third party to prepare a proof of loss demonstrating **Reputational Loss**.

Protection Period means the period beginning on the date the **Adverse Media Event** occurs, and ends after the earlier of:

1. 180 days; or
2. the date that gross revenues are restored to the level they would have been but for the **Adverse Media Event**.

Renewal means an insurance policy issued by the Underwriters to the **Named Insured** for the policy period immediately preceding this **Policy Period** that provides coverage for a **Data Breach**, **Security Breach**, or **Extortion Threat** otherwise covered under this Policy.

Reputation Loss means:

1. the net profit or loss before interest and tax that the **Insured Organization** would have earned during the **Protection Period** but for an **Adverse Media Event**; and
2. continuing normal operating expenses incurred by the **Insured Organization** (including payroll), but only to the extent that such operating expenses must necessarily continue during the **Protection Period**.

When calculating any **Reputation Loss**, due consideration will be given to any amounts made up during, or within a reasonable time after the end of, the **Protection Period**.

Reputation Loss will not mean and no coverage will be available under this endorsement for any of the following:

- (i) loss arising out of any liability to any third party;
- (ii) legal costs or legal expenses of any type;
- (iii) loss incurred as a result of unfavorable business conditions;
- (iv) loss of market or any other consequential loss;
- (v) **Breach Response Services**; or
- (vi) **Cyber Extortion Loss**;

There will be no coverage available under this endorsement if there is an actual interruption of the **Insured Organization's** business operations for any period of time.

5. **Limits of Liability** under **LIMIT OF LIABILITY AND COVERAGE** is amended to include:

Reputational Loss and **Claims Preparation Costs** covered under this Policy arising from an **Adverse Media Event** concerning any **Data Breach**, **Security Breach**, or **Extortion Threat** (including a series of related, repeated or continuing **Data Breaches**, **Security Breaches**, or **Extortion Threats**) first discovered during the last 90 days of the prior policy period, will be considered to have been noticed to the Underwriters during the prior policy period and will be subject to the **Policy Aggregate Limit of Liability** of the prior policy period. Under such circumstances, if the **Policy Aggregate Limit of Liability** of the prior policy period is exhausted due to payments made under the prior policy, the Underwriter's obligation to pay **Reputational Loss** or **Claims Preparation Costs** under this Policy shall be completely fulfilled and extinguished.

6. **Notice of Claim or Loss** under **GENERAL CONDITIONS** is amended to include:

With respect to **Reputation Loss**, the **Named Insured** must notify the Underwriters through the contacts listed for **Notice of Claim, Loss or Circumstance** in the Declarations as soon as practicable after discovery of the circumstance, incident or event giving rise to such loss.

All **Reputation Loss** must be reported, and all proofs of loss must be provided, to the Underwriters no later than four (4) months after the end of the **Protection Period**.

7. This Policy will cover up to USD 50,000 of **Claims Preparation Costs** in excess of the Retention stated in Section 2. of this endorsement.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

Effective date of this Endorsement:

This Endorsement is attached to and forms a part of Policy Number:

Beazley Insurance Company, Inc. Referred to in this endorsement as either the “Insurer” or the “Underwriters”

SANCTION LIMITATION AND EXCLUSION CLAUSE

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, law or regulations of the European Union, United Kingdom or United States of America.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

SPECIMEN

Effective date of this Endorsement:

This Endorsement is attached to and forms a part of Policy Number:

Beazley Insurance Company, Inc. referred to in this endorsement as either the “Insurer” or the “Underwriters”

WAR AND CYBER WAR EXCLUSION

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

1. **EXCLUSIONS** is amended to include:

War and Cyber War

The coverage under this Policy will not apply to any **Loss** arising:

1. directly or indirectly out of **War**; or
2. from a **Cyber War**.

This exclusion applies notwithstanding anything to the contrary in this Policy or any appendix or endorsement added to this Policy.

2. For the purposes of this endorsement only:

Cyber War means any harmful act, conducted using a **Computer System** (or series of related, repeated or continuing harmful acts conducted using one or more **Computer System**), directed against one or more **Computer System** that is committed by, or at the direction or under the control of, a sovereign state, and which:

1. is conducted as part of a **War**; or
2. causes a major detrimental impact on:
 - (i) the functioning of another sovereign state due to disruption to the availability, delivery or integrity of any **Essential Service** in that other sovereign state; and/or
 - (ii) the security or defense of another sovereign state,

provided however that **Cyber War** shall not mean the direct or indirect effect of such harmful act(s) which causes a major detrimental impact on a sovereign state as described in parts 2.(i). and/or 2.(ii) above, on a **Computer System** operated by and either owned by or leased to the **Insured Organization** or operated by a **Dependent Business**, that is not physically located in a sovereign state which has suffered such major detrimental impact described in parts 2.(i). and/or 2.(ii) above.

Computer System means computers, any software residing on such computers, and any associated devices or equipment.

Essential Service means a service that is essential for the maintenance of vital functions of a sovereign state, including but not limited to financial institutions and associated financial market infrastructure, emergency services, health services, utility services and/or services that are essential for the maintenance of the food, energy and/or transportation sector.

War means the use of physical force by a sovereign state against another sovereign state (whether war be declared or not) or as part of a civil war, rebellion, revolution, insurrection and/or military or usurped power.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

SPECIMEN

Effective date of this Endorsement:

This Endorsement is attached to and forms a part of Policy Number:

Beazley Insurance Company, Inc. referred to in this endorsement as either the “Insurer” or the “Underwriters”

AMEND DEFINITION OF FRAUDULENT INSTRUCTION

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

In consideration of the premium charged for the Policy, it is hereby understood and agreed that the definition of **Fraudulent Instruction** is deleted in its entirety and replaced with the following:

Fraudulent Instruction means the transfer, payment or delivery of **Money** or **Securities** by an **Insured** as a result of fraudulent written, electronic, telegraphic, cable, teletype or telephone instructions provided by a third party, that is intended to mislead an **Insured** through the misrepresentation of a material fact which is relied upon in good faith by such **Insured**.

Fraudulent Instruction will not include loss arising out of:

1. any actual or alleged use of credit, debit, charge, access, convenience, customer identification or other cards;
2. any transfer involving a third party who is not a natural person **Insured**, but had authorized access to the **Insured’s** authentication mechanism;
3. the processing of, or the failure to process, credit, check, debit, personal identification number debit, electronic benefit transfers or mobile payments for merchant accounts;
4. accounting or arithmetical errors or omissions, or the failure, malfunction, inadequacy or illegitimacy of any product or service;
5. any liability to any third party, or any indirect or consequential loss of any kind;
6. any legal costs or legal expenses; or
7. proving or establishing the existence of **Fraudulent Instruction**.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

Effective date of this Endorsement:

This Endorsement is attached to and forms a part of Policy Number:

Beazley Insurance Company, Inc. referred to in this endorsement as either the “Insurer” or the “Underwriters”

AMEND NOTIFIED INDIVIDUALS THRESHOLD

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

In consideration of the premium charged for the Policy, it is hereby understood and agreed that part 4. of the definition of **Breach Response Services** is deleted and replaced with the following:

4. to notify those individuals whose **Personally Identifiable Information** was potentially impacted by a **Data Breach**;

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

SPECIMEN

Effective date of this Endorsement:
This Endorsement is attached to and forms a part of Policy Number:
Beazley Insurance Company, Inc. Referred to in this endorsement as either the "Insurer" or the "Underwriters"

AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

Beazley Breach Response

In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

- 1. The **Optional Extension Period** and **Optional Extension Premium** listed in the Declarations under **POLICY INFORMATION** are deleted in their entirety and replaced with the following:

Optional Extension Period:	Optional Extension Premium:
12 Months	75% of the Annual Policy Premium
24 Months	100% of the Annual Policy Premium
36 Months	150% of the Annual Policy Premium

- 2. The Data Recovery Costs insuring agreement is deleted in its entirety and replaced with the following:

Data Recovery Costs

Data Recovery Costs that the **Insured Organization** incurs as a direct result of a **Security Breach** or **System Failure** that the **Insured** first discovers during the **Policy Period**.

- 3. The definition of **Breach Response Services** is amended with the addition of the following:

- 8. other costs which are approved in advance by the Underwriters in their discretion.

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

Claim means:

- 1. a written demand received by any **Insured** for money or services, or any non-monetary or injunctive relief, including the service of a suit or institution of arbitration proceedings;;
- 2. with respect to coverage provided under the Regulatory Defense & Penalties insuring agreement only, institution of a **Regulatory Proceeding** against any **Insured**;
- 3. with respect to coverage provided under part 1. of the Data & Network Liability insuring agreement only, a demand received by any **Insured** to fulfill the **Insured**

SPECIMEN

Organization's contractual obligation to provide notice of a **Data Breach** pursuant to a **Breach Notice Law**; and

4. a written request or agreement to toll or waive a statute of limitations relating to a potential **Claim** described in part 1. above.

Multiple **Claims** arising from the same or a series of related, repeated or continuing acts, errors, omissions or events will be considered a single **Claim** for the purposes of this Policy. All such **Claims** will be deemed to have been made at the time of the first such **Claim**.

5. The definition of **Computer Systems** is deleted in its entirety and replaced by the following:

Computer Systems means computers, any software residing on such computers and any associated devices or equipment, including but not limited to wireless or mobile devices, data storage devices, networking equipment, and back up facilities:

1. operated by and either owned by or leased to the **Insured Organization**; or
2. with respect to coverage under the Breach Response and Liability insuring agreements:
 - a. operated by a third party pursuant to written contract with the **Insured Organization** and used for the purpose of providing hosted computer application services to the **Insured Organization** or for processing, maintaining, hosting or storing the **Insured Organization's** electronic data; or
 - b. operated by a director, officer, principal, partner, or employee of the **Insured Organization** in accordance with the terms and conditions of the **Insured Organization's** BYOD ("Bring Your Own Device") policy, provided such policy is in force at the time of any actual or reasonably suspected Data Breach or Security Breach.

6. The definition of **Data** is deleted in its entirety and replaced by the following:

Data means any software or electronic data that exists in **Computer Systems**.

7. Parts 2. and 3. of the definition of **Insured** are deleted in their entirety and replaced with the following:

2. any director, manager of a limited liability company or officer of the **Insured Organization**, but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
3. An employee (including a part time, temporary, leased or seasonal employee or volunteer), intern or **Individual Contractor** of the **Insured Organization**, but only for work done while acting within the scope of his or her employment and related to the conduct of the **Insured Organization's** business;

8. Part 2. of the definition of **Personally Identifiable Information** is deleted in its entirety and replaced with the following:

2. an individual's drivers license or state identification number, social security number, unpublished telephone number, biometric or other data pertaining to an individual, and credit, debit or other financial account numbers in combination with associated security

codes, access codes, passwords or PINs; if such information allows an individual to be uniquely and reliably identified or contacted or allows access to the individual's financial account or medical record information

9. Part 2. of the definition of **Subsidiary** is deleted in its entirety and replaced with the following:
2. which the **Named Insured** acquires Management Control after the inception date of this Policy; provided that:
 - (i) the revenues of such entity do not exceed 20% of the **Named Insured's** annual revenues; or
 - (ii) if the revenues of such entity exceed 20% of the **Named Insured's** annual revenues, then coverage under this Policy will be afforded for a period of 60 days, but only for any **Claim** that arises out of any act, error, omission, incident or event first occurring after the entity becomes so owned. Coverage beyond such 60 day period will only be available if the **Named Insured** gives the Underwriters written notice of the acquisition, obtains the written consent of Underwriters to extend coverage to the entity beyond such 60 day period and agrees to pay any additional premium required by Underwriters.

10. Part 2. of the **Trade Practices and Antitrust** exclusion is deleted in its entirety and replaced with the following:

2. coverage for a **Data Breach** or **Security Breach**, provided no member of the **Control Group** knowingly participated or colluded in such **Data Breach** or **Security Breach**;

11. The **Racketeering, Benefit Plans, Employment Liability & Discrimination** exclusion is deleted in its entirety and replaced with the following:

Racketeering, Benefit Plans, Employment Liability & Discrimination

1. any actual or alleged violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act or RICO), as amended;
2. any actual or alleged acts, errors or omissions related to any of the **Insured Organization's** pension, healthcare, welfare, profit sharing, mutual or investment plans, funds or trusts;
3. any employer-employee relations, policies, practices, acts or omissions, or any actual or alleged refusal to employ any person, or misconduct with respect to employees; or
4. any actual or alleged discrimination;

but this exclusion will not apply to coverage under the Breach Response insuring agreement or parts 1., 2. or 3. of the Data & Network Liability insuring agreement that results from a **Data Breach**; provided no member of the **Control Group** knowingly participated or colluded in such **Data Breach**;

12. The **Sale or Ownership of Securities & Violation of Securities Laws** exclusion is deleted in its entirety and replaced with the following:

Sale or Ownership of Securities & Violation of Securities Laws

1. the ownership, sale or purchase of, or the offer to sell or purchase stock or other securities; or
2. an actual or alleged violation of a securities law or regulation;

but part 2. of this exclusion will not apply to **Loss** under the Breach Response insuring agreement or parts 1., 2. or 3. of the Data & Network Liability insuring agreement that results directly from a **Data Breach**; provided no member of the **Control Group** participated or colluded in such **Data Breach**;

13. The **Criminal, Intentional or Fraudulent Acts** exclusion is deleted in its entirety and replaced with the following:

Criminal, Intentional or Fraudulent Acts

any criminal, dishonest, fraudulent, or malicious act or omission, or intentional or knowing violation of the law, if committed by an **Insured**, or by others if the **Insured** colluded or participated in any such conduct or activity; but this exclusion will not apply to:

1. **Claims Expenses** incurred in defending any **Claim** alleging the foregoing until there is a final non-appealable adjudication establishing such conduct; or
2. with respect to a natural person **Insured**, if such **Insured** did not personally commit, participate in or know about any act, error, omission, incident or event giving rise to such **Claim** or **Loss**.

For purposes of this exclusion, only acts, errors, omissions or knowledge of a member of the **Control Group** will be imputed to the **Insured Organization**; provided however that any acts, errors, or omissions committed by any person who previously qualified as a **Control Group** member, but who is no longer performing any duties on behalf of the **Insured Organization** when such act, error, or omission occurred, will not be imputed to the **Insured Organization**.

14. Part 2. of the **Other Insureds & Related Entities** exclusion is deleted in its entirety and replaced with the following:

2. any business enterprise in which any member of the **Control Group** has greater than 15% ownership interest, or made by any parent company or other entity which owns more than 15% of the **Named Insured**.

15. **Notice of Claim or Loss** under **GENERAL CONDITIONS** is deleted in its entirety and replaced with the following:

Notice of Claim or Loss

The **Insured** must notify the Underwriters of any **Claim** as soon as practicable upon knowledge of the **Control Group**, but in no event later than: (i) 90 days after the end of the **Policy Period**; or (ii) the end of the Optional Extension Period (if applicable). Notice must be provided through the contacts listed for Notice of Claim, Loss or Circumstance in the Declarations.

With respect to **Breach Response Services**, the **Insured** must notify the Underwriters of any actual or reasonably suspected **Data Breach** or **Security Breach** as soon as practicable after discovery by the **Control Group**, but in no event later than 90 days after the end of the **Policy Period**. Notice must be provided to the **Breach Response Services Team** listed in the Declarations. Notice of an actual or reasonably suspected **Data Breach** or **Security Breach** in conformance with this paragraph will also constitute notice of a circumstance that could reasonably be the basis for a **Claim**.

With respect to **Cyber Extortion Loss**, the **Named Insured** must notify the Underwriters via the email address listed in the Notice of Claim, Loss or Circumstance in the Declarations as soon as practicable after discovery of an **Extortion Threat** but no later than 90 days after the end of the **Policy Period**. The **Named Insured** must obtain the Underwriters' consent prior to incurring **Cyber Extortion Loss**.

With respect to **Data Recovery Costs**, **Business Interruption Loss** and **Dependent Business Loss** the **Named Insured** must notify the Underwriters through the contacts for Notice of Claim, Loss or Circumstance in the Declarations as soon as practicable after discovery of the circumstance, incident or event giving rise to such loss. The **Named Insured** will provide the Underwriters a proof of **Data Recovery Costs**, **Business Interruption Loss** and **Dependent Business Loss**, and this Policy will cover the reasonable and necessary costs, not to exceed USD 50,000, that the **Named Insured** incurs to contract with a third party to prepare such proof. All loss described in this paragraph must be reported, and all proofs of loss must be provided, to the Underwriters no later than 6 months after the end of the **Policy Period**.

The **Named Insured** must notify the Underwriters of any loss covered under the eCrime insuring agreement as soon as practicable, but in no event later than 90 days after the end of the **Policy Period**. Notice must be provided through the contacts listed for **Notice of Claim, Loss or Circumstance** in the Declarations.

Any **Claim** arising out of a **Loss** that is covered under the Breach Response, First Party Loss or eCrime insuring agreements and that is reported to the Underwriters in conformance with the foregoing will be considered to have been made during the **Policy Period**.

16. **Notice of Circumstance** under **GENERAL CONDITIONS** is amended by the addition of following:

Notwithstanding anything under **Notice of Circumstance** to the contrary, if any law enforcement authority expressly prevents the **Insured** from disclosing to the Underwriters specific information concerning an incident (or reasonably suspected incident) described in parts 1. and 2. of the Data & Network Liability insuring agreement, the notice obligations under **Notice of Circumstance** shall be waived, provided the **Insured**:

1. requests permission to share information regarding such incident or reasonably suspected incident with the Underwriters as soon as practicable after receiving such direction from law enforcement authority and is prevented from doing so;
2. withholds only that portion of information it has been restricted from disclosing to the Underwriters, meaning further that the Insured shall notify the Underwriters of an incident or reasonably suspected incident even if any information relating to such notice is unable to be shared with the Underwriters; and
3. the Insured provides notice as required under Notice of Circumstance as soon as legally possible after law enforcement authority permits.

In all instances, the **Insured** must provide notice no later than one hundred-eighty (180) days after the **Policy Period**, and unless such incident or suspected incident is reported in accordance with the obligations under **Notice of Circumstance**, there shall be no coverage in connection with such incident or suspected incident.

17. **Settlement of Claims** under **GENERAL CONDITIONS** is deleted in its entirety and replaced with the following:

Settlement of Claims

If the **Insured** refuses to consent to any settlement recommended by the Underwriters and acceptable to the claimant, the Underwriters' liability for such **Claim** will not exceed:

1. the amount for which the **Claim** could have been settled, less the remaining Retention, plus the **Claims Expenses** incurred up to the time of such refusal; plus
2. eighty percent (80%) of any **Claims Expenses** incurred after the date such settlement or compromise was recommended to the **Insured** plus eighty percent (80%) of any **Damages, Penalties and PCI Fines, Expenses and Costs** above the amount for which the **Claim** could have been settled;

and the Underwriters will have the right to withdraw from the further defense of such **Claim**.

The **Insured** may settle any **Claim** where the **Damages, Penalties, PCI Fines, Expenses and Costs** and **Claims Expenses** do not exceed the Retention, provided that the entire **Claim** is resolved and the **Insured** obtains a full release on behalf of all **Insureds** from all claimants.

18. **Other Insurance** under **GENERAL CONDITIONS** is deleted in its entirety and replaced with the following:

Other Insurance

The insurance under this Policy shall apply in excess of any other valid and collectible insurance available to any **Insured** unless such other insurance is written only as specific excess insurance over this Policy; provided that this Policy shall be primary solely with respect to **Breach Response Services, Cyber Extortion Loss** and **Data Recovery Costs** covered under the Breach Response and First Party Loss insuring agreements.

The existence of other insurance available to an **Insured** shall not affect the Underwriters' obligations toward an **Insured** in paying **Loss** covered under this Policy nor shall it delay payment of such **Loss**.

19. **Cancellation** under **GENERAL CONDITIONS** is deleted in its entirety and replaced with the following:

Cancellation

This Policy may not be cancelled by any **Insured** or the Underwriters, except for non-payment of premium.

This Policy may be cancelled by the Underwriters due to non-payment of premium by mailing to the **Named Insured** at the address listed in the Declarations written notice stating when such cancellation will be effective. Such date of cancellation will not be less than 10 days after the date of notice.

20. **Representation by the Insured** under **GENERAL CONDITIONS** is deleted in its entirety and replaced with the following:

All **Insureds** agree that the statements contained in the information and materials provided to the Underwriters in connection with the underwriting and issuance of this Policy are true, accurate and are not misleading, and that the Underwriters issued this Policy, and assume the risks hereunder, in reliance upon the truth thereof; provided, that (i) the knowledge of any natural person **Insured** shall not be imputed to any other natural person **Insured**, and (ii) only the knowledge of the **Control Group** shall be imputed to the **Insured Organization**.

21. **GENERAL CONDITIONS** is amended by the addition of the following:

Territory

This Insurance applies to **Claims** made, acts committed, or **Loss** occurring anywhere in the world.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

Effective date of this Endorsement:
This Endorsement is attached to and forms a part of Policy Number:
Beazley Insurance Company, Inc. referred to in this endorsement as either the “Insurer” or the “Underwriters”

CATASTROPHIC FIRST PARTY LOSS AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

- The following sections are added to the **COVERAGE SCHEDULE** in the Declarations:

Catastrophic First Party Loss Aggregate Limit of Liability:	50% of the Policy Aggregate Limit of Liability
Catastrophic First Party Loss Sub-Limits:	
Business Interruption Loss:	
<i>Resulting from Security Breach:</i>	50% of applicable limit of liability set forth in the First Party Loss section
<i>Resulting from System Failure:</i>	50% of applicable limit of liability set forth in the First Party Loss section
Dependent Business Loss:	
<i>Resulting from Dependent Security Breach:</i>	50% of applicable limit of liability set forth in the First Party Loss section
<i>Resulting from Dependent System Failure:</i>	50% of applicable limit of liability set forth in the First Party Loss section
Cyber Extortion Loss:	50% of applicable limit of liability set forth in the First Party Loss section
Data Recovery Loss:	50% of applicable limit of liability set forth in the First Party Loss section

- LIMIT OF LIABILITY AND COVERAGE** is amended to include:

SPECIMEN

Catastrophic First Party Loss Limits

All **Business Interruption Loss, Dependent Business Loss, Cyber Extortion Loss**, and/or **Data Recovery Costs** that the **Insured Organization** sustains or incurs as a result of a **Catastrophic Cyber Event** will be subject to the applicable sub-limits of liability set forth in the Catastrophic First Party Loss Sub-Limits section of the **COVERAGE SCHEDULE** in the Declarations. Such sub-limits are in the aggregate, and are part of, and not in addition to, the applicable limits of liability set forth in the First Party Loss section of the **COVERAGE SCHEDULE** in the Declarations.

Provided however that the Underwriter's combined total limit of liability for all **Business Interruption Loss, Dependent Business Loss, Cyber Extortion Loss**, and/or **Data Recovery Costs** that the **Insured Organization** sustains or incurs as a result of a **Catastrophic Cyber Event** will be the Catastrophic First Party Loss Aggregate Limit of Liability set forth in the **COVERAGE SCHEDULE** in the Declarations. Such limit shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability**.

All **Business Interruption Loss, Dependent Business Loss, Cyber Extortion Loss**, and/or **Data Recovery Costs** that the **Insured Organization** sustains or incurs that is not as a result of a **Catastrophic Cyber Event** will remain subject to the limits of liability set forth in the First Party Loss section of the **COVERAGE SCHEDULE** in the Declarations.

3. **DEFINITIONS** is amended to include:

Affiliate means any entity directly or indirectly controlled by, or under common control with, a **Scheduled Cloud Service Provider** (or any successor of such entity).

Application Program means any computer software program that performs a particular function or task within the **Computer Operating System** for the end-user, including but not limited to database programs, web browsers, enterprise software, word processors, graphics software and media players.

Catastrophic Cyber Event means any **Security Breach, System Failure, Dependent Security Breach, Dependent System Failure** or **Extortion Threat** arising out of a **Cloud Services Provider Event** or **Operating System Event**.

Cloud Services Provider Event means a single partial or complete failure, interruption or malfunction of (or series of related, repeated or continuing partial or complete failures, interruptions or malfunctions of) cloud services provided by a **Scheduled Cloud Service Provider** that exceeds 72 consecutive hours.

Computer Operating System means computer system software that manages or administers computer hardware, software resources, or provides common services to run an **Application Program**. For the avoidance of doubt, **Computer Operating System** shall not mean **Application Program**.

Essential Service means a service that is essential for the maintenance of vital functions of a sovereign state, including but not limited to financial institutions and associated financial market infrastructure, emergency services, health services, utility services and/or services that are essential for the maintenance of the food, energy and/or transportation sector.

Operating System Event means a single act of exploitation of (or series of related, repeated or continuing acts of exploitation of) software vulnerabilities in a **Computer Operating System**, including but not limited to ransomware, wiper malware, computer worms, and computer viruses,

which causes a major detrimental impact on the functioning of a sovereign state due to disruption of the availability, delivery, or integrity of any **Essential Service** in that sovereign state.

Scheduled Cloud Service Provider means Amazon Web Services, Inc., Microsoft Corporation, Google LLC, or International Business Machines Corporation (or any successor of any of the foregoing) and any **Affiliate** of any of the foregoing that provides cloud services.

4. **GENERAL CONDITIONS** is amended to include:

FIRST PARTY LOSS ADJUSTMENT

The Underwriters may rely on any available evidence which is reasonable in determining whether any **Business Interruption Loss, Dependent Business Interruption Loss, Cyber Extortion Loss** and/or **Data Recovery Costs** arises from a **Catastrophic Cyber Event** or not. Such available evidence may include information from governments, computer forensics experts, or any other credible sources as to the nature, circumstances, or causes of the event. The Underwriters may also rely on available evidence gathered from any proof of loss provided by the **Named Insured**.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

SPECIMEN

Effective date of this Endorsement:

This Endorsement is attached to and forms a part of Policy Number:

Beazley Insurance Company, Inc. referred to in this endorsement as either the “Insurer” or the “Underwriters”

GDPR CYBER ENDORSEMENT

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

In consideration of the premium charged for the Policy, it is hereby understood and agreed that the Data & Network Liability insuring agreement is amended to include:

5. non-compliance with the following obligations under the EU General Data Protection Regulation (or legislation in the relevant jurisdiction implementing this Regulation):
 - (a) Article 5.1(f), also known as the Security Principle;
 - (b) Article 32, Security of Processing;
 - (c) Article 33, Communication of a Personal Data Breach to the Supervisory Authority; or
 - (d) Article 34, Communication of a Personal Data Breach to the Data Subject.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

SPECIMEN

Effective date of this Endorsement:

This Endorsement is attached to and forms a part of Policy Number:

Beazley Insurance Company, Inc. referred to in this endorsement as either the “Insurer” or the “Underwriters”

POST BREACH REMEDIAL SERVICES ENDORSEMENT

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

In consideration of the premium charged for the Policy, it is hereby understood and agreed that, following a covered **Data Breach** or **Security Breach** involving the actual **Unauthorized Access or Use** of the **Insured Organization’s Computer Systems**, the **Insured Organization** is eligible to receive **Post Breach Remedial Services**.

Post Breach Remedial Services means up to 100 hours per **Policy Period** of post-breach computer security consultation and remedial services to be provided by Lodestone Security (“Lodestone”). Such services will be provided at the **Insured Organization’s** request as per the description of services attached to this endorsement. **Post Breach Remedial Services** will be considered **Breach Response Services**, and will be available in response to incidents in which forensic services and costs covered under parts 2. and 3. of the definition of **Breach Response Services** have been provided, subject to the applicable Retention. **Post Breach Remedial Services** will not include any costs to purchase or upgrade any hardware or software.

To access **Post Breach Remedial Services**, the **Insured Organization** must:

1. notify the Underwriters that they desire to receive such services; and
2. enter into an engagement agreement with Lodestone to receive such services,

within sixty (60) days following a determination of the actual **Unauthorized Access or Use** of the **Insured Organization’s Computer Systems**.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

SPECIMEN

Effective date of this Endorsement:

This Endorsement is attached to and forms a part of Policy Number:

Beazley Insurance Company, Inc. referred to in this endorsement as either the “Insurer” or the “Underwriters”

STATE CONSUMER PRIVACY STATUTES ENDORSEMENT

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

1. The Policy is amended to include the following insuring agreement:

State Consumer Privacy Statutes

To pay **Penalties** and **Claims Expenses** which the **Insured** is legally obligated to pay because of any **Regulatory Proceeding** first made against any **Insured** during the **Policy Period** for a violation of the California Consumer Privacy Act or any similar state statutes or state regulations specifically governing the **Insured Organization’s** collection, use, disclosure, sale, processing, profiling, acquisition, sharing, maintenance, retention or storage of or provision of access to personal information or personal data as defined under the California Consumer Privacy Act or similar state statutes or state regulations.

2. The definition of **Claim** is amended to include institution of a **Regulatory Proceeding** against any **Insured** under the State Consumer Privacy Statutes insuring agreement for a violation of the California Consumer Privacy Act or any similar state statutes or state regulations specifically governing the **Insured Organization’s** collection, use, disclosure, sale, processing, profiling, acquisition, sharing, maintenance, retention or storage of or provision of access to personal information or personal data as defined under the California Consumer Privacy Act or similar state statutes or state regulations.
3. The **Governmental Actions** exclusion and part 1. of the **Gathering or Distribution of Information** exclusion will not apply to the State Consumer Privacy Statutes insuring agreement.
4. Solely with respect to the State Consumer Privacy Statutes insuring agreement, the **Trade Practices and Antitrust** exclusion is deleted in its entirety and replaced with the following:

Trade Practices

any actual or alleged false, deceptive or unfair trade practices or unfair competition; but this exclusion will not apply to coverage under the State Consumer Privacy Statutes insuring agreement, provided no member of the **Control Group** participated in or colluded in the activities or incidents giving rise to coverage under such insuring agreement;

Antitrust

any actual or alleged antitrust violation, restraint of trade, false, deceptive or misleading advertising or violation of the Sherman Antitrust Act, the Clayton Act, or the Robinson-Patman Act;

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

SPECIMEN

Effective date of this Endorsement:

This Endorsement is attached to and forms a part of Policy Number:

Beazley Insurance Company, Inc. referred to in this endorsement as either the “Insurer” or the “Underwriters”

VOLUNTARY SHUTDOWN COVERAGE

This endorsement modifies insurance provided under the following:

BEAZLEY BREACH RESPONSE

In consideration of the premium charged for the Policy, it is hereby understood and agreed that the definition of **Security Breach** is deleted in its entirety and replaced with the following:

Security Breach means:

1. A failure of computer security to prevent:
 - (i) **Unauthorized Access or Use of Computer Systems**, including **Unauthorized Access or Use** resulting from the theft of a password from a **Computer System** or from any **Insured**;
 - (ii) a denial of service attack affecting **Computer Systems**;
 - (iii) with respect to coverage under the Liability insuring agreements, a denial of service attack affecting **Computer Systems** that are not owned, operated or controlled by an **Insured**; or
 - (iv) infection of **Computer Systems** by malicious code or transmission of malicious code from **Computer Systems**; or
2. Solely with respect to the **Business Interruption Loss** insuring agreement:
 - (i) the voluntary and intentional shutdown of **Computer Systems** by the **Insured Organization**, but only to the extent necessary to limit the **Loss** during an active or on-going **Unauthorized Access or Use of Computer Systems** or infection of **Computer Systems** by malicious code, as covered by 1.(i) or 1.(iv) above.
 - (ii) the intentional shutdown of **Computer Systems** by the **Insured Organization** as expressly required by any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity resulting from a situation described in 1.(i) or 1.(iv) above.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

BEAZLEY BREACH RESPONSE

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BEAZLEY BREACH RESPONSE

THIS POLICY'S LIABILITY INSURING AGREEMENTS PROVIDE COVERAGE ON A CLAIMS MADE AND REPORTED BASIS AND APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE OPTIONAL EXTENSION PERIOD (IF APPLICABLE) AND REPORTED TO THE UNDERWRITERS IN ACCORDANCE WITH THE TERMS OF THIS POLICY. AMOUNTS INCURRED AS CLAIMS EXPENSES UNDER THIS POLICY WILL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO RETENTIONS.

Please refer to the Declarations, which show the insuring agreements that the **Named Insured** purchased. If an insuring agreement has not been purchased, coverage under that insuring agreement of this Policy will not apply.

The Underwriters agree with the **Named Insured**, in consideration of the payment of the premium and reliance upon the statements contained in the information and materials provided to the Underwriters in connection with the underwriting and issuance of this Insurance Policy (hereinafter referred to as the "Policy") and subject to all the provisions, terms and conditions of this Policy:

INSURING AGREEMENTS

Breach Response

To provide **Breach Response Services** to the **Insured Organization** because of an actual or reasonably suspected **Data Breach** or **Security Breach** that the **Insured** first discovers during the **Policy Period**.

First Party Loss

To indemnify the **Insured Organization** for:

Business Interruption Loss

Business Interruption Loss that the **Insured Organization** sustains as a result of a **Security Breach** or **System Failure** that the **Insured** first discovers during the **Policy Period**.

Dependent Business Interruption Loss

Dependent Business Loss that the **Insured Organization** sustains as a result of a **Dependent Security Breach** or a **Dependent System Failure** that the **Insured** first discovers during the **Policy Period**.

Cyber Extortion Loss

Cyber Extortion Loss that the **Insured Organization** incurs as a result of an **Extortion Threat** first made against the **Insured Organization** during the **Policy Period**.

Data Recovery Costs

Data Recovery Costs that the **Insured Organization** incurs as a direct result of a **Security Breach** that the **Insured** first discovers during the **Policy Period**.

Liability

Data & Network Liability

To pay **Damages** and **Claims Expenses**, which the **Insured** is legally obligated to pay because of any **Claim** first made against any **Insured** during the **Policy Period** for:

1. a **Data Breach**;
2. a **Security Breach**;
3. the **Insured Organization's** failure to timely disclose a **Data Breach** or **Security Breach**;
4. failure by the **Insured** to comply with that part of a **Privacy Policy** that specifically:
 - (a) prohibits or restricts the **Insured Organization's** disclosure, sharing or selling of **Personally Identifiable Information**;
 - (b) requires the **Insured Organization** to provide an individual access to **Personally Identifiable Information** or to correct incomplete or inaccurate **Personally Identifiable Information** after a request is made; or
 - (c) mandates procedures and requirements to prevent the loss of **Personally Identifiable Information**;

provided the **Insured Organization** has in force, at the time of such failure, a **Privacy Policy** that addresses those subsections above that are relevant to such **Claim**.

Regulatory Defense & Penalties

To pay **Penalties** and **Claims Expenses**, which the **Insured** is legally obligated to pay because of a **Regulatory Proceeding** first made against any **Insured** during the **Policy Period** for a **Data Breach** or a **Security Breach**.

Payment Card Liabilities & Costs

To indemnify the **Insured Organization** for **PCI Fines, Expenses and Costs** which it is legally obligated to pay because of a **Claim** first made against any **Insured** during the **Policy Period**.

Media Liability

To pay **Damages** and **Claims Expenses**, which the **Insured** is legally obligated to pay because of any **Claim** first made against any **Insured** during the **Policy Period** for **Media Liability**.

eCrime

To indemnify the **Insured Organization** for any direct financial loss sustained resulting from:

1. **Fraudulent Instruction**;

2. **Funds Transfer Fraud**; or
3. **Telephone Fraud**;

that the **Insured** first discovers during the **Policy Period**.

Criminal Reward

To indemnify the **Insured Organization** for **Criminal Reward Funds**.

DEFINITIONS

Additional Insured means any person or entity that the **Insured Organization** has agreed in writing to add as an **Additional Insured** under this Policy prior to the commission of any act for which such person or entity would be provided coverage under this Policy, but only to the extent the **Insured Organization** would have been liable and coverage would have been afforded under the terms and conditions of this Policy had such **Claim** been made against the **Insured Organization**.

Breach Notice Law means any statute or regulation that requires notice to persons whose personal information was accessed or reasonably may have been accessed by an unauthorized person. **Breach Notice Law** also includes any statute or regulation requiring notice of a **Data Breach** to be provided to governmental or regulatory authorities.

Breach Response Services means the following fees and costs in response to an actual or reasonably suspected **Data Breach** or **Security Breach**:

1. for an attorney to provide necessary legal advice to the **Insured Organization** to evaluate its obligations pursuant to **Breach Notice Laws** or a **Merchant Services Agreement** and in connection with providing the **Breach Response Services** described below;
2. for a computer security expert to determine the existence, cause and scope of an actual or reasonably suspected **Data Breach**, and if such **Data Breach** is actively in progress on the **Insured Organization's Computer Systems**, to assist in containing it;
3. for a PCI Forensic Investigator to investigate the existence and extent of an actual or reasonably suspected **Data Breach** involving payment card data and for a Qualified Security Assessor to certify and assist in attesting to the **Insured Organization's** PCI compliance, as required by a **Merchant Services Agreement**;
4. to notify those individuals whose **Personally Identifiable Information** was potentially impacted by a **Data Breach** exceeding the **Notified Individuals Threshold**;
5. to provide a call center to respond to inquiries about a **Data Breach** that exceeds the **Notified Individuals Threshold**;
6. to provide a credit monitoring, identity monitoring or other solution listed in the Information Packet to individuals whose **Personally Identifiable Information** was potentially impacted by a **Data Breach** exceeding the **Notified Individuals Threshold**; and

7. public relations and crisis management costs directly related to mitigating harm to the **Insured Organization** which are approved in advance by the Underwriters in their discretion.

Breach Response Services will be provided by providers listed in the Information Packet, will be subject to the terms and conditions of this Policy and the Information Packet, and will not include any internal salary or overhead expenses of the **Insured Organization**. **Breach Response Services** also includes assistance from the BBR Services Team and access to **Education and Loss Prevention Tools**.

Business Interruption Loss means:

1. **Income Loss**;
2. **Forensic Expenses**; and
3. **Extra Expense**;

actually sustained during the **Period of Restoration** as a result of the actual interruption of the **Insured Organization's** business operations caused by a **Security Breach** or **System Failure**. Coverage for **Business Interruption Loss** will apply only after the **Waiting Period** has elapsed.

Business Interruption Loss will not include (i) loss arising out of any liability to any third party; (ii) legal costs or legal expenses; (iii) loss incurred as a result of unfavorable business conditions; (iv) loss of market or any other consequential loss; (v) **Dependent Business Loss**; or (vi) **Data Recovery Costs**.

Claim means:

1. a written demand received by any **Insured** for money or services;
2. with respect to coverage provided under the Regulatory Defense & Penalties insuring agreement only, institution of a **Regulatory Proceeding** against any **Insured**; and
3. with respect to coverage provided under part 1. of the Data & Network Liability insuring agreement only, a demand received by any **Insured** to fulfill the **Insured Organization's** contractual obligation to provide notice of a **Data Breach** pursuant to a **Breach Notice Law**;

Multiple **Claims** arising from the same or a series of related, repeated or continuing acts, errors, omissions or events will be considered a single **Claim** for the purposes of this Policy. All such **Claims** will be deemed to have been made at the time of the first such **Claim**.

Claims Expenses means:

1. all reasonable and necessary legal costs and expenses resulting from the investigation, defense and appeal of a **Claim**, if incurred by the Underwriters, or by the **Insured** with the prior written consent of the Underwriters; and
2. the premium cost for appeal bonds for covered judgments or bonds to release property used to secure a legal obligation, if required in any **Claim** against an **Insured**; provided the Underwriters will have no obligation to appeal or to obtain bonds.

Claims Expenses will not include any salary, overhead, or other charges by the **Insured** for any time spent in cooperating in the defense and investigation of any **Claim** or circumstance that might lead to a **Claim** notified under this Policy, or costs to comply with any regulatory orders, settlements or judgments.

Computer Systems means computers, any software residing on such computers and any associated devices or equipment:

1. operated by and either owned by or leased to the **Insured Organization**; or
2. with respect to coverage under the Breach Response and Liability insuring agreements, operated by a third party pursuant to written contract with the **Insured Organization** and used for the purpose of providing hosted computer application services to the **Insured Organization** or for processing, maintaining, hosting or storing the **Insured Organization's** electronic data.

Continuity Date means:

1. the Continuity Date listed in the Declarations; and
2. with respect to any **Subsidiaries** acquired after the Continuity Date listed in the Declarations, the date the **Named Insured** acquired such **Subsidiary**.

Control Group means any principal, partner, corporate officer, director, general counsel (or most senior legal counsel) or risk manager of the **Insured Organization** and any individual in a substantially similar position.

Criminal Reward Funds means any amount offered and paid by the **Insured Organization** with the Underwriters' prior written consent for information that leads to the arrest and conviction of any individual(s) committing or trying to commit any illegal act related to any coverage under this Policy; but will not include any amount based upon information provided by the **Insured**, the **Insured's** auditors or any individual hired or retained to investigate the illegal acts. All **Criminal Reward Funds** offered pursuant to this Policy must expire no later than 6 months following the end of the **Policy Period**.

Cyber Extortion Loss means:

1. any **Extortion Payment** that has been made by or on behalf of the **Insured Organization** with the Underwriters' prior written consent to prevent or terminate an **Extortion Threat**; and
2. reasonable and necessary expenses incurred by the **Insured Organization** with the Underwriters' prior written consent to prevent or respond to an **Extortion Threat**.

Damages means a monetary judgment, award or settlement, including any award of prejudgment or post-judgment interest; but **Damages** will not include:

1. future profits, restitution, disgorgement of unjust enrichment or profits by an **Insured**, or the costs of complying with orders granting injunctive or equitable relief;
2. return or offset of fees, charges or commissions charged by or owed to an **Insured** for goods or services already provided or contracted to be provided;
3. taxes or loss of tax benefits;
4. fines, sanctions or penalties;

5. punitive or exemplary damages or any damages which are a multiple of compensatory damages, unless insurable by law in any applicable venue that most favors coverage for such punitive, exemplary or multiple damages;
6. discounts, coupons, prizes, awards or other incentives offered to the **Insured's** customers or clients;
7. liquidated damages, but only to the extent that such damages exceed the amount for which the **Insured** would have been liable in the absence of such liquidated damages agreement;
8. fines, costs or other amounts an **Insured** is responsible to pay under a **Merchant Services Agreement**; or
9. any amounts for which the **Insured** is not liable, or for which there is no legal recourse against the **Insured**.

Data means any software or electronic data that exists in **Computer Systems** and that is subject to regular back-up procedures.

Data Breach means the theft, loss, or **Unauthorized Disclosure** of **Personally Identifiable Information** or **Third Party Information** that is in the care, custody or control of the **Insured Organization** or a third party for whose theft, loss or **Unauthorized Disclosure** of **Personally Identifiable Information** or **Third Party Information** the **Insured Organization** is liable.

Data Recovery Costs means the reasonable and necessary costs incurred by the **Insured Organization** to regain access to, replace, or restore **Data**, or if **Data** cannot reasonably be accessed, replaced, or restored, then the reasonable and necessary costs incurred by the **Insured Organization** to reach this determination.

Data Recovery Costs will not include: (i) the monetary value of profits, royalties, or lost market share related to **Data**, including but not limited to trade secrets or other proprietary information or any other amount pertaining to the value of **Data**; (ii) legal costs or legal expenses; (iii) loss arising out of any liability to any third party; or (iv) **Cyber Extortion Loss**.

Dependent Business means any entity that is not a part of the **Insured Organization** but which provides necessary products or services to the **Insured Organization** pursuant to a written contract.

Dependent Business Loss means:

1. **Income Loss**; and
2. **Extra Expense**;

actually sustained during the **Period of Restoration** as a result of an actual interruption of the **Insured Organization's** business operations caused by a **Dependent Security Breach** or **Dependent System Failure**. Coverage for **Dependent Business Loss** will apply only after the **Waiting Period** has elapsed.

Dependent Business Loss will not include (i) loss arising out of any liability to any third party; (ii) legal costs or legal expenses; (iii) loss incurred as a result of unfavorable business conditions; (iv) loss of market or any other consequential loss; (v) **Business Interruption Loss**; or (vi) **Data Recovery Costs**.

Dependent Security Breach means a failure of computer security to prevent a breach of computer systems operated by a **Dependent Business**.

Dependent System Failure means an unintentional and unplanned interruption of computer systems operated by a **Dependent Business**.

Dependent System Failure will not include any interruption of computer systems resulting from (i) a **Dependent Security Breach**, or (ii) the interruption of computer systems that are not operated by a **Dependent Business**.

Digital Currency means a type of digital currency that:

1. requires cryptographic techniques to regulate the generation of units of currency and verify the transfer thereof;
2. is both stored and transferred electronically; and
3. operates independently of a central bank or other central authority.

Education and Loss Prevention Tools means information and services made available by the Underwriters from time to time and includes access to beazleybreacholutions.com, a dedicated portal through which **Insureds** can access news and information regarding breach response planning, data and network security threats, best practices in protecting data and networks, offers from third party service providers, and related information, tools and services. **Insureds** will also have access to communications addressing timely topics in data security, loss prevention and other areas.

Extortion Payment means **Money**, **Digital Currency**, marketable goods or services demanded to prevent or terminate an **Extortion Threat**.

Extortion Threat means a threat to:

1. alter, destroy, damage, delete or corrupt **Data**;
2. perpetrate the **Unauthorized Access or Use of Computer Systems**;
3. prevent access to **Computer Systems** or **Data**;
4. steal, misuse or publicly disclose **Data**, **Personally Identifiable Information** or **Third Party Information**;
5. introduce malicious code into **Computer Systems** or to third party computer systems from **Computer Systems**; or
6. interrupt or suspend **Computer Systems**;

unless an **Extortion Payment** is received from or on behalf of the **Insured Organization**.

Extra Expense means reasonable and necessary expenses incurred by the **Insured Organization** during the **Period of Restoration** to minimize, reduce or avoid **Income Loss**, over and above those expenses the **Insured Organization** would have incurred had no **Security Breach**, **System Failure**, **Dependent Security Breach** or **Dependent System Failure** occurred.

Financial Institution means a bank, credit union, saving and loan association, trust company or other licensed financial service, securities broker-dealer, mutual fund, or liquid assets fund or similar investment company where the **Insured Organization** maintains a bank account.

Forensic Expenses means reasonable and necessary expenses incurred by the **Insured Organization** to investigate the source or cause of a **Business Interruption Loss**.

Fraudulent Instruction means the transfer, payment or delivery of **Money** or **Securities** by an **Insured** as a result of fraudulent written, electronic, telegraphic, cable, teletype or telephone instructions provided by a third party, that is intended to mislead an **Insured** through the misrepresentation of a material fact which is relied upon in good faith by such **Insured**.

Fraudulent Instruction will not include loss arising out of:

1. fraudulent instructions received by the **Insured** which are not first authenticated via a method other than the original means of request to verify the authenticity or validity of the request;
2. any actual or alleged use of credit, debit, charge, access, convenience, customer identification or other cards;
3. any transfer involving a third party who is not a natural person **Insured**, but had authorized access to the **Insured's** authentication mechanism;
4. the processing of, or the failure to process, credit, check, debit, personal identification number debit, electronic benefit transfers or mobile payments for merchant accounts;
5. accounting or arithmetical errors or omissions, or the failure, malfunction, inadequacy or illegitimacy of any product or service;
6. any liability to any third party, or any indirect or consequential loss of any kind;
7. any legal costs or legal expenses; or
8. proving or establishing the existence of **Fraudulent Instruction**.

Funds Transfer Fraud means the loss of **Money** or **Securities** contained in a **Transfer Account** at a **Financial Institution** resulting from fraudulent written, electronic, telegraphic, cable, teletype or telephone instructions by a third party issued to a **Financial Institution** directing such institution to transfer, pay or deliver **Money** or **Securities** from any account maintained by the **Insured Organization** at such institution, without the **Insured Organization's** knowledge or consent.

Funds Transfer Fraud will not include any loss arising out of:

1. the type or kind covered by the **Insured Organization's** financial institution bond or commercial crime policy;
2. any actual or alleged fraudulent, dishonest or criminal act or omission by, or involving, any natural person **Insured**;
3. any indirect or consequential loss of any kind;
4. punitive, exemplary or multiplied damages of any kind or any fines, penalties or loss of any tax benefit;
5. any liability to any third party, except for direct compensatory damages arising directly from **Funds Transfer Fraud**;

6. any legal costs or legal expenses; or proving or establishing the existence of **Funds Transfer Fraud**;
7. the theft, disappearance, destruction of, unauthorized access to, or unauthorized use of confidential information, including a PIN or security code;
8. any forged, altered or fraudulent negotiable instruments, securities, documents or instructions; or
9. any actual or alleged use of credit, debit, charge, access, convenience or other cards or the information contained on such cards.

Income Loss means an amount equal to:

1. net profit or loss before interest and tax that the **Insured Organization** would have earned or incurred; and
2. continuing normal operating expenses incurred by the **Insured Organization** (including payroll), but only to the extent that such operating expenses must necessarily continue during the **Period of Restoration**.

Individual Contractor means any natural person who performs labor or service for the **Insured Organization** pursuant to a written contract or agreement with the **Insured Organization**. The status of an individual as an **Individual Contractor** will be determined as of the date of an alleged act, error or omission by any such **Individual Contractor**.

Insured means:

1. the **Insured Organization**;
2. any director or officer of the **Insured Organization**, but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
3. an employee (including a part time, temporary, leased or seasonal employee or volunteer) or **Individual Contractor** of the **Insured Organization**, but only for work done while acting within the scope of his or her employment and related to the conduct of the **Insured Organization's** business;
4. a principal if the **Named Insured** is a sole proprietorship, or a partner if the **Named Insured** is a partnership, but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
5. any person who previously qualified as an **Insured** under parts 2. - 4., but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
6. an **Additional Insured**, but only as respects **Claims** against such person or entity for acts, errors or omissions of the **Insured Organization**;
7. the estate, heirs, executors, administrators, assigns and legal representatives of any **Insured** in the event of such **Insured's** death, incapacity, insolvency or bankruptcy, but only to the extent that such **Insured** would otherwise be provided coverage under this Policy; and

8. the lawful spouse, including any natural person qualifying as a domestic partner of any **Insured**, but solely by reason of any act, error or omission of an **Insured** other than such spouse or domestic partner.

Insured Organization means the **Named Insured** and any **Subsidiaries**.

Loss means **Breach Response Services, Business Interruption Loss, Claims Expenses, Criminal Reward Funds, Cyber Extortion Loss, Damages, Data Recovery Costs, Dependent Business Loss, PCI Fines, Expenses and Costs, Penalties**, loss covered under the eCrime insuring agreement and any other amounts covered under this Policy.

Multiple **Losses** arising from the same or a series of related, repeated or continuing acts, errors, omissions or events will be considered a single **Loss** for the purposes of this Policy.

With respect to the Breach Response and First Party Loss insuring agreements, all acts, errors, omissions or events (or series of related, repeated or continuing acts, errors, omissions or events) giving rise to a **Loss** or multiple **Losses** in connection with such insuring agreements will be deemed to have been discovered at the time the first such act, error, omission or event is discovered.

Media Liability means one or more of the following acts committed by, or on behalf of, the **Insured Organization** in the course of creating, displaying, broadcasting, disseminating or releasing **Media Material** to the public:

1. defamation, libel, slander, product disparagement, trade libel, infliction of emotional distress, outrage, outrageous conduct, or other tort related to disparagement or harm to the reputation or character of any person or organization;
2. a violation of the rights of privacy of an individual, including false light, intrusion upon seclusion and public disclosure of private facts;
3. invasion or interference with an individual's right of publicity, including commercial appropriation of name, persona, voice or likeness;
4. plagiarism, piracy, or misappropriation of ideas under implied contract;
5. infringement of copyright;
6. infringement of domain name, trademark, trade name, trade dress, logo, title, metatag, or slogan, service mark or service name;
7. improper deep-linking or framing;
8. false arrest, detention or imprisonment;
9. invasion of or interference with any right to private occupancy, including trespass, wrongful entry or eviction; or
10. unfair competition, if alleged in conjunction with any of the acts listed in parts 5. or 6. above.

Media Material means any information, including words, sounds, numbers, images or graphics, but will not include computer software or the actual goods, products or services described, illustrated or displayed in such **Media Material**.

Merchant Services Agreement means any agreement between an **Insured** and a financial institution, credit/debit card company, credit/debit card processor or independent service operator enabling an **Insured** to accept credit card, debit card, prepaid card or other payment cards for payments or donations.

Money means a medium of exchange in current use authorized or adopted by a domestic or foreign government as a part of its currency.

Named Insured means the Named Insured listed in the Declarations.

Notified Individuals Threshold means the number of individual persons listed in the Declarations.

PCI Fines, Expenses and Costs means the monetary amount owed by the **Insured Organization** under the terms of a **Merchant Services Agreement** as a direct result of a suspected **Data Breach**. With the prior consent of the Underwriters, **PCI Fines, Expenses and Costs** includes reasonable and necessary legal costs and expenses incurred by the **Insured Organization** to appeal or negotiate an assessment of such monetary amount. **PCI Fines, Expenses and Costs** will not include any charge backs, interchange fees, discount fees or other fees unrelated to a **Data Breach**.

Penalties means:

1. any monetary civil fine or penalty payable to a governmental entity that was imposed in a **Regulatory Proceeding**; and
2. amounts which the **Insured** is legally obligated to deposit in a fund as equitable relief for the payment of consumer claims due to an adverse judgment or settlement of a **Regulatory Proceeding** (including such amounts required to be paid into a "Consumer Redress Fund");

but will not include: (a) costs to remediate or improve **Computer Systems**; (b) costs to establish, implement, maintain, improve or remediate security or privacy practices, procedures, programs or policies; (c) audit, assessment, compliance or reporting costs; or (d) costs to protect the confidentiality, integrity and/or security of **Personally Identifiable Information** or other information.

The insurability of **Penalties** will be in accordance with the law in the applicable venue that most favors coverage for such **Penalties**.

Period of Restoration means the 180-day period of time that begins upon the actual and necessary interruption of the **Insured Organization's** business operations.

Personally Identifiable Information means:

1. any information concerning an individual that is defined as personal information under any **Breach Notice Law**; and
2. an individual's drivers license or state identification number, social security number, unpublished telephone number, and credit, debit or other financial account numbers in combination with associated security codes, access codes, passwords or PINs; if such information allows an individual to be uniquely and reliably identified or contacted or allows access to the individual's financial account or medical record information.

but will not include information that is lawfully made available to the general public.

Policy Period means the period of time between the inception date listed in the Declarations and the effective date of termination, expiration or cancellation of this Policy and specifically excludes any Optional Extension Period or any prior policy period or renewal period.

Privacy Policy means the **Insured Organization's** public declaration of its policy for collection, use, disclosure, sharing, dissemination and correction or supplementation of, and access to **Personally Identifiable Information**.

Regulatory Proceeding means a request for information, civil investigative demand, or civil proceeding brought by or on behalf of any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity.

Securities means negotiable and non-negotiable instruments or contracts representing either **Money** or tangible property that has intrinsic value.

Security Breach means a failure of computer security to prevent:

1. **Unauthorized Access or Use of Computer Systems**, including **Unauthorized Access or Use** resulting from the theft of a password from a **Computer System** or from any **Insured**;
2. a denial of service attack affecting **Computer Systems**;
3. with respect to coverage under the Liability insuring agreements, a denial of service attack affecting computer systems that are not owned, operated or controlled by an **Insured**; or
4. infection of **Computer Systems** by malicious code or transmission of malicious code from **Computer Systems**.

Subsidiary means any entity:

1. which, on or prior to the inception date of this Policy, the **Named Insured** owns, directly or indirectly, more than 50% of the outstanding voting securities ("Management Control"); and
2. which the **Named Insured** acquires Management Control after the inception date of this Policy; provided that:
 - (i) the revenues of such entity do not exceed 15% of the **Named Insured's** annual revenues; or
 - (ii) if the revenues of such entity exceed 15% of the **Named Insured's** annual revenues, then coverage under this Policy will be afforded for a period of 60 days, but only for any **Claim** that arises out of any act, error, omission, incident or event first occurring after the entity becomes so owned. Coverage beyond such 60 day period will only be available if the **Named Insured** gives the Underwriters written notice of the acquisition, obtains the written consent of Underwriters to extend coverage to the entity beyond such 60 day period and agrees to pay any additional premium required by Underwriters.

This Policy provides coverage only for acts, errors, omissions, incidents or events that occur while the **Named Insured** has Management Control over an entity.

System Failure means an unintentional and unplanned interruption of **Computer Systems**.

System Failure will not include any interruption of computer systems resulting from (i) a **Security Breach**, or (ii) the interruption of any third party computer system.

Telephone Fraud means the act of a third party gaining access to and using the **Insured Organization's** telephone system in an unauthorized manner.

Third Party Information means any trade secret, data, design, interpretation, forecast, formula, method, practice, credit or debit card magnetic strip information, process, record, report or other item of information of a third party not insured under this Policy which is not available to the general public.

Transfer Account means an account maintained by the **Insured Organization** at a **Financial Institution** from which the **Insured Organization** can initiate the transfer, payment or delivery of **Money** or **Securities**.

Unauthorized Access or Use means the gaining of access to or use of **Computer Systems** by an unauthorized person(s) or the use of **Computer Systems** in an unauthorized manner.

Unauthorized Disclosure means the disclosure of (including disclosure resulting from phishing) or access to information in a manner that is not authorized by the **Insured Organization** and is without knowledge of, consent or acquiescence of any member of the **Control Group**.

Waiting Period means the period of time that begins upon the actual interruption of the **Insured Organization's** business operations caused by a **Security Breach**, **System Failure**, **Dependent Security Breach** or **Dependent System Failure**, and ends after the elapse of the number of hours listed as the **Waiting Period** in the Declarations.

EXCLUSIONS

The coverage under this Policy will not apply to any **Loss** arising out of:

Bodily Injury or Property Damage

1. physical injury, sickness, disease or death of any person, including any mental anguish or emotional distress resulting from such physical injury, sickness, disease or death; or
2. physical injury to or destruction of any tangible property, including the loss of use thereof; but electronic data will not be considered tangible property;

Trade Practices and Antitrust

any actual or alleged false, deceptive or unfair trade practices, antitrust violation, restraint of trade, unfair competition (except as provided in the Media Liability insuring agreement), or false or deceptive or misleading advertising or violation of the Sherman Antitrust Act, the Clayton Act, or the Robinson-Patman Act; but this exclusion will not apply to:

1. the Breach Response insuring agreement; or
2. coverage for a **Data Breach** or **Security Breach**, provided no member of the **Control Group** participated or colluded in such **Data Breach** or **Security Breach**;

Gathering or Distribution of Information

1. the unlawful collection or retention of **Personally Identifiable Information** or other personal information by or on behalf of the **Insured Organization**; but this exclusion will

not apply to **Claims Expenses** incurred in defending the **Insured** against allegations of unlawful collection of **Personally Identifiable Information**; or

2. the distribution of unsolicited email, text messages, direct mail, facsimiles or other communications, wire tapping, audio or video recording, or telemarketing, if such distribution, wire tapping, recording or telemarketing is done by or on behalf of the **Insured Organization**; but this exclusion will not apply to **Claims Expenses** incurred in defending the **Insured** against allegations of unlawful audio or video recording;

Prior Known Acts & Prior Noticed Claims

1. any act, error, omission, incident or event committed or occurring prior to the inception date of this Policy if any member of the **Control Group** on or before the **Continuity Date** knew or could have reasonably foreseen that such act, error or omission, incident or event might be expected to be the basis of a **Claim** or **Loss**;
2. any **Claim, Loss**, incident or circumstance for which notice has been provided under any prior policy of which this Policy is a renewal or replacement;

Racketeering, Benefit Plans, Employment Liability & Discrimination

1. any actual or alleged violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act or RICO), as amended;
2. any actual or alleged acts, errors or omissions related to any of the **Insured Organization's** pension, healthcare, welfare, profit sharing, mutual or investment plans, funds or trusts;
3. any employer-employee relations, policies, practices, acts or omissions, or any actual or alleged refusal to employ any person, or misconduct with respect to employees; or
4. any actual or alleged discrimination;

but this exclusion will not apply to coverage under the Breach Response insuring agreement or parts 1., 2. or 3. of the Data & Network Liability insuring agreement that results from a **Data Breach**; provided no member of the **Control Group** participated or colluded in such **Data Breach**;

Sale or Ownership of Securities & Violation of Securities Laws

1. the ownership, sale or purchase of, or the offer to sell or purchase stock or other securities; or
2. an actual or alleged violation of a securities law or regulation;

Criminal, Intentional or Fraudulent Acts

any criminal, dishonest, fraudulent, or malicious act or omission, or intentional or knowing violation of the law, if committed by an **Insured**, or by others if the **Insured** colluded or participated in any such conduct or activity; but this exclusion will not apply to:

1. **Claims Expenses** incurred in defending any **Claim** alleging the foregoing until there is a final non-appealable adjudication establishing such conduct; or

- with respect to a natural person **Insured**, if such **Insured** did not personally commit, participate in or know about any act, error, omission, incident or event giving rise to such **Claim** or **Loss**.

For purposes of this exclusion, only acts, errors, omissions or knowledge of a member of the **Control Group** will be imputed to the **Insured Organization**;

Patent, Software Copyright, Misappropriation of Information

- infringement, misuse or abuse of patent or patent rights;
- infringement of copyright arising from or related to software code or software products other than infringement resulting from a theft or **Unauthorized Access or Use** of software code by a person who is not a past, present or future employee, director, officer, partner or independent contractor of the **Insured Organization**; or
- use or misappropriation of any ideas, trade secrets or **Third Party Information** (i) by, or on behalf of, the **Insured Organization**, or (ii) by any other person or entity if such use or misappropriation is done with the knowledge, consent or acquiescence of a member of the **Control Group**;

Governmental Actions

a **Claim** brought by or on behalf of any state, federal, local or foreign governmental entity, in such entity's regulatory or official capacity; but this exclusion will not apply to the Regulatory Defense & Penalties insuring agreement;

Other Insureds & Related Enterprises

a **Claim** made by or on behalf of:

- any **Insured**; but this exclusion will not apply to a **Claim** made by an individual that is not a member of the **Control Group** under the Data & Network Liability insuring agreement, or a **Claim** made by an **Additional Insured**; or
- any business enterprise in which any **Insured** has greater than 15% ownership interest or made by any parent company or other entity which owns more than 15% of the **Named Insured**;

Trading Losses, Loss of Money & Discounts

- any trading losses, trading liabilities or change in value of accounts;
- any loss, transfer or theft of monies, securities or tangible property of the **Insured** or others in the care, custody or control of the **Insured Organization**;
- the monetary value of any transactions or electronic fund transfers by or on behalf of the **Insured** which is lost, diminished, or damaged during transfer from, into or between accounts; or
- the value of coupons, price discounts, prizes, awards, or any other valuable consideration given in excess of the total contracted or expected amount;

but this exclusion will not apply to coverage under the eCrime insuring agreement;

Media-Related Exposures

with respect to the Media Liability insuring agreement:

1. any contractual liability or obligation; but this exclusion will not apply to a **Claim** for misappropriation of ideas under implied contract;
2. the actual or alleged obligation to make licensing fee or royalty payments;
3. any costs or expenses incurred or to be incurred by the **Insured** or others for the reprinting, reposting, recall, removal or disposal of any **Media Material** or any other information, content or media, including any media or products containing such **Media Material**, information, content or media;
4. any **Claim** brought by or on behalf of any intellectual property licensing bodies or organizations;
5. the actual or alleged inaccurate, inadequate or incomplete description of the price of goods, products or services, cost guarantees, cost representations, contract price estimates, or the failure of any goods or services to conform with any represented quality or performance;
6. any actual or alleged gambling, contest, lottery, promotional game or other game of chance; or
7. any **Claim** made by or on behalf of any independent contractor, joint venturer or venture partner arising out of or resulting from disputes over ownership of rights in **Media Material** or services provided by such independent contractor, joint venturer or venture partner;

First Party Loss

with respect to the First Party Loss insuring agreements:

1. seizure, nationalization, confiscation, or destruction of property or data by order of any governmental or public authority;
2. costs or expenses incurred by the **Insured** to identify or remediate software program errors or vulnerabilities or update, replace, restore, assemble, reproduce, recollect or enhance data or **Computer Systems** to a level beyond that which existed prior to a **Security Breach, System Failure, Dependent Security Breach, Dependent System Failure or Extortion Threat**;
3. failure or malfunction of satellites or of power, utility, mechanical or telecommunications (including internet) infrastructure or services that are not under the **Insured Organization's** direct operational control; or
4. fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event.

Limits of Liability

The Policy Aggregate Limit of Liability listed in the Declarations (the “**Policy Aggregate Limit of Liability**”) is the Underwriters’ combined total limit of liability for all **Loss**, other than **Breach Response Services**, payable under this Policy.

The limit of liability payable under each insuring agreement will be an amount equal to the **Policy Aggregate Limit of Liability** unless another amount is listed in the Declarations. Such amount is the aggregate amount payable under this Policy pursuant to such insuring agreement and is part of, and not in addition to, the **Policy Aggregate Limit of Liability**.

All **Dependent Business Loss** payable under this Policy is part of and not in addition to the **Business Interruption Loss** limit listed in the Declarations.

The Underwriters will not be obligated to pay any **Damages, Penalties, PCI Fines, Expenses and Costs** or **Claims Expenses**, or to defend any **Claim**, after the **Policy Aggregate Limit of Liability** has been exhausted, or after deposit of the **Policy Aggregate Limit of Liability** in a court of competent jurisdiction.

Breach Response Limits

Coverage for **Breach Response Services** under this Policy is in addition to the **Policy Aggregate Limit of Liability**.

The Notified Individuals limit listed in the Declarations is the maximum total number of individuals to whom notification, call center and credit or identity monitoring services will be provided (or attempted) for all incidents or series of related incidents giving rise to an obligation to provide **Breach Response Services**.

The Legal, Forensic & Public Relations/Crisis Management limit listed in the Declarations is the aggregate limit of coverage for all services and costs covered under parts 1., 2., 3. and 7. of the definition of **Breach Response Services**.

Except as provided in the Additional Breach Response Limits clause below, the Underwriters will not be obligated to provide any **Breach Response Services** after the number of individuals to whom services are provided under part 4. of the definition of **Breach Response Services** reaches the Notified Individuals limit listed in the Declarations. If the total number of individuals to be notified under the Policy exceeds the Notified Individuals limit listed in the Declarations, the **Insured** will be responsible for notifying and providing call center services and credit or identity monitoring services to such additional individuals in accordance with the processes described in the Information Packet.

Additional Breach Response Limits

Notwithstanding the foregoing, if:

1. the total number of individuals to whom services described in parts 4., 5. and 6. of the definition of **Breach Response Services** are provided exceeds the amount listed in Notified Individuals limit listed in the Declarations; or
2. the dollar amount of the services described in parts 1., 2., 3. and 7. of the definition of **Breach Response Services** provided to the **Insured Organization** exceeds the Legal, Forensic & Public Relations/Crisis Management limit listed in the Declarations;

this Policy will cover the costs, fees and expenses incurred to provide such **Breach Response Services** up to an amount equal to the **Policy Aggregate Limit of Liability** (the “**Additional Breach Response Limit**”).

The **Additional Breach Response Limit** is part of, and not in addition to, the **Policy Aggregate Limit of Liability** and will be reduced and may be exhausted by payments under either limit. Upon exhaustion of the **Additional Breach Response Limit**, there will be no further coverage under this Policy for any costs, fees or expenses covered thereunder.

RETENTIONS

The Retention listed in the Declarations applies separately to each incident, event or related incidents or events giving rise to a **Claim** or **Loss**. The Retention will be satisfied by monetary payments by the **Named Insured** of covered **Loss** under each insuring agreement. If any **Loss** arising out of an incident or **Claim** is subject to more than one Retention, the Retention for each applicable insuring agreement will apply to such **Loss**, provided that the sum of such Retention amounts will not exceed the largest applicable Retention amount.

The Retention for **Breach Response Services** listed in the Declarations applies separately to each incident, event or related incidents or events, giving rise to legal, forensic and public relations/crisis management services and costs covered under parts 1., 2., 3. and 7. of the definition of **Breach Response Services**. The Retention will be satisfied by monetary payments by the **Named Insured** for such services and costs.

Coverage for **Business Interruption Loss** and **Dependent Business Loss** will apply after the **Waiting Period** has elapsed and the Underwriters will then indemnify the **Named Insured** for all **Business Interruption Loss** and **Dependent Business Loss** sustained during the **Period of Restoration** in excess of the Retention.

Satisfaction of the applicable Retention is a condition precedent to the payment of any **Loss** under this Policy, and the Underwriters will be liable only for the amounts in excess of such Retention.

OPTIONAL EXTENSION PERIOD

Upon non-renewal or cancellation of this Policy for any reason except the non-payment of premium, the **Named Insured** will have the right to purchase, for additional premium in the amount of the Optional Extension Premium percentage listed in the Declarations of the full Policy Premium listed in the Declarations, an Optional Extension Period for the period of time listed in the Declarations. Coverage provided by such Optional Extension Period will only apply to **Claims** first made against any **Insured** during the Optional Extension Period and reported to the Underwriters during the Optional Extension Period, and arising out of any act, error or omission committed before the end of the **Policy Period**. In order for the **Named Insured** to invoke the Optional Extension Period option, the payment of the additional premium for the Optional Extension Period must be paid to the Underwriters within 60 days of the termination of this Policy.

The purchase of the Optional Extension Period will in no way increase the **Policy Aggregate Limit of Liability** or any sublimit of liability. At the commencement of the Optional Extension Period the entire premium will be deemed earned, and in the event the **Named Insured** terminates the Optional Extension Period for any reason prior to its natural expiration, the Underwriters will not be liable to return any premium paid for the Optional Extension Period.

All notices and premium payments with respect to the Optional Extension Period option will be directed to the Underwriters through entity listed for Administrative Notice in the Declarations.

GENERAL CONDITIONS

Notice of Claim or Loss

The **Insured** must notify the Underwriters of any **Claim** as soon as practicable, but in no event later than: (i) 60 days after the end of the **Policy Period**; or (ii) the end of the Optional Extension Period (if applicable). Notice must be provided through the contacts listed for Notice of Claim, Loss or Circumstance in the Declarations.

With respect to **Breach Response Services**, the **Insured** must notify the Underwriters of any actual or reasonably suspected **Data Breach** or **Security Breach** as soon as practicable after discovery by the **Insured**, but in no event later than 60 days after the end of the **Policy Period**. Notice must be provided to the **Breach Response Services Team** listed in the Declarations. Notice of an actual or reasonably suspected **Data Breach** or **Security Breach** in conformance with this paragraph will also constitute notice of a circumstance that could reasonably be the basis for a **Claim**.

With respect to **Cyber Extortion Loss**, the **Named Insured** must notify the Underwriters via the email address listed in the Notice of Claim, Loss or Circumstance in the Declarations as soon as practicable after discovery of an **Extortion Threat** but no later than 60 days after the end of the **Policy Period**. The **Named Insured** must obtain the Underwriters' consent prior to incurring **Cyber Extortion Loss**.

With respect to **Data Recovery Costs**, **Business Interruption Loss** and **Dependent Business Loss** the **Named Insured** must notify the Underwriters through the contacts for Notice of Claim, Loss or Circumstance in the Declarations as soon as practicable after discovery of the circumstance, incident or event giving rise to such loss. The **Named Insured** will provide the Underwriters a proof of **Data Recovery Costs**, **Business Interruption Loss** and **Dependent Business Loss**, and this Policy will cover the reasonable and necessary costs, not to exceed USD 50,000, that the **Named Insured** incurs to contract with a third party to prepare such proof. All loss described in this paragraph must be reported, and all proofs of loss must be provided, to the Underwriters no later than 6 months after the end of the **Policy Period**.

The **Named Insured** must notify the Underwriters of any loss covered under the eCrime insuring agreement as soon as practicable, but in no event later than 60 days after the end of the **Policy Period**. Notice must be provided through the contacts listed for **Notice of Claim, Loss or Circumstance** in the Declarations.

Any **Claim** arising out of a **Loss** that is covered under the Breach Response, First Party Loss or eCrime insuring agreements and that is reported to the Underwriters in conformance with the foregoing will be considered to have been made during the **Policy Period**.

Notice of Circumstance

With respect to any circumstance that could reasonably be the basis for a **Claim** (other than a **Data Breach** or **Security Breach** noticed under the Breach Response insuring agreement) the **Insured** may give written notice of such circumstance to the Underwriters through the contacts listed for Notice of Claim, Loss or Circumstance in the Declarations as soon as practicable during the **Policy Period**. Such notice must include:

1. the specific details of the act, error, omission or event that could reasonably be the basis for a **Claim**;
2. the injury or damage which may result or has resulted from the circumstance; and
3. the facts by which the **Insured** first became aware of the act, error, omission or event.

Any subsequent **Claim** made against the **Insured** arising out of any circumstance reported to Underwriters in conformance with the foregoing will be considered to have been made at the time written notice complying with the above requirements was first given to the Underwriters during the **Policy Period**.

Defense of Claims

Except with respect to coverage under the Payment Card Liabilities & Costs insuring agreement, the Underwriters have the right and duty to defend any covered **Claim** or **Regulatory Proceeding**. Defense counsel will be mutually agreed by the **Named Insured** and the Underwriters but, in the absence of such agreement, the Underwriters' decision will be final.

With respect to the Payment Card Liabilities & Costs insuring agreement, coverage will be provided on an indemnity basis and legal counsel will be mutually agreed by the **Named Insured** and the Underwriters and will be selected from one of the firms listed in the Information Packet.

The Underwriters will pay actual loss of salary and reasonable expenses resulting from the attendance by a corporate officer of the **Insured Organization** at any mediation meetings, arbitration proceedings, hearings, depositions, or trials relating to the defense of any **Claim**, subject to a maximum of \$2,000 per day and \$100,000 in the aggregate, which amounts will be part of and not in addition to the **Policy Aggregate Limit of Liability**.

Settlement of Claims

If the **Insured** refuses to consent to any settlement recommended by the Underwriters and acceptable to the claimant, the Underwriters' liability for such **Claim** will not exceed:

1. the amount for which the **Claim** could have been settled, less the remaining Retention, plus the **Claims Expenses** incurred up to the time of such refusal; plus
2. sixty percent (60%) of any **Claims Expenses** incurred after the date such settlement or compromise was recommended to the **Insured** plus sixty percent (60%) of any **Damages, Penalties and PCI Fines, Expenses and Costs** above the amount for which the **Claim** could have been settled;

and the Underwriters will have the right to withdraw from the further defense of such **Claim**.

The **Insured** may settle any **Claim** where the **Damages, Penalties, PCI Fines, Expenses and Costs** and **Claims Expenses** do not exceed the Retention, provided that the entire **Claim** is resolved and the **Insured** obtains a full release on behalf of all **Insureds** from all claimants.

Assistance and Cooperation

The Underwriters will have the right to make any investigation they deem necessary, and the **Insured** will cooperate with the Underwriters in all investigations, including investigations regarding coverage under this Policy and the information and materials provided to the underwriters in connection with the underwriting and issuance of this Policy. The **Insured** will

execute or cause to be executed all papers and render all assistance as is requested by the Underwriters. The **Insured** agrees not to take any action which in any way increases the Underwriters' exposure under this Policy. Expenses incurred by the **Insured** in assisting and cooperating with the Underwriters do not constitute **Claims Expenses** under the Policy.

The **Insured** will not admit liability, make any payment, assume any obligations, incur any expense, enter into any settlement, stipulate to any judgment or award or dispose of any **Claim** without the written consent of the Underwriters, except as specifically provided in the Settlement of Claims clause above. Compliance with a **Breach Notice Law** will not be considered an admission of liability.

Subrogation

If any payment is made under this Policy and there is available to the Underwriters any of the **Insured's** rights of recovery against any other party, then the Underwriters will maintain all such rights of recovery. The **Insured** will do whatever is reasonably necessary to secure such rights and will not do anything after an incident or event giving rise to a **Claim** or **Loss** to prejudice such rights. If the **Insured** has waived its right to subrogate against a third party through written agreement made before an incident or event giving rise to a **Claim** or **Loss** has occurred, then the Underwriters waive their rights to subrogation against such third party. Any recoveries will be applied first to subrogation expenses, second to **Loss** paid by the Underwriters, and lastly to the Retention. Any additional amounts recovered will be paid to the **Named Insured**.

Other Insurance

The insurance under this Policy will apply in excess of any other valid and collectible insurance available to any **Insured** unless such other insurance is written only as specific excess insurance over this Policy.

Action Against the Underwriters

No action will lie against the Underwriters or the Underwriters' representatives unless and until, as a condition precedent thereto, the **Insured** has fully complied with all provisions, terms and conditions of this Policy and the amount of the **Insured's** obligation to pay has been finally determined either by judgment or award against the **Insured** after trial, regulatory proceeding, arbitration or by written agreement of the **Insured**, the claimant, and the Underwriters.

No person or organization will have the right under this Policy to join the Underwriters as a party to an action or other proceeding against the **Insured** to determine the **Insured's** liability, nor will the Underwriters be impleaded by the **Insured** or the **Insured's** legal representative.

The **Insured's** bankruptcy or insolvency of the **Insured's** estate will not relieve the Underwriters of their obligations hereunder.

Change of Law, Unavailability of Breach Response Services

If there is a change of law, regulation or enforcement that prevents the Underwriters or its providers from providing all or part of the **Breach Response Services**, or if a provider is unable to or does not provide **Breach Response Services**, the Underwriters will make reasonable efforts to procure similar services from other sources. In such event, the maximum the Underwriters will pay for the costs of procuring and providing all **Breach Response Services**, including substitute products and services, will be no more than USD 10,000,000 in the aggregate for the **Policy Period**, which amount will be in addition to the **Policy Aggregate Limit of Liability**. If it is not reasonably possible for the Underwriters to procure substitute products or services, the Underwriters will not be obligated to provide such services.

Entire Agreement

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

Mergers or Consolidations

If during the **Policy Period** the **Named Insured** consolidates or merges with or is acquired by another entity, or sells more than 50% of its assets to another entity, then this Policy will continue to remain in effect through the end of the **Policy Period**, but only with respect to events, acts or incidents that occur prior to such consolidation, merger or acquisition. There will be no coverage provided by this Policy for any other **Claim** or **Loss** unless the **Named Insured** provides written notice to the Underwriters prior to such consolidation, merger or acquisition, the **Named Insured** has agreed to any additional premium and terms of coverage required by the Underwriters and the Underwriters have issued an endorsement extending coverage under this Policy.

Assignment

The interest hereunder of any **Insured** is not assignable. If the **Insured** dies or is adjudged incompetent, such insurance will cover the **Insured's** legal representative as if such representative were the **Insured**, in accordance with the terms and conditions of this Policy.

Cancellation

This Policy may be canceled by the **Named Insured** by giving written notice to the Underwriters through the entity listed for Administrative Notice in the Declarations stating when the cancellation will be effective.

This Policy may be canceled by the Underwriters by mailing to the **Named Insured** at the address listed in the Declarations written notice stating when such cancellation will be effective. Such date of cancellation will not be less than 60 days (or 10 days for cancellation due to non-payment of premium) after the date of notice.

If this Policy is canceled in accordance with the paragraphs above, the earned premium will be computed pro rata; but the premium will be deemed fully earned if any **Claim**, or any circumstance that could reasonably be the basis for a **Claim** or **Loss**, is reported to the Underwriters on or before the date of cancellation. Payment or tender of unearned premium is not a condition of cancellation.

Singular Form of a Word

Whenever the singular form of a word is used herein, the same will include the plural when required by context.

Headings

The titles of paragraphs, clauses, provisions or endorsements of or to this Policy are intended solely for convenience and reference, and are not deemed in any way to limit or expand the provisions to which they relate and are not part of the Policy.

Representation by the Insured

All **Insureds** agree that the statements contained the information and materials provided to the Underwriters in connection with the underwriting and issuance of this Policy are true, accurate and are not misleading, and that the Underwriters issued this Policy, and assume the risks hereunder, in reliance upon the truth thereof.

Named Insured as Agent

The **Named Insured** will be considered the agent of all **Insureds**, and will act on behalf of all **Insureds** with respect to the giving of or receipt of all notices pertaining to this Policy, and the acceptance of any endorsements to this Policy. The **Named Insured** is responsible for the payment of all premiums and Retentions and for receiving any return premiums.

4. Are you engaged in any of the following business activities?

- Adult content, gambling or cannabis (containing THC) as a grower, wholesaler or medical/recreational retailer;
- Cryptocurrency, blockchain technology, payment processing or debt collection;
- Data processing/aggregation, storage or hosting services to third parties as a professional service (e.g., as a managed services provider (MSP) or data aggregator); or
- Managed care or accountable care.

No Yes

Cybersecurity Controls

5. Do you require Multi-Factor Authentication (MFA) for remote access to your network (both cloud-hosted and on-premises, including via Virtual Private Networks (VPNs))?

No Yes Remote access not permitted

6. Do you require MFA for access to web-based email?

No Yes Access not permitted/no web-based email

7. What security controls do you have in place for incoming email? Choose all that apply.

Screening for malicious attachments Screening for malicious links Tagging external emails

8. How often do you conduct interactive social engineering (i.e., phishing) training?

Never/not regularly Annually ≥2x per year

9. Do you protect all company devices with anti-virus, anti-malware, and/or endpoint protection software?

No Yes

10. Do you regularly back up your business critical data?

No At least monthly At least weekly or daily

11. Do you, or an outsourced service provider on your behalf, actively manage and install critical patches across your internet-facing systems?

No Yes

Media Controls

18. a. Do you have a formal review process in place to screen any published or broadcast material (including digital content), for intellectual property and privacy compliance prior to any publication, broadcast, distribution, or use?

No Yes



b. If "Yes" to a., are such reviews conducted by, or under the supervision of, an attorney? No Yes

19. Do you have notice and take-down procedures in place to address potentially libelous, infringing, or illegal content on your website(s) (e.g., DMCA or similar)? No Yes

Money Transfer Controls

20. Are employees who are responsible for disbursing or transmitting funds provided anti-fraud training, including detection of social engineering, phishing, business email compromise and other scams, on at least an annual basis? No Yes

21. When a vendor or supplier requests any change to its account details (including routing numbers and account numbers), do you confirm requested changes via an out-of-band authentication (a method other than the original means of request)? For example, if a request is made by email, a follow-up phone call is placed to confirm that the supplier or vendor made the request. No Yes

Mergers & Acquisitions

22. Have you, within the past 12 months, completed or agreed to a merger, acquisition, or consolidation? No Yes

If "Yes," please provide details:

Prior Claims & Circumstances

23. Do you or any other proposed insured (including any director, officer, or employee) have knowledge of or information regarding any fact, circumstance, situation, event, or transaction that may give rise to a claim, loss, or obligation to provide breach notification under the proposed insurance? No Yes

24. During the past five years, have you:

a. Received any claims or complaints with respect to privacy, breach of information, breach of network security or unauthorized disclosure of information? No Yes

b. Been subject to any government action, investigation or subpoena regarding any alleged violation of a privacy law or regulation? No Yes

c. Notified customers or any other third party of a data breach incident? No Yes

d. Experienced an actual or attempted extortion demand (including ransomware) with respect to your computer systems? No Yes

e. If you answered "Yes" to any of a., b., c., or d., above, have you experienced three or more events described above, and/or did you incur a single event loss or total of all losses of more than \$25,000, and/or is an insurance claim still open in connection with any of the events described above? (If you answered "No" to a., b., c., and d., please leave this question blank.) No Yes



If you answered “Yes” to question 23 or any parts of question 24, please provide details regarding all such facts, circumstances, situations, incidents, or events in the “Additional Disclosures & Clarifications” section, below.

Signature Section

THE UNDERSIGNED IS AUTHORIZED BY THE APPLICANT TO SIGN THIS APPLICATION ON THE APPLICANT’S BEHALF AND DECLARES THAT THE STATEMENTS CONTAINED IN THE INFORMATION AND MATERIALS PROVIDED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION AND THE UNDERWRITING OF THIS INSURANCE ARE TRUE, ACCURATE AND NOT MISLEADING. SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THE STATEMENTS CONTAINED IN THIS APPLICATION AND ANY OTHER INFORMATION AND MATERIALS SUBMITTED TO THE INSURER IN CONNECTION WITH THE UNDERWRITING OF THIS INSURANCE ARE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND HAVE BEEN RELIED UPON BY THE INSURER IN ISSUING ANY POLICY. FOR NORTH CAROLINA APPLICANTS, SUCH APPLICATION MATERIALS ARE PART OF THE POLICY, IF ISSUED, ONLY IF ATTACHED AT ISSUANCE.

THIS APPLICATION AND ALL INFORMATION AND MATERIALS SUBMITTED WITH IT SHALL BE RETAINED ON FILE WITH THE INSURER. THE INSURER IS AUTHORIZED TO MAKE ANY INVESTIGATION AND INQUIRY AS IT DEEMS NECESSARY REGARDING THE INFORMATION AND MATERIALS PROVIDED TO THE INSURER IN CONNECTION WITH THE UNDERWRITING AND ISSUANCE OF THE POLICY.

THE APPLICANT AGREES THAT IF THE INFORMATION PROVIDED IN THIS APPLICATION OR IN CONNECTION WITH THE UNDERWRITING OF THE POLICY CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF THE INSURANCE, THE APPLICANT WILL, IN ORDER FOR THE INFORMATION TO BE ACCURATE ON THE EFFECTIVE DATE OF THE INSURANCE, IMMEDIATELY NOTIFY THE INSURER OF SUCH CHANGES, AND THE INSURER MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS OR AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE.

I HAVE READ THE FOREGOING APPLICATION FOR INSURANCE AND REPRESENT THAT THE RESPONSES PROVIDED ON BEHALF OF THE APPLICANT ARE TRUE AND CORRECT.

FRAUD WARNING DISCLOSURE

ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT (S)HE IS FACILITATING A FRAUD AGAINST THE INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT MAY BE GUILTY OF INSURANCE FRAUD.

NOTICE TO ALABAMA, ARKANSAS, LOUISIANA, NEW MEXICO AND RHODE ISLAND APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

NOTICE TO COLORADO APPLICANTS: IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICYHOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICYHOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AGENCIES.



NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT.

NOTICE TO FLORIDA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY IN THE THIRD DEGREE.

NOTICE TO KANSAS APPLICANTS: ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO DEFRAUD, PRESENTS, CAUSES TO BE PRESENTED OR PREPARES WITH KNOWLEDGE OR BELIEF THAT IT WILL BE PRESENTED TO OR BY AN INSURER, PURPORTED INSURER, BROKER OR AGENT THEREOF, ANY WRITTEN STATEMENT AS PART OF, OR IN SUPPORT OF, AN APPLICATION FOR THE ISSUANCE OF, OR THE RATING OF AN INSURANCE POLICY FOR PERSONAL OR COMMERCIAL INSURANCE, OR A CLAIM FOR PAYMENT OR OTHER BENEFIT PURSUANT TO AN INSURANCE POLICY FOR COMMERCIAL OR PERSONAL INSURANCE WHICH SUCH PERSON KNOWS TO CONTAIN MATERIALLY FALSE INFORMATION CONCERNING ANY FACT MATERIAL THERETO; OR CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT.

NOTICE TO MAINE, TENNESSEE, VIRGINIA AND WASHINGTON APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS.

NOTICE TO MARYLAND APPLICANTS: ANY PERSON WHO KNOWINGLY OR WILLFULLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY OR WILLFULLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

NOTICE TO OKLAHOMA APPLICANTS: WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

NOTICE TO KENTUCKY, NEW JERSEY, OHIO AND PENNSYLVANIA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIMS CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO VERMONT APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE STATEMENT IN AN APPLICATION FOR INSURANCE MAY BE GUILTY OF A CRIMINAL OFFENSE AND SUBJECT TO PENALTIES UNDER STATE LAW.

NOTICE TO NEW YORK APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIMS CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY. (IN NEW YORK, THE CIVIL PENALTY IS NOT TO EXCEED FIVE THOUSAND DOLLARS (\$5,000) AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.)

For digital signature, click the red tab to create a digital ID or import an existing digital ID:



Print Name: _____

Job Title: _____

Company: _____

Signed: _____

Date: _____

If this **Application** is completed in Florida, please provide the Insurance Agent’s name and license number. If this **Application** is completed in Iowa please provide the Insurance Agent’s name and signature only.

Agent’s Printed Name: _____

Agent’s Signature: _____

Florida Agent’s License Number: _____

*If you are electronically submitting your Cyber Insurance Application, apply your electronic signature to this form by checking the Electronic Signature and Acceptance box below. By doing so, you agree that your use of a key pad, mouse, or other device to check the Electronic Signature and Acceptance box constitutes your signature, acceptance, and agreement as if actually signed by you in writing and has the same force and effect as a signature affixed by hand.

Electronic Signature and Acceptance – Authorized Representative

Electronic Signature and Acceptance – Producer

CONSENT TO ELECTRONIC SIGNATURES, RECEIPT, DELIVERY AND INSURANCE TRANSACTIONS

You agree to electronically sign and electronically receive and deliver information, documents, records, and materials relating to, governing, your organization’s relationship and transactions conducted with Matthew Wischnowsky via the website located at www.eriecountylandbank.org.

You have the right to withdraw consent to have the application, notices or documents delivered by electronic means, at any time, and any conditions or consequences imposed in the event consent is withdrawn. You consent to electronically receive; the insurance application, policy, and policy services information. You have the right at any time to receive the notices or documents in paper or non-electronic form. To obtain a paper copy of the application, notice or document or to have it delivered by electronic means, you may contact the Broker at matthew.wischnowsky@amwins.com. You may also update your electronic contact information or withdraw your consent to have a notice or a document delivered by electronic means by contacting Broker at matthew.wischnowsky@amwins.com.

You represent to Matthew Wischnowsky that you are an authorized signatory for the organization on whose behalf you provide this Consent, and that you have authority to bind that organization with respect to all interactions performed by you on behalf of that organization via this website.

You and your organization consent to your and your organization’s use and provision, and the efficacy, of electronic signatures and electronic receipt and delivery of information, documents, records and materials from Matthew Wischnowsky in connection with all interactions performed by you on behalf of your organization via this website, including without limitation, insurance applications and related forms, notices and other documents that you receive from Matthew Wischnowsky and those submitted by you for your organization via this website.

The compute hardware and software used to access this website, along with software capable of opening PDF documents, is all you need to access the information, documents, records and materials provided to you in electronic form via this website.

Addressing catastrophic cyber risk

Acting today to deliver clarity for clients
– before a cyber catastrophe hits



A market-wide effort is needed to define the limits of systemic cyber risk, before a cyber catastrophe happens. By acting now, and creating a straightforward solution, we'll ensure clients are protected. And with global demand for cyber insurance set to grow to \$36.85 billion by 2028¹ we'll be creating the conditions for sustainable growth of the cyber insurance market.

Greater visibility of catastrophic cyber risks

Our new terms and conditions define impact thresholds against specific cyber events, distinguishing sustainable systemic risks from unsustainable or catastrophic risks. Systemic risk coverage is integral to cyber insurance, and Beazley's approach continues to contemplate coverage for the systemic risks we've seen in the past. However, the insurance market needs protection against certain unsustainable catastrophic risks, which have not yet happened but are theoretically possible, the losses from which would exceed what the private markets are capable of withstanding.

Our solution uses the term **Catastrophic Cyber Event** to describe two such events: a prolonged outage of a major **Cloud Service Provider** exceeding 72hrs; and contagion malware in a **Computer Operating System**, causing a major detrimental impact on the functioning of a sovereign state due to disruption of any Essential Service in that sovereign state. For covered First-Party Loss arising from Catastrophic Cyber Events, a 50% sub-limit of liability will apply to stand alone cyber insureds with revenues of less than 100M (USD/EUR/GBP). Beazley insureds will maintain access to breach response coverage up to full policy limits and the full range of our risk mitigation tools.

New wordings reflect digital age

We have taken the same customer-centric approach in redefining the existing war and infrastructure failure exclusions in our cyber and professional liability policies. These are designed to reflect the reality of modern times and the challenges and risks that interconnected technologies pose to business.

Our new definition of **Digital and Internet Infrastructure** describes the basic components of internet and telecommunications infrastructure in a transparent and straightforward way. Our new definitions of **War** and **Cyber War** bring greater clarity over how computer systems are used in modern state conflict.

Delivering certainty for clients

More clarity around systemic cyber risks that are not only widespread in nature, but which also create severe economic or social impact, is the key to bringing more stability and predictability to customers. We are focused on offering clear solutions to customers that reflect the evolution of technology and the cyber landscape, by creating policy terms and conditions that will endure in the face of a cyber event that has yet to occur. We believe by helping to consolidate market consensus on this challenging and complex subject, we will also deliver certainty for customers which will bring the stability needed to enable the exciting potential of the cyber insurance market.

¹ <https://www.fortunebusinessinsights.com/cyber-insurance-market-106287>

In Summary

Revised Infrastructure Exclusion	Revised War and Cyber War Exclusion	Catastrophic Cyber Events (50% sub-limit)	
		Prolonged Cloud Outage	Operating System Malware
<p>New Digital and Internet infrastructure definition</p> <p>New Financial Market Infrastructure definition</p>	<p>New definitions of</p> <ol style="list-style-type: none"> 1. War 2. Cyber War <p>New impact threshold: a major detrimental impact on the functioning of a sovereign state due to disruption of any Essential Service in that sovereign state</p>	<p>Applicable to all First Party Loss incurred as a result of a prolonged cloud service provider outage exceeding 72hrs</p>	<p>Applicable to all First Party Loss incurred as a result of a contagion malware event within a Computer Operating System that causes a major detrimental impact on the functioning of a sovereign state due to disruption of any Essential Service in that sovereign state</p>

Acting today, protecting tomorrow

Responsible cyber insurers like Beazley need to be bold in defining the systemic events that fall within the scope of coverage and those catastrophic events that fall outside what the commercial insurance market is capable of sustaining. By doing the right thing now our clients and partner brokers can be certain we will stand by them for the long term.

Contact us

Beazley Group
22 Bishopsgate
London
EC2N 4BQ
United Kingdom

T +44 (0)20 7667 0623

About Beazley

We are a specialist global insurer with over three decades of experience in providing clients with the highest standards of underwriting and claims service.

Beazley is a proud participant in the Lloyd's market, the largest and oldest insurance market in the world. Through the Lloyd's broker network and the market's trading licenses, we are able to access a wide range of insurance and reinsurance businesses from around the world.

Our client base is broadly diversified by type, by size and by geography. Our clients are leaders in many of the markets in which they operate.

Over three decades Beazley has evolved from a specialist Lloyd's syndicate transacting business exclusively from the Beazley "box" at Lloyd's in London to a global insurer with offices in Europe, Asia, and across North America.



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