NEW YORK CYBER SUITE COVERAGE ENDORSEMENT

NOTICE TO POLICYHOLDER

PLEASE NOTE THAT DEFENSE COSTS ARE CONTAINED WITHIN THE THIRD-PARTY LIMIT OF LIABILITY AND SUBJECT TO THE DEDUCTIBLE. THIS MEANS THAT THE THIRD-PARTY LIMIT OF LIABILITY SPECIFIED IN THIS CYBER SUITE COVERAGE SHALL BE REDUCED, AND MAY BE COMPLETELY EXHAUSTED, BY DEFENSE COSTS. IN THE EVENT THAT THE THIRD-PARTY LIMIT OF LIABILITY IS EXHAUSTED, THE INSURER SHALL NOT BE LIABLE FOR FURTHER DEFENSE COSTS OR FOR ANY DAMAGES OR JUDGMENTS.

THIS CYBER SUITE COVERAGE IS COMPRISED OF FIRST-PARTY AND THIRD-PARTY COVERAGES. THE FIRST-PARTY COVERAGE PROVIDED BY THIS ENDORSEMENT IS WRITTEN ON A DISCOVERY BASIS. THE THIRD-PARTY COVERAGE PROVIDED BY THIS ENDORSEMENT IS WRITTEN ON A CLAIMS-MADE BASIS AND PROVIDES NO COVERAGE FOR CLAIMS ARISING OUT OF INCIDENTS, OCCURRENCES OR ALLEGED WRONGFUL ACTS WHICH TOOK PLACE PRIOR TO THE FIRST INCEPTION OF THIS CYBER SUITE COVERAGE. THIS THIRD-PARTY COVERAGE COVERS ONLY CLAIMS ACTUALLY MADE AGAINST THE INSURED WHILE THE COVERAGE REMAINS IN EFFECT, AND ALL THIRD-PARTY COVERAGE UNDER THIS ENDORSEMENT CEASES UPON THE TERMINATION OF THE COVERAGE, EXCEPT FOR THE AUTOMATIC EXTENDED REPORTING PERIOD COVERAGE, UNLESS THE INSURED PURCHASES ADDITIONAL EXTENDED REPORTING PERIOD COVERAGE. THIS THIRD-PARTY COVERAGE PROVIDES AN AUTOMATIC EXTENDED REPORTING PERIOD OF 60 DAYS.

A SUPPLEMENTAL EXTENDED REPORTING PERIOD OF 1 YEAR MAY BE PURCHASED BY YOU FOR AN ADDITIONAL PREMIUM OF 98% OF THE FULL ANNUAL PREMIUM APPLICABLE TO THE THIRD-PARTY COVERAGE OF THIS CYBER SUITE COVERAGE. BECAUSE THE EXTENDED REPORTING PERIOD IS NOT UNLIMITED, POTENTIAL COVERAGE GAPS MAY ARISE UPON ITS EXPIRATION. AS THE THIRD-PARTY COVERAGE PROVIDED BY THIS CYBER SUITE COVERAGE IS WRITTEN ON A CLAIMS-MADE BASIS, THIRD-PARTY COVERAGE RATES ARE LOWER IN THE EARLIER YEARS THAN FOR AN OCCURRENCE POLICY, AND YOU SHOULD EXPECT SUBSTANTIAL ANNUAL PREMIUM INCREASES, INDEPENDENT OF OVERALL RATE INCREASES, UNTIL THE CLAIMS-MADE RELATIONSHIP REACHES MATURITY.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Throughout this Endorsement (hereinafter referred to as Cyber Coverage), the words ***you*** and ***your*** refer to the Named Insured(s) shown in the Cyber Suite Supplemental Declarations of this Cyber Coverage and any other person(s) or organization(s) qualifying as a Named Insured under this Cyber Coverage. The words ***we***, ***us*** and ***our*** refer to the company providing this insurance.

Other words and phrases that appear in ***Bold*** and ***Italics*** have special meaning. Refer to **DEFINITIONS**.

The terms and conditions of any cancellation and/or nonrenewal provisions in the policy and any amendment to such terms incorporated by endorsement are hereby incorporated herein and shall apply to coverage as is afforded by this Cyber Coverage, unless specifically stated otherwise in an endorsement(s) attached hereto.

The provisions of this New York Cyber Suite Coverage Endorsement (Cyber Coverage) apply only to the coverages contained in this Endorsement and do not affect the terms and conditions of the underlying policy unless stated otherwise in this Endorsement.

A. CYBER LIABILITY COVERAGE

This section lists the coverages that apply if indicated in the Cyber Suite Supplemental Declarations.

COVERAGE A–DATA COMPROMISE RESPONSE EXPENSES

Data Compromise Response Expenses applies only if all of the following conditions are met:

1. There has been a ***personal data compromise***; and
2. Such ***personal data compromise*** took place in the ***coverage territory***; and
3. Such ***personal data compromise*** is first discovered by ***you*** during the ***policy period***; and
4. Such ***personal data compromise*** is reported to ***us*** as soon as practicable after the date it is first discovered by ***you***.

If the Data Compromise Response Expenses conditions listed above have been met, then ***we*** will provide coverage for the following expenses when they arise directly from such ***personal data compromise*** and are necessary and reasonable. Items A.4. Services to ***Affected Individuals*** and A.5.–Public Relations below apply only if there has been a notification of the ***personal data compromise*** to ***affected individuals*** as covered under item A.3.–Notification to ***Affected Individuals*** below.

Coverage A.1.–Forensic IT Review

We will pay for a professional information technologies review if needed to determine, within the constraints of what is possible and reasonable, the nature and extent of the ***personal data compromise*** and the number and identities of the ***affected individuals***.

This does not include costs to analyze, research or determine any of the following:

a. Vulnerabilities in systems, procedures or physical security; or

b. The nature or extent of ***loss*** or damage to data that is not ***personally identifying information*** or ***personally sensitive information***.

If there is reasonable cause to suspect that a covered ***personal data compromise*** may have occurred, ***we*** will pay for costs covered under Forensic IT Review, even if it is eventually determined that there was no covered ***personal data compromise***. However, once it is determined that there was no covered ***personal data compromise***, ***we*** will not pay for any further costs.

Coverage A.2.–Legal Review

We will pay for a professional legal counsel review of the ***personal data compromise*** and how ***you*** should best respond to it.

If there is reasonable cause to suspect that a covered ***personal data compromise*** may have occurred, ***we*** will pay for costs covered under Legal Review, even if it is eventually determined that there was no covered ***personal data compromise***. However, once it is determined that there was no covered ***personal data compromise***, ***we*** will not pay for any further costs.

Coverage A.3.–Notification to ***Affected Individuals***

We will pay ***your*** necessary and reasonable costs to provide notification of the ***personal data compromise*** to

affected individuals.

Coverage A.4.–Services to ***Affected Individuals***

We will pay ***your*** necessary and reasonable costs to provide the following services to ***affected individuals***. Services c. Credit Report and Monitoring and d. Identity Restoration Case Management below apply only to ***affected individuals*** from ***personal data compromise*** events involving ***personally identifying information***.

a. Informational Materials

A packet of loss prevention and customer support information.

b. Help Line

A toll-free telephone line for ***affected individuals*** with questions about the ***personal data compromise***. Where applicable, the line can also be used to request additional services as listed in c. Credit Report and Monitoring and d. Identity Restoration Case Management below.

c. Credit Report and Monitoring

A credit report and an electronic service automatically monitoring for activities affecting an individual's credit records. This service is subject to the ***affected individual*** enrolling for this service with the designated service provider.

d. Identity Restoration Case Management

As respects any ***affected individual*** who is or appears to be a victim of ***identity theft*** that may reasonably have arisen from the ***personal data compromise***, the services of an identity restoration professional who will assist that ***affected individual*** through the process of correcting credit and other records and, within the constraints of what is possible and reasonable, restoring control over his or her personal identity.

You may select a provider for any of the services described in this section in accordance with the parameters provided under **E. ADDITIONAL CONDITIONS**, 13. Service Providers.

Coverage A.5.–Public Relations

We will pay for a professional public relations firm review of, and response to, the potential impact of the ***personal data compromise*** on ***your*** business relationships.

This includes necessary and reasonable costs to implement public relations recommendations of such firm. This may include advertising and special promotions designed to retain ***your*** relationship with ***affected individuals***. However, ***we*** will not pay for:

a. Promotions provided to any of ***your executives*** or ***employees***; or

b. Promotion costs exceeding $25 per ***affected individual***.

Coverage A.6.–***Reward Payments***

We will pay for any necessary and reasonable ***reward payments*** offered and made by ***you*** in response to a ***personal data compromise***.

COVERAGE B–***COMPUTER ATTACK***

Computer Attack applies only if all of the following conditions are met:

1. There has been a ***computer attack***; and
2. Such ***computer attack*** occurred in the ***coverage territory***; and
3. Such ***computer attack*** is first discovered by ***you*** during the ***policy period***; and
4. Such ***computer attack*** is reported to ***us*** as soon as practicable after the date it is first discovered by ***you***.

If the ***Computer Attack*** conditions listed above have been met, then ***we*** will provide ***you*** the following coverages for ***loss*** directly arising from such ***computer attack***.

Coverage B.1.–Data Restoration

We will pay ***your*** necessary and reasonable ***data restoration costs***.

Coverage B.2.–Data Re-creation

We will pay ***your*** necessary and reasonable ***data re-creation costs***.

Coverage B.3.–System Restoration

We will pay ***your*** necessary and reasonable ***system restoration costs***.

Coverage B.4.–Loss of Business

We will pay ***your*** actual ***business income and extra expense loss*** incurred during the ***period of restoration***.

This includes ***your*** actual ***business income and extra expense loss*** caused by a voluntary shutdown of ***your computer system*** in connection with ***your*** reasonable efforts to stop, mitigate the effects of, or recover from, such a ***computer attack***.

Coverage B.5.–Extended Income Recovery

If ***you*** suffer a covered ***business income and extra expense loss*** resulting from a ***computer attack*** on a ***computer system*** owned or leased by ***you*** and operated under ***your*** control, ***we*** will pay ***your*** actual ***extended income loss***.

Coverage B.6.–Public Relations

If ***you*** suffer a covered ***business income and extra expense loss***, ***we*** will pay for the services of a professional public relations firm to assist ***you*** in communicating ***your*** response to the ***computer attack*** to the media, the public and ***your*** customers, clients or members.

Coverage B.7.–Future Loss Avoidance

If ***you*** received a loss payment from ***us*** under **COVERAGE B**–***COMPUTER ATTACK***, ***we*** will pay ***your*** necessary and reasonable ***future loss avoidance costs***.

Coverage B.8.–***Reward Payments***

We will pay for any necessary and reasonable ***reward payments*** offered and made by ***you*** in response to a ***computer attack***.

COVERAGE C–CYBER EXTORTION

Cyber Extortion applies only if all of the following conditions are met:

1. There has been a ***cyber extortion threat***; and
2. Such ***cyber extortion threat*** is first made against ***you*** during the ***policy period***; and
3. Such ***cyber extortion threat*** is reported to ***us*** as soon as practicable after the date it is first made against ***you***.

If the Cyber Extortion conditions listed above have been met, then ***we*** will pay for ***your*** necessary and reasonable ***cyber extortion expenses*** arising directly from such ***cyber extortion threat*** and any necessary and reasonable ***reward payments*** offered and made by ***you*** in response to a ***cyber extortion threat***. The payment of ***cyber extortion expenses*** must be approved in advance by ***us***. ***We*** will not pay for ***cyber extortion expenses*** that have not been approved in advance by ***us***. ***We*** will not unreasonably withhold ***our*** approval.

You must make every reasonable effort not to divulge the existence of this Cyber Extortion coverage.

COVERAGE D–MISDIRECTED PAYMENT FRAUD

Misdirected Payment Fraud applies only if all of the following conditions are met:

1. There has been a ***wrongful transfer event*** against ***you***; and
2. Such ***wrongful transfer event*** took place in the ***coverage territory***; and
3. Such ***wrongful transfer event*** is first discovered by ***you*** during the ***policy period***; and
4. Such ***wrongful transfer event*** is reported to ***us*** as soon as practicable after the date it is first discovered by ***you***; and
5. Such ***wrongful transfer event*** is reported in writing by ***you*** to the police.

If the conditions listed above have been met, then ***we*** will pay ***your*** necessary and reasonable ***wrongful transfer costs*** arising directly from the ***wrongful transfer event*** and any necessary and reasonable ***reward payments*** offered and made by ***you*** in response to a ***wrongful transfer event***.

COVERAGE E–COMPUTER FRAUD

Computer Fraud applies only if all of the following conditions are met:

1. There has been a ***computer fraud event*** against ***you***; and
2. Such ***computer fraud event*** took place in the ***coverage territory***; and
3. Such ***computer fraud event*** is first discovered by ***you*** during the ***policy period***; and
4. Such ***computer fraud event*** is reported to ***us*** as soon as practicable after the date it is first discovered by ***you***; and
5. Such ***computer fraud event*** is reported in writing by ***you*** to the police.

If the conditions listed above have been met, then ***we*** will pay ***your*** necessary and reasonable ***computer fraud costs*** arising directly from the ***computer fraud event*** and any necessary and reasonable ***reward payments*** offered and made by ***you*** in response to a ***computer fraud event***.

COVERAGE F–TELECOMMUNICATIONS FRAUD

Telecommunications Fraud applies only if all of the following conditions are met:

1. There has been a ***computer attack*** on a ***telecommunications system*** that is owned or leased by ***you*** and operated under ***your*** control; and
2. Such ***computer attack*** took place in the ***coverage territory***; and
3. Such ***computer attack*** is first discovered by ***you*** during the ***policy period***; and
4. Such ***computer attack*** is reported to ***us*** as soon as practicable after the date it is first discovered by ***you***; and
5. Such ***computer attack*** is reported in writing by ***you*** to the police; and
6. As a result of such ***computer attack***, there have been ***telecommunications fraud costs***.

If the conditions listed above have been met, then ***we*** will pay ***your*** necessary and reasonable ***telecommunications fraud costs*** arising directly from the ***computer attack***.

COVERAGE G–*PRIVACY INCIDENT* LIABILITY

Privacy Incident Liability applies only if all of the following conditions are met:

1. During the ***policy period*** or any applicable Extended Reporting Period, ***you*** first receive notice of a ***claim*** brought by or on behalf of one or more ***affected individuals***;
2. Such ***claim*** must arise from a ***privacy incident*** that:
   a. Took place during the ***coverage term***; and
   b. Took place in the ***coverage territory***; and
3. Such ***claim*** is reported to ***us*** as soon as practicable after the date it is first received by ***you***.

If the conditions listed above have been met, then ***we*** will pay on ***your*** behalf any covered ***loss*** directly arising from the ***claim***.

All ***claims*** arising from a single ***privacy incident*** or interrelated ***privacy incidents*** will be deemed to have been made at the time that notice of the first of those ***claims*** is received by ***you***.

COVERAGE H–NETWORK SECURITY LIABILITY

Network Security Liability applies only if all of the following conditions are met:

1. During the ***policy period*** or any applicable Extended Reporting Period, ***you*** first receive notice of a ***claim*** which arises from a ***network security incident*** that:
   a. Took place during the ***coverage term***; and
   b. Took place in the ***coverage territory***; and
2. Such ***claim*** is reported to ***us*** as soon as practicable after the date it is first received by ***you***.

If the conditions listed above have been met, then ***we*** will pay on ***your*** behalf any covered ***loss*** directly arising from the ***claim***.

All ***claims*** arising from a single ***network security incident*** or interrelated ***network security incidents*** will be deemed to have been made at the time that notice of the first of those ***claims*** is received by ***you***.

COVERAGE I–IDENTITY RECOVERY

Identity Recovery applies only if all of the following conditions are met:

1. There has been an ***identity theft*** involving the personal identity of an ***identity recovery insured*** under this Cyber Coverage; and
2. Such ***identity theft*** took place in the ***coverage territory***; and
3. Such ***identity theft*** is first discovered by the ***identity recovery insured*** during the ***policy period***; and
4. Such ***identity theft*** is reported to ***us*** as soon as practicable after it is first discovered by the ***identity recovery insured***.

If the conditions listed above have been met, then ***we*** will provide the following to the ***identity recovery insured***:

Coverage I.1.–Case Management Service

We will pay for the services of an ***identity recovery case manager*** as needed to respond to the ***identity theft***; and

Coverage I.2.–Expense Reimbursement

We will pay for reimbursement of necessary and reasonable ***identity recovery expenses*** incurred as a direct result of the ***identity theft***.

B. EXCLUSIONS

If any cyber incident exclusion is made a part of ***your*** policy, such exclusion will not apply to the coverage afforded by this Cyber Coverage.

The following additional exclusions apply to this Cyber Coverage:

We will not pay for costs or ***loss*** arising from the following:

1. War and military action including any of the following and any consequence of any of the following:
   a. War, including undeclared or civil war;
   b. Warlike action by military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
   c. Insurrection, rebellion, revolution, usurped power, political violence or action taken by governmental authority in hindering or defending against any of these.
2. Total or partial failure or interruption of, reduction in performance of, or damage to, any electrical power supply network or telecommunications network not owned and operated by ***you*** including, but not limited to, satellites, the internet, internet service providers, Domain Name System (DNS) service providers, cable and wireless providers, internet exchange providers, search engine providers, internet protocol networks (and similar networks that may have different designations) and other providers of telecommunications or internet infrastructure.
3. Any attack on, incident involving, or ***loss*** to any computer or system of computers that is not a ***computer system***.
4. Costs to research or correct any deficiency.
5. Any fines or penalties.
6. Any criminal investigations or proceedings.
7. ***Your*** intentional or willful complicity in a covered ***loss*** event.
8. ***Your*** reckless disregard for the security of ***your computer system*** or data, including confidential or sensitive information of others in ***your*** care, custody or control.
9. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by ***you***.
10. Any ***personal data compromise***, ***computer attack***, ***cyber extortion threat***, ***wrongful transfer event*** or ***computer fraud event*** discovered before the ***policy period***.
11. Any ***wrongful act*** occurring before the ***coverage term***.
12. That part of any ***claim*** seeking any non-monetary relief. However, this exclusion does not apply to ***defense costs*** arising from an otherwise insured ***wrongful act***.
13. The propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers in connection with hardware or software created, produced or modified by ***you*** for sale, lease or license to third parties.
14. Any ***claim*** or ***loss*** alleging, arising out of, based upon or attributable to, or brought by or on behalf of any federal, state, or legal government agency or professional or trade licensing organizations or the enforcement of any governmental law, ordinance, regulation or rule. However, this exclusion shall not apply to actions or proceedings brought by a governmental authority or regulatory agency acting solely in its capacity as ***your*** customer.
15. Any ***loss*** or liability arising out of ***pollutants*** or the presence of or the actual, alleged or threatened discharge, dispersal, release or escape of ***pollutants***, or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize ***pollutants***, or in any way respond to or assess the effects of ***pollutants***.
16. ***Property damage*** or ***bodily injury*** other than mental anguish or mental injury alleged in a ***claim*** covered under Coverage G – ***Privacy Incident*** Liability or Coverage H – Network Security Liability.

17. The theft of a professional or business identity.
18. Any fraudulent, dishonest or criminal act by an ***identity recovery insured*** or any person aiding or abetting an ***identity recovery insured***, or by any ***authorized representative*** of an ***identity recovery insured***, whether acting alone or in collusion with others. However, this exclusion will not apply to the interests of an ***identity recovery insured*** who has no knowledge of or involvement in such fraud, dishonesty or criminal act.
19. An ***identity theft*** that is not reported in writing to the police.
20. Solely with respect to Coverage B.7. – Future Loss Avoidance:
    a. Any ***future loss avoidance costs*** incurred after this policy has been cancelled or non-renewed by either ***you*** or ***us***.
    b. The salaries or wages of ***your employees*** or ***executives***, or ***your*** loss of earnings.
21. Any amount not insurable under applicable law.
22. Any provision of coverage under this Cyber Coverage to the extent that such provision would expose ***us*** or ***you*** to a violation of economic or trade sanctions, laws or regulations of the United States of America or any other jurisdiction with whose laws ***we*** are legally obligated to comply.
23. Under any Liability Coverage, to loss or ***claim***:
    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, Nuclear Insurance Association of Canada or any of their successors, 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 (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) 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.
24. Under any Liability Coverage, to loss or ***claim*** resulting from ***hazardous properties*** of ***nuclear materia****l*, if:
    a. The ***nuclear material*** (a) is at any ***nuclear facility*** owned by, or operated by or on behalf of, an insured or (b) 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 ***loss*** or ***claim*** arises out of the furnishing by an insured of services, materials, parts or equipment in connection with 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 ***property damage*** to such ***nuclear facility*** and any property threat.

The following definitions apply exclusively to Exclusions 23. & 24.:

Hazardous properties includes 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 of 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 (a) containing ***by-product material*** other than the tailing or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its ***source material*** content, and (b) resulting from the operation by any person or organization of any ***nuclear facility*** included under the first two paragraphs of the definition of ***nuclear facility***.

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.

Property damage includes all forms of radioactive contamination of property.

C. LIMITS OF INSURANCE

1. AGGREGATE LIMITS

The First-Party Annual Aggregate Limit shown in the Cyber Suite Supplemental Declarations is the most ***we*** will pay for all ***loss*** under all the Data Compromise Response Expenses, ***Computer Attack***, Cyber Extortion, Misdirected Payment Fraud, Computer Fraud, Telecommunications Fraud and ***Reward Payments*** coverages in any one ***policy period***. The First-Party Annual Aggregate Limit shown in the Cyber Suite Supplemental Declarations applies regardless of the number of insured events first discovered during the ***policy period***.

Except for post-judgment interest, the Third-Party Annual Aggregate Limit shown in the Cyber Suite Supplemental Declarations is the most ***we*** will pay for all ***loss*** under all the ***Privacy Incident*** Liability and Network Security Liability coverages in any one ***policy period*** or any applicable Extended Reporting Period. The Third-Party Annual Aggregate Limit shown in the Cyber Suite Supplemental Declarations applies regardless of the number of insured ***claims*** first received during the ***policy period*** or any applicable Extended Reporting Period.

The Identity Recovery Coverage is subject to the Identity Recovery Limit as shown in the Cyber Suite Supplemental Declarations regardless of the number of insured events first discovered under Identity Recovery during the ***policy period***.

2. COVERAGE SUBLIMITS

a. **Data Compromise Sublimit**

The most ***we*** will pay under Data Compromise Response Expenses for the Public Relations coverage for ***loss*** arising from any one ***personal data compromise*** is the applicable sublimit for this coverage shown in the Cyber Suite Supplemental Declarations.

This sublimit is part of, and not in addition to, the First-Party Annual Aggregate Limit shown in the Cyber Suite Supplemental Declarations. Public Relations coverage is also subject to a limit per ***affected individual*** as described in Coverage A.5.–Public Relations

b. ***Computer Attack*** **Sublimit**

The most ***we*** will pay under ***Computer Attack*** for Public Relations coverage for ***loss*** arising from any one ***computer attack*** is the applicable Public Relations sublimit shown in the Cyber Suite Supplemental Declarations. This sublimit is part of, and not in addition to, the First-Party Annual Aggregate Limit shown in the Cyber Suite Supplemental Declarations.

c. **Cyber Extortion Sublimit**

The most ***we*** will pay under Cyber Extortion coverage for ***loss*** arising from one ***cyber extortion threat*** is the applicable sublimit shown in the Cyber Suite Supplemental Declarations. This sublimit is part of, and not in addition to, the First-Party Annual Aggregate Limit shown in the Cyber Suite Supplemental Declarations.

d. **Misdirected Payment Fraud Sublimit**

The most ***we*** will pay under Misdirected Payment Fraud coverage for ***loss*** arising from one ***wrongful transfer event*** is the applicable sublimit shown in the Cyber Suite Supplemental Declarations. This sublimit is part of, and not in addition to, the First-Party Annual Aggregate Limit shown in the Cyber Suite Supplemental Declarations.

e. **Computer Fraud Sublimit**

The most ***we*** will pay under Computer Fraud coverage for ***loss*** arising from one ***computer fraud event*** is the applicable sublimit shown in the Cyber Suite Supplemental Declarations. This sublimit is part of, and not in addition to, the First-Party Annual Aggregate Limit shown in the Cyber Suite Supplemental Declarations.

f. **Telecommunications Fraud Sublimit**

The most ***we*** will pay under Telecommunications Fraud coverage for ***loss*** arising from one ***computer attack*** on a ***telecommunications system*** is the applicable limit shown in the Cyber Suite Supplemental

Declarations. This sublimit is part of, and not in addition to, the First-Party Annual Aggregate Limit shown in the Cyber Suite Supplemental Declarations.

g. ***Reward Payments*** **Sublimit**

The ***Reward Payments*** sublimit shown in the Cyber Suite Supplemental Declarations is the most ***we*** will pay for all ***reward payments*** resulting from a ***personal data compromise***, ***computer attack***, ***cyber extortion threat***, ***wrongful transfer event*** or ***computer fraud event*** in any one ***policy period***.

This sublimit is part of, and not in addition to, the First-Party Annual Aggregate Limit shown in the Cyber Suite Supplemental Declarations.

h. **Identity Recovery Sublimits**

The following provisions are applicable only to the Identity Recovery Coverage.

1) Case Management Service is available as requested by the ***identity recovery insured*** for any one ***identity theft*** for up to 12 consecutive months from the inception of the service. Expenses ***we*** incur to provide Case Management Services do not reduce the Annual Aggregate Limit for Identity Recovery.

2) Costs covered under item d. (Legal Costs) of the definition of ***identity recovery expenses*** are part of, and not in addition to, the Annual Aggregate Limit for Identity Recovery.

3) Costs covered under item e. (Lost Wages) and item f. (Child and Elder Care Expenses) of the definition of ***identity recovery expenses*** are jointly subject to the Lost Wages and Child and Elder Care sublimit shown in the Cyber Suite Supplemental Declarations. This sublimit is part of, and not in addition to, the Annual Aggregate Limit for Identity Recovery. Coverage is limited to wages lost and expenses incurred within 12 months after the first discovery of the ***identity theft*** by the ***identity recovery insured***.

4) Costs covered under item g. (Miscellaneous Unnamed Costs) of the definition of ***identity recovery expenses*** is subject to the Miscellaneous Unnamed Costs sublimit shown in the Cyber Suite Supplemental Declarations. This sublimit is part of, and not in addition to, the Annual Aggregate Limit for Identity Recovery. Coverage is limited to costs incurred within 12 months after the first discovery of the ***identity theft*** by the ***identity recovery insured***.

3. APPLICATION OF LIMITS

a. A ***computer attack***, ***cyber extortion threat***, ***personal data compromise***, ***wrongful transfer event***, ***computer fraud event*** or ***identity theft*** may be first discovered by ***you*** in one ***policy period*** but it may cause insured ***loss*** in one or more subsequent ***policy periods***. If so, all insured ***loss*** arising from such ***computer attack***, ***cyber extortion threat***, ***personal data compromise***, ***wrongful transfer event***, ***computer fraud event*** or ***identity theft*** will be subject to the limit of insurance applicable to the ***policy period*** when the ***computer attack***, ***cyber extortion threat***, ***personal data compromise***, ***wrongful transfer event***, ***computer fraud event*** or ***identity theft*** was first discovered by ***you***.

b. ***You*** may first receive notice of a ***claim*** in one ***policy period*** but it may cause insured ***loss*** in one or more subsequent ***policy periods***. If so, all insured ***loss*** arising from such ***claim*** will be subject to the limit of insurance applicable to the ***policy period*** when notice of the ***claim*** was first received by ***you***. The applicable limit of insurance is a per occurrence limit applicable to a single ***claim***. The insured ***loss*** is also subject to an annual aggregate limit.

c. The limit of insurance for the Extended Reporting Periods (if applicable) will be part of, and not in addition to, the limit of insurance for the immediately preceding ***policy period***.

d. Coverage for Services to ***Affected Individuals*** under Data Compromise Response Expenses is limited to costs to provide such services for a period of up to one year from the date of the notification to the ***affected individuals***. Notwithstanding, coverage for Identity Restoration Case Management services initiated within such one year period may continue for a period of up to one year from the date such Identity Restoration Case Management services are initiated.

D. DEDUCTIBLES

1. ***We*** will not pay for ***loss*** until the amount of the insured ***loss*** exceeds the deductible amount shown in the Cyber Suite Supplemental Declarations. ***We*** will then pay the amount of ***loss*** in excess of the applicable deductible amount, subject to the applicable limits shown in the Cyber Suite Supplemental Declarations. ***You*** will be responsible for the applicable deductible amount.

We may pay any part or all of the deductible to effect settlement of a ***loss*** and upon notification of the action taken, ***you*** shall promptly reimburse ***us*** for such part or all of the deductible as ***we*** may have paid.

2. The deductible will apply to all:
   a. ***Loss*** arising from the same insured event or interrelated insured events under Data Compromise Response Expenses, ***Computer Attack***, Cyber Extortion, Misdirected Payment Fraud, Computer Fraud or Telecommunications Fraud coverage.
   b. ***Loss*** resulting from the same ***wrongful act*** or interrelated ***wrongful acts*** insured under ***Privacy Incident*** Liability or Network Security Liability.
3. In the event that ***loss*** is insured under more than one coverage section, only the single highest deductible applies.
4. Insurance coverage under Identity Recovery is not subject to a deductible.

E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Policy Conditions section of this policy:

1. **Additional Policy Protection**

   We will provide access to a cyber security service provider. The service provider offers risk management services including a virtual private network, security scanning, scam and security alerts, and remediation help alerts. The service provider is provided by us and has contracts or agreements with us. ***We*** do not warrant or guarantee that the service provider's services will reduce or eliminate ***your*** cyber risk. If ***you*** prefer to use an alternate service or provider, ***our*** coverage is subject to the following limitations:

   A. Such alternate service or provider must be approved by ***us*** and such approval will not be withheld unreasonably;
   b. Such alternate service or provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider ***we*** had suggested; and
   c. ***Our*** payment for services provided by any alternate provider will not exceed the amount that ***we*** would have paid using the service provider ***we*** had suggested.

2. **Bankruptcy**

   Your bankruptcy or insolvency, or if ***you*** are a sole proprietor, the insolvency of ***your*** estate, will not release ***us*** from the payment of damages for injury sustained or ***loss*** occasioned during the life of and within the coverage of this Cyber Coverage.

3. **Defense And Settlement**
   a. ***We*** shall have the right and the duty to assume the defense of any applicable ***claim*** against ***you*** even if the allegations in the ***claim*** are groundless, false or fraudulent. ***You*** shall give ***us*** such information and cooperation as ***we*** may reasonably require.
   b. ***You*** shall not admit liability for or settle any ***claim*** or incur any ***defense costs*** without ***our*** prior written consent.
   c. If ***you*** refuse to consent to any settlement recommended by ***us*** and acceptable to the claimant, ***we*** may then withdraw from ***your*** defense by tendering control of the defense to ***you***. From that point forward, ***you*** shall, at ***your*** own expense, negotiate or defend such ***claim*** independently of ***us***. ***Our*** liability shall not exceed the amount for which the ***claim*** or suit could have been settled if such recommendation was consented to, plus ***defense costs*** incurred by ***us***, and ***defense costs*** incurred by ***you*** with ***our*** written consent, prior to the date of such refusal.
   d. If at the time a ***claim*** is first reported to ***us***, ***you*** may request that ***we*** appoint a defense attorney of ***your*** choice. ***We*** will give full consideration to any such request.
   e. ***We*** will not be obligated to pay any ***loss*** or ***defense costs***, or to defend or continue to defend any ***claim*** after the applicable limit of insurance has been exhausted.
   f. ***We*** will pay all interest on that amount of any judgment within the applicable limit of insurance which accrues:
      1) After entry of judgment; and
      2) Before ***we*** pay, offer to pay or deposit in court that part of the judgment within the applicable limit of insurance or, in any case, before ***we*** pay or offer to pay the entire applicable limit of insurance.

      These interest payments will be in addition to and not part of the applicable limit of insurance.
   g. ***You*** shall have the option to:

1) Select a defense attorney or consent to ***our*** choice of defense attorney, which consent shall not be unreasonably withheld;

2) Participate in and assist in the direction of the defense of any ***claim***; and

3) Consent to a settlement, which consent shall not be unreasonably withheld.

h. ***We*** shall, upon ***your*** written request, provide an accounting of ***defense costs*** actually expended.

i. Transfer of Control

1) If ***we*** conclude that, based on ***claims*** which have been reported to ***us*** and to which this insurance may apply, the applicable limit is likely to be used up in the payment of judgments, ***settlement costs***, or ***defense costs***, ***we*** will notify ***you*** in writing to that effect.

2) When the applicable limit has actually been used up in the payment of judgments, ***settlement costs*** or ***defense costs***:

a) ***We*** will notify ***you*** in writing, as soon as practicable, that:

(i) Such applicable limit has actually been used up; and

(ii) ***Our*** duty to defend ***claims*** seeking damages subject to the applicable limit has also ended.

b) ***We*** will initiate, and cooperate in, the transfer of control to ***you***, of all ***claims*** seeking damages which are subject to the applicable limit and which are reported to ***us*** before the applicable limit is used up. ***You*** must cooperate in the transfer of control of said ***claims***.

We agree to take such steps, as ***we*** deem appropriate, to avoid a default in, or continue the defense of, such ***claims*** until such transfer is completed, provided ***you*** are cooperating in completing such transfer.

We will take no action whatsoever with respect to any ***claim*** seeking damages that would have been subject to the applicable limit, had it not been used up, if the ***claim*** is reported to ***us*** after the applicable limit has been used up.

c) ***You*** must arrange for the defense of such ***claims*** within such time period as agreed to between ***you*** and ***us***. Absent any such agreement, arrangements for the defense of such ***claims*** must be made as soon as practicable.

j. ***We*** may, with ***your*** written consent, make any settlement of a ***claim*** which ***we*** deem reasonable. If ***you*** refuse to consent to any settlement recommended by ***us*** and acceptable to the claimant or plaintiff, ***our*** liability for all ***settlement costs*** and ***defense costs*** resulting from such ***claim*** will not exceed the following:

1) The amount for which ***we*** could have settled such ***claim*** plus ***defense costs*** incurred as of the date ***we*** proposed such settlement in writing to ***you***; plus

2) 80% of any ***settlement costs*** and ***defense costs*** incurred after the date of such proposed settlement;

subject to the applicable limits.

4. **Due Diligence**

You agree to use due diligence to prevent and mitigate ***loss*** insured under this Cyber Coverage. This includes, but is not limited to, complying with, and requiring ***your*** vendors to comply with, reasonable and industry-accepted protocols for:

a. Providing and maintaining appropriate physical security for ***your*** premises, ***computer systems*** and hard copy files;

b. Providing and maintaining appropriate computer and Internet security;

c. Maintaining and updating at appropriate intervals backups of computer data;

d. Protecting transactions, such as processing credit card, debit card and check payments; and

e. Appropriate disposal of files containing ***personally identifying information***, ***personally sensitive information*** or ***third-party corporate data***, including shredding hard copy files and destroying physical media used to store electronic data.

5. **Duties In The Event Of A *Claim* Or *Loss***

a. If, during the ***policy period***, incidents or events occur which ***you*** reasonably believe may give rise to a ***claim*** for which coverage may be provided hereunder, such belief being based upon either written notice from the potential claimant or the potential claimant's representative; or notice of a complaint filed with a federal, state or local agency; or upon an oral ***claim***, allegation or threat, ***you*** shall give written notice to ***us*** as soon as practicable.

b. If a ***claim*** is brought against ***you***, ***you*** must:

1) Immediately record the specifics of the ***claim*** and the date received;

2) Provide ***us*** with written notice, as soon as reasonably practicable, after the date the ***claim*** is first received by ***you***. Written notice given by ***you*** or on ***your*** behalf, or written notice by or on behalf of the injured person or any other claimant, to any of ***our*** licensed agents in this state with particulars sufficient to identify ***you***, shall be deemed notice to ***us***;

3) Immediately send ***us*** copies of any demands, notices, summonses or legal papers received in connection with the ***claim***;

4) Authorize ***us*** to obtain records and other information;

5) Cooperate with ***us*** in the investigation, settlement or defense of the ***claim***;

6) Assist ***us***, upon ***our*** request, in the enforcement of any right against any person or organization which may be liable to ***you*** because of ***loss*** or ***defense costs*** to which this insurance may also apply; and

7) Not take any action, or fail to take any required action, that prejudices ***your*** rights or ***our*** rights with respect to such ***claim***.

c. In the event of a ***personal data compromise***, ***computer attack***, ***cyber extortion threat***, ***wrongful transfer event***, ***computer fraud event*** or ***identity theft***, insured under this Cyber Coverage, ***you*** and any involved ***identity recovery insured*** must see that the following are done:

1) Notify the police if a law may have been broken.

2) Notify ***us*** as soon as practicable, after the ***personal data compromise***, ***computer attack***, ***cyber extortion threat***, ***wrongful transfer event***, ***computer fraud event*** or ***identity theft***. Include a description of any property involved.

3) As soon as possible, give ***us*** a description of how, when and where the ***personal data compromise***, ***computer attack***, ***cyber extortion threat***, ***wrongful transfer event***, ***computer fraud event*** or ***identity theft*** occurred.

4) As often as may be reasonably required, permit ***us*** to:

a) Inspect the property proving the ***personal data compromise***, ***computer attack***, ***cyber extortion threat***, ***wrongful transfer event***, ***computer fraud event*** or ***identity theft***;

b) Examine ***your*** books, records, electronic media and records and hardware;

c) Take samples of damaged and undamaged property for inspection, testing and analysis; and

d) Make copies from ***your*** books, records, electronic media and records and hardware.

5) Send ***us*** signed, sworn proof of ***loss*** containing the information ***we*** request to investigate the ***personal data compromise***, ***computer attack***, ***cyber extortion threat***, ***wrongful transfer event***, ***computer fraud event*** or ***identity theft***. ***You*** must do this within 60 days after ***our*** request. ***We*** will supply ***you*** with the necessary forms.

6) Cooperate with ***us*** in the investigation or settlement of the ***personal data compromise***, ***computer attack***, ***cyber extortion threat***, ***wrongful transfer event***, ***computer fraud event*** or ***identity theft***.

7) If ***you*** intend to continue ***your*** business, ***you*** must resume all or part of ***your*** operations as quickly as possible.

8) Make no statement that will assume any obligation or admit any liability, for any ***loss*** for which ***we*** may be liable, without ***our*** prior written consent.

9) As soon as reasonably possible, send ***us*** any legal papers or notices received concerning the ***loss***.

d. ***We*** may examine ***you*** under oath at such times as may be reasonably required, about any matter relating to this insurance or the ***claim*** or ***loss***, including all ***your*** books and records. In the event of an examination, ***your*** answers must be signed.

e. ***You*** may not, except at ***your*** own cost, voluntarily make a payment, assume any obligation, or incur any expense without ***our*** prior written consent.

6. ***Employees*** **And Affiliated People**

Any person employed or otherwise affiliated with ***you*** and covered under this insurance during such employment or affiliation shall continue to be covered under this insurance, including any extended reporting period, after such employment or affiliation has ceased for such person.

7. **Extended Reporting Periods**

a. ***You*** will have the right to the Extended Reporting Periods described in this section, in the event of a ***termination of coverage***.

Within 30 days after ***termination of coverage we*** will advise ***you*** in writing of the Automatic Extended Reporting Period coverage and the availability of, the premium for, and the importance of purchasing additional extended reporting period coverage.

b. If a ***termination of coverage*** has occurred, ***you*** will have the right to the following:

1) At no additional premium, an Automatic Extended Reporting Period of 60 days immediately following the effective date of the ***termination of coverage*** during which ***you*** may first receive notice of a ***claim*** arising directly from a ***wrongful act*** occurring before the end of the ***policy period*** and which is otherwise insured by this Cyber Coverage; and

2) Upon payment of the additional premium of 98% of the full annual premium associated with the relevant coverage, based on the rates in effect at the beginning of the ***policy period***, a Supplemental Extended Reporting Period of one year immediately following the effective date of the ***termination of coverage*** during which ***you*** may first receive notice of a ***claim*** arising directly from a ***wrongful act*** occurring prior to the ***termination of coverage*** and which is otherwise insured by this Cyber Coverage.

To obtain the Supplemental Extended Reporting Period, ***you*** must request it in writing and pay the additional premium due, before the later of 60 days after the effective date of ***termination of coverage*** or 30 days after ***we*** have advised ***you*** in writing of the automatic extended reporting period and the availability of, the premium for, and the importance of purchasing additional extended reporting period coverage. The additional premium for the Supplemental Extended Reporting Period will be fully earned at the inception of the Supplemental Extended Reporting Period. If ***we*** do not receive the written request as required, ***you*** may not exercise this right at a later date.

This insurance, provided during the Supplemental Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.

3) The Supplemental Extended Reporting Period will be available upon ***termination of coverage*** if (i) ***you*** have been placed in liquidation or bankruptcy or permanently cease operations; (ii) ***you*** or ***your*** designated trustee does not purchase extended reporting period coverage; (iii) ***you*** or ***your*** designated trustee requires the extended reporting period coverage within 120 days of the ***termination of coverage***. ***We*** will charge the person for whom extended reporting period coverage is provided a premium commensurate with such coverage.

8. **Failure To Give Notice**

The failure to give any notice required to be given by this Cyber Coverage within the time prescribed herein shall not invalidate any ***claim*** made by ***you***, an injured person or any other claimant, unless the failure to provide timely notice has prejudiced ***us***. The failure to give any notice required to be given by this endorsement within the time prescribed herein shall not invalidate any ***claim*** made by ***you***, an injured person or any other claimant if it shall be shown not to have been reasonably possible to give such notice within the prescribed time and that notice was given as soon as was reasonably possible thereafter.

If the insurer disclaims liability or denies coverage based upon the failure to provide timely notice, then the injured person or other claimant may maintain an action directly against such insurer, in which the sole question is the insurer's disclaimer or denial based on the failure to provide timely notice, unless within sixty days following such disclaimer or denial, ***you*** or the insurer: 1) initiates an action to declare the rights of the parties under the insurance policy; and 2) names the injured person or other claimant as a party to the action.

9. **Identity Recovery Help Line**

For assistance, if Identity Recovery applies, the ***identity recovery insured*** may call the

Identity Recovery Help Line at 1-844-855-1894.

The Identity Recovery Help Line can provide the ***identity recovery insured*** with:

a. Information and advice for how to respond to a possible ***identity theft***; and

b. Instructions for how to submit a service request for Case Management Service and/or a ***claim*** form for Expense Reimbursement Coverage.

In some cases, ***we*** may provide Case Management Services at ***our*** expense to an ***identity recovery insured*** prior to a determination that a covered ***identity theft*** has occurred. ***Our*** provision of such services is not an admission of liability under the Cyber Coverage. ***We*** reserve the right to deny further coverage or service if, after investigation, ***we*** determine that a covered ***identity theft*** has not occurred. An ***identity recovery insured*** may select an alternate provider in accordance with the parameters provided under **F. –DEFINITIONS, 24.** ***Identity Recovery Case Manager***.

As respects Expense Reimbursement Coverage, the ***identity recovery insured*** must send to ***us***, within 60 days after ***our*** request, receipts, bills or other records that support his or her ***claim*** for ***identity recovery expenses***.

10. **Legal Action Against *Us***

    No one may bring a legal action against ***us*** under this insurance unless there has been full compliance with all of the terms of this Cyber Coverage and the amount of ***your*** obligation to pay has been finally determined either by:

    a. Judgment against ***you*** which remains unsatisfied at the expiration of thirty (30) days from the service of notice of entry of the judgment upon ***you*** and upon ***us***; or

    b. Written agreement of ***you***, the claimant and ***us***.

    Any person or organization or legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Cyber Coverage to the extent of the insurance afforded by this Cyber Coverage. ***We*** may not be impleaded by ***you*** or ***your*** legal representative in any legal action brought against ***you*** by any person or organization.

11. **Legal Advice**

    We are not ***your*** legal advisor. ***Our*** determination of what is or is not insured under this Cyber Coverage does not represent advice or counsel from ***us*** about what ***you*** should or should not do.

12. **Pre-Notification Consultation**

    You agree to consult with ***us*** prior to the issuance of notification to ***affected individuals***. ***We*** assume no responsibility under Data Compromise Response Expenses for any services promised to ***affected individuals*** without ***our*** prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under the Service Providers condition below. ***You*** must provide the following at ***our*** pre-notification consultation with ***you***:

    a. The exact list of ***affected individuals*** to be notified, including contact information.

    b. Information about the ***personal data compromise*** that may appropriately be communicated with ***affected individuals***.

    c. The scope of services that ***you*** desire for the ***affected individuals***. For example, coverage may be structured to provide fewer services in order to make those services available to more ***affected individuals*** without exceeding the available Data Compromise Response Expenses limit of insurance.

13. **Service Providers**

    a. ***We*** will only pay under this Cyber Coverage for services that are provided by service providers approved by ***us***. ***You*** must obtain ***our*** prior approval for any service provider whose expenses ***you*** want covered under this Cyber Coverage. ***We*** will not unreasonably withhold such approval.

    b. Prior to the Pre-Notification Consultation described in the Pre-Notification Consultation Condition above, ***you*** must come to agreement with ***us*** regarding the service provider(s) to be used for the Notification to Affected Individuals and Services to ***Affected Individuals***. ***We*** will suggest a service provider. If ***you*** prefer to use an alternate service provider, ***our*** coverage is subject to the following limitations:

        1) Such alternate service provider must be approved by ***us***;

        2) Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider ***we*** had suggested; and

        3) ***Our*** payment for services provided by any alternate service provider will not exceed the amount that ***we*** would have paid using the service provider ***we*** had suggested.

14. **Services**

    The following conditions apply as respects any services provided to ***you*** or any ***affected individual*** or ***identity recovery insured*** by ***us***, ***our*** designees or any service firm paid for in whole or in part under this Cyber Coverage:

    a. The effectiveness of such services depends on the cooperation and assistance of ***you***, ***affected individuals*** and ***identity recovery insureds***.

    b. All services are available to all individuals but, depending on their circumstances, not all individuals will be able to benefit from them in the same way. For example, ***affected individuals*** and ***identity recovery insureds*** who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in

accordance with local conditions.

c. ***We*** do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.

d. Except for the services of an ***identity recovery case manager*** under Identity Recovery, which ***we*** will provide directly, ***you*** will have a direct relationship with the professional service firms paid for in whole or in part under this Cyber Coverage. Those firms work for ***you***.

15. **Valuation**

We will determine the value of ***money***, ***securities***, cryptocurrency and tangible property as follows:

a. ***Our*** payment for loss of ***money*** or loss payable in ***money*** will be, at ***your*** option, in the ***money*** of the country in which the ***computer fraud event***, ***cyber extortion threat***, ***reward payments***, or ***wrongful transfer event*** took place or in the United States of America dollar equivalent thereof determined at the rate of exchange published by the Wall Street Journal at the time of payment of such ***loss***.

b. ***Our*** payment for ***loss*** of ***securities*** will be their value at the close of business on the day the ***computer fraud event*** or the ***wrongful transfer event*** was discovered, or the day the ***securities*** were transferred by ***you*** in response to the ***cyber extortion threat***. At ***our*** option, ***we*** may:

1) Pay the value of such ***securities*** to ***you*** or replace them in kind, in which event ***you*** must assign to ***us*** all of ***your*** rights, title and interest in those ***securities***; or

2) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the ***securities***; provided that ***we*** will be liable only for the cost of the Lost Securities Bond as would be charged for a bond having a penalty not exceeding the lesser of the value of the ***securities*** at the close of business on the day the ***computer fraud event***, ***cyber extortion threat*** or ***wrongful transfer event*** was discovered.

c. ***Our*** payment of cryptocurrency will be its value at the close of business on the day the cryptocurrency was transferred by ***you*** in response to the covered ***cyber extortion threat***.

d. ***Our*** payment for the ***loss*** of tangible property will be the smallest of:

1) The cost to replace the tangible property; or

2) The amount ***you*** actually spend that is necessary to replace the tangible property.

We will not pay ***you*** on a replacement costs basis for any ***loss*** of tangible property until such property is actually replaced and unless the replacement is made as soon as reasonably possible after the ***loss***. If the lost property is not replaced as soon as reasonably possible after the ***loss***, ***we*** will pay ***you*** the actual cash value of the tangible property on the day the ***computer fraud event***, ***cyber extortion threat*** or ***wrongful transfer event*** was discovered.

F. DEFINITIONS

1. ***Affected Individual*** means any person whose ***personally identifying information*** or ***personally sensitive information*** is lost, stolen, accidentally released or accidentally published by a ***personal data compromise*** covered under this Cyber Coverage. This definition is subject to the following provisions:

a. ***Affected Individual*** does not include any business or organization. Only an individual person may be an ***affected individual***.

b. An ***affected individual*** may reside anywhere in the world.

2. ***Authorized Representative*** means a person or entity authorized by law or contract to act on behalf of an ***identity recovery insured***.

3. ***Authorized Third-Party User*** means a party who is not an ***employee*** or ***executive*** of ***yours*** who is authorized by contract or other agreement to access the ***computer system*** for the receipt or delivery of services.

4. ***Bodily Injury*** means bodily injury, mental anguish, sickness or disease sustained by a person, including death resulting from any of these at any time.

5. ***Business Income and Extra Expense Loss*** means loss of Business Income and Extra Expense.

a. As used in this definition, Business Income means the sum of:

1) Net income (net profit or loss before income taxes) that would have been earned or incurred; and

2) Continuing normal and necessary operating expenses incurred, including ***employee*** and ***executive*** payroll.

b. As used in this definition, Extra Expense means the additional cost ***you*** incur to operate ***your*** business over and above the cost that ***you*** normally would have incurred to operate ***your*** business during the same period had no ***computer attack*** occurred.

6. ***Claim***

a. ***Claim*** means:

1) A written demand for monetary damages;

2) A civil proceeding commenced by the filing of a complaint;

3) An arbitration proceeding in which such damages are claimed and to which ***you*** must submit or do submit with ***our*** consent; or

4) Any other alternative dispute resolution proceeding in which such damages are claimed and to which ***you*** must submit or to which ***we*** agree ***you*** should submit to;

arising from a ***wrongful act*** or a series of interrelated ***wrongful acts*** including any resulting appeal.

b. ***Claim*** does not mean or include any demand or action brought by or on behalf of someone who is:

1) ***Your*** director;

2) ***Your*** owner or part-owner; or

3) A holder of ***your securities***;

in their capacity as such, whether directly, derivatively, or by class action. ***Claim*** will include proceedings brought by such individuals in their capacity as ***affected individuals***, but only to the extent that the damages claimed are the same as would apply to any other ***affected individual***.

c. Includes a demand or proceeding arising from a ***wrongful act*** that is a ***personal data compromise*** only when the ***affected individuals*** were notified in compliance with applicable laws and regulations. A ***personal data compromise*** can qualify for coverage even if the ***personal data compromise*** is first discovered by ***you*** at the time that ***you*** receive notice of a ***claim***. However, if the discovery of the ***personal data compromise*** first occurred following receipt of a ***claim*** or notice of suit, then notification to the ***affected individuals*** in compliance with applicable laws and regulations is not required as a prerequisite to **COVERAGE G**–***PRIVACY INCIDENT*** **LIABILITY**.

7. ***Computer Attack***

a. ***Computer attack*** means one of the following involving the ***computer system***:

1) An ***unauthorized access incident***;

2) A ***malware attack***; or

3) A ***denial of service attack*** against a ***computer system***.

b. A ***computer attack*** ends at the earlier of:

1) The time that the active attacking behavior ceases, the time that ***you*** have regained control over the ***computer system*** or the time that all unauthorized creation, destruction or movement of data associated with the ***computer attack*** has ceased, whichever happens latest; or

2) 30 days after ***your*** discovery of the ***computer attack***.

8. ***Computer Fraud Costs*** means:

a. The amount of ***money*** fraudulently obtained from ***you***. ***Computer fraud costs*** include the direct financial ***loss*** only.

b. ***Computer fraud costs*** do not include any of the following:

1) Other expenses that arise from the ***computer fraud event***;

2) Indirect ***loss***, such as ***bodily injury***, lost time, lost wages, ***identity recovery expenses*** or damaged reputation;

3) Any interest, time value or potential investment gain on the amount of financial ***loss***; or

4) Any portion of such amount that has been or can reasonably be expected to be reimbursed by a third party, such as a financial institution.

9. ***Computer Fraud Event*** means:

a. An ***unauthorized access incident*** that leads to the intentional, unauthorized and fraudulent entry of or change to data or instructions within a ***computer system*** owned or leased by ***you*** and operated under ***your*** control. Such fraudulent entry or change must be conducted by a person who is not an ***employee***, ***executive*** or ***independent contractor***, provided however that such fraudulent entry or change may be conducted by a person who is an ***employee***, ***executive*** or ***independent contractor*** when such person is acting in good faith upon a fraudulent instruction from a person who is not an ***employee***, ***executive*** or ***independent contractor***. Such fraudulent entry or change must cause ***money*** to be sent or diverted. The fraudulent entry or change must result in direct financial loss to ***you***.

b. ***Computer fraud event*** does not mean or include any occurrence:

1) In which ***you*** are threatened or coerced to send ***money*** or divert a payment; or

2) Arising from a dispute or a disagreement over the completeness, authenticity or value of a product, a service or a financial instrument.

10. ***Computer System*** means a computer or other electronic hardware that:

a. Is owned or leased by ***you*** and operated under ***your*** control; or

b. Is operated by a third-party service provider used for the purpose of providing hosted computer application services to ***you*** or for processing, maintaining, hosting or storing ***your*** electronic data, pursuant to a written contract with ***you*** for such services. However, such computer or other electronic hardware operated by such third party shall only be considered to be a ***computer system*** with respect to the specific services provided by such third party to ***you*** under such contract.

11. ***Coverage Term*** means the increment of time:

a. Commencing on the earlier of the first inception date of this Cyber Coverage or the first inception date of any coverage substantially similar to that described in this Cyber Coverage and held immediately prior to this Cyber Coverage; and

b. Ending upon the ***termination of coverage***.

12. ***Coverage Territory*** means:

a. With respect to Data Compromise Response Expenses, ***Computer Attack***, Cyber Extortion, Misdirected Payment Fraud, Computer Fraud, Telecommunications Fraud and Identity Recovery, **coverage territory** means anywhere in the world.

b. With respect to ***Privacy Incident*** Liability and Network Security Liability, ***coverage territory*** means anywhere in the world, however ***claims*** must be brought within the United States (including its territories and possessions) or Puerto Rico.

13. ***Cyber Extortion Expenses*** means:

a. The cost of a negotiator or investigator retained by ***you*** in connection with a ***cyber extortion threat***; and

b. Any amount paid by ***you*** in response to a ***cyber extortion threat*** to the party that made the ***cyber extortion threat*** for the purposes of eliminating the ***cyber extortion threat*** when such expenses are necessary and reasonable and arise directly from a ***cyber extortion threat***. This includes any payment made in the form of ***money***, ***securities***, cryptocurrency (including, but not limited to, Bitcoin, Ethereum and other forms of digital, virtual or electronic currency) or tangible goods. The payment of ***cyber extortion expenses*** must be approved in advance by ***us***. However, ***we*** will pay for ***cyber extortion expenses*** that have not been approved in advance by ***us*** if ***we*** determine that (1) it was not practical for ***you*** to obtain ***our*** prior approval, and (2) if consulted at the time, ***we*** would have approved the payment. ***We*** will not unreasonably withhold ***our*** approval.

14. ***Cyber Extortion Threat*** means:

a. ***Cyber extortion threat*** means a demand for ***money*** from ***you*** based on a credible threat, or series of related credible threats, to:

1) Launch a ***denial of service attack*** against the ***computer system*** for the purpose of denying ***authorized third-party users*** access to ***your*** services provided through the ***computer system*** via the Internet;

2) Gain access to a ***computer system*** and use that access to steal, release or publish ***personally identifying information***, ***personally sensitive information*** or ***third-party corporate data***;

3) Alter, damage or destroy electronic data or software while such electronic data or software is stored within a ***computer system***;

4) Launch a ***computer attack*** against a ***computer system*** in order to alter, damage or destroy electronic data or software while such electronic data or software is stored within a ***computer system***; or

5) Transfer, pay or deliver any funds or property using a ***computer system*** without ***your*** **authorization.**

b. ***Cyber extortion threat*** does not mean or include any threat made in connection with a legitimate commercial dispute.

15. ***Data Re-creation Costs***

a. ***Data re-creation costs*** means the costs of an outside professional firm hired by ***you*** to research, re-create and replace data that has been lost or corrupted and for which there is no electronic source available or where the electronic source does not have the same or similar functionality to the data that has been lost or corrupted.

b. ***Data re-creation costs*** does not mean or include costs to research, re-create or replace:

1) Software programs or operating systems that are not commercially available; or

2) Data that is obsolete, unnecessary or useless to ***you***.

16. ***Data Restoration Costs***

a. ***Data restoration costs*** means the costs of an outside professional firm hired by ***you*** to replace electronic data that has been lost or corrupted. In order to be considered ***data restoration costs***, such replacement must be from one or more electronic sources with the same or similar functionality to the data that has been lost or corrupted.

b. ***Data restoration costs*** does not mean or include costs to research, re-create or replace:

1) Software programs or operating systems that are not commercially available; or

2) Data that is obsolete, unnecessary or useless to ***you***.

17. ***Defense Costs***

a. ***Defense costs*** means reasonable and necessary expenses consented to by ***us*** resulting solely from the investigation, defense and appeal of any ***claim*** against ***you***. Such expenses may be incurred by ***us*** or paid by ***us*** on ***your*** behalf. Such expenses may include premiums for any appeal bond, attachment bond or similar bond. However, ***we*** have no obligation to apply for or furnish such bond.

b. ***Defense costs*** does not mean or include the salaries or wages of ***your employees*** or ***executives***, or ***your loss*** of earnings.

18. ***Denial of Service Attack*** means an intentional attack against a target computer or network of computers designed to overwhelm the capacity of the target computer or network in order to deny or impede authorized users from gaining access to the target computer or network through the Internet.

19. ***Employee*** means any natural person, other than an ***executive***, who was, now is or will be:

a. Employed on a full-time or part-time basis by ***you***;

b. Furnished temporarily to ***you*** to substitute for a permanent ***employee*** on leave or to meet seasonal or short-term workload conditions;

c. Leased to ***you*** by a labor leasing firm under an agreement between ***you*** and the labor leasing firm to perform duties related to the conduct of ***your*** business, but does not mean a temporary ***employee*** as defined in paragraph b.;

d. ***Your*** volunteer worker, which includes unpaid interns; or

e. An independent contractor.

20. ***Executive*** means any natural person who was, now is or will be:

a. The owner of ***your*** sole proprietorship; or

b. A duly elected or appointed:

1) Director;

2) Officer;

3) Managing Partner;

4) General Partner;

5) Member (if a limited liability company);

6) Manager (if a limited liability company); or

7) Trustee;

of ***your*** business.

21. ***Extended Income Loss*** means ***your*** actual ***business income and extra expense loss*** incurred during the ***extended recovery period***.

22. ***Extended Recovery Period*** means a fixed period of 180 days immediately following the end of the ***period of restoration***.

23. ***Future Loss Avoidance Costs***

    a. ***Future loss avoidance costs*** means the amount ***you*** spend to make improvements to a ***computer system*** owned or leased by ***you*** and operated under ***your*** control, provided:

        1) Such ***future loss avoidance costs*** are incurred within 30 days after ***your*** discovery of the ***computer attack***; and

        2) ***We*** agree in writing that improvements to which ***future loss avoidance costs*** relate would reasonably reduce the likelihood of a future ***computer attack*** similar to the one for which ***you*** have received payment under **COVERAGE B**–***COMPUTER ATTACK***, Coverage B.1. Data Restoration through B.4. Loss of Business. ***We*** will not unreasonably withhold such agreement; and

        3) ***We*** receive ***your*** invoices for the ***future loss avoidance costs*** no later than 60 days after the date ***you*** received the payment for the loss under **COVERAGE B**–***COMPUTER ATTACK***, Coverage B.1. Data Restoration through B.4. Loss of Business.

    b. The most ***we*** will pay for all ***future loss avoidance costs*** with respect to any one ***computer attack*** is 10% of ***our*** Eligible Payment to ***you*** prior to any payment under this Future Loss Avoidance Coverage. Any portion of the payment made for hardware replacement or hardware upgrades reduces the amount ***we*** will pay.

    c. The improvements described in paragraph a.1) above may include, but are not limited to, hardware and software upgrades. Improvements involving services subject to lease, license or subscription may have costs that are ongoing. In such case, the most ***we*** will pay are costs associated with the first 12 months of any such service, subject to the amount described in paragraph b. directly above.

    d. As used in this coverage, Eligible Payment means ***our*** total payment to ***you*** under **COVERAGE B**–***COMPUTER ATTACK***, Coverage B.1. Data Restoration through B.4. Loss of Business, not including any deductible amount.

24. ***Identity Recovery Case Manager*** means one or more individuals assigned by ***us*** to assist an ***identity recovery insured*** with communications ***we*** deem necessary for re-establishing the integrity of the personal identity of the ***identity recovery insured***. This includes, with the permission and cooperation of the ***identity recovery insured***, written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.

    If the ***identity recovery insured*** prefers to use an alternate service provider, ***our*** coverage is subject to the following limitations:

    a. Such alternate service provider must be approved by ***us***;

    b. Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider ***we*** had suggested; and

    c. ***Our*** payment for services provided by any alternate service provider will not exceed the amount that ***we*** would have paid using the service provider ***we*** had suggested.

25. ***Identity Recovery Expenses*** means the following when they are reasonable and necessary expenses that are incurred as a direct result of an ***identity theft*** suffered by an ***identity recovery insured***:

    a. **Re-Filing Costs**

    Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a

result of an ***identity theft***.

b. **Notarization, Telephone and Postage Costs**

Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of the ***identity recovery insured's*** efforts to report an ***identity theft*** or amend or rectify records as to the ***identity recovery insured's*** true name or identity as a result of an ***identity theft***.

c. **Credit Reports**

Costs for credit reports from established credit bureaus.

d. **Legal Costs**

Fees and expenses for an attorney approved by ***us*** for the following:

1) The defense of any civil suit brought against an ***identity recovery insured***.
2) The removal of any civil judgment wrongfully entered against an ***identity recovery insured***.
3) Legal assistance for an ***identity recovery insured*** at an audit or hearing by a governmental agency.
4) Legal assistance in challenging the accuracy of the ***identity recovery insured's*** consumer credit report.

e. **Lost Wages**

Actual lost wages of the ***identity recovery insured*** for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any ***loss*** arising from time taken away from self-employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.

f. **Child and Elder Care Expenses**

Actual costs for supervision of children or elderly or infirm relatives or dependents of the ***identity recovery insured*** during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the ***identity recovery insured***.

g. **Miscellaneous Unnamed Costs**

Any other reasonable costs necessarily incurred by an ***identity recovery insured*** as a direct result of the ***identity theft***.

1) Such costs include:
   a) Costs by the ***identity recovery insured*** to recover control over his or her personal identity.
   b) Deductibles or service fees from financial institutions.
2) Such costs do not include:
   a) Costs to avoid, prevent or detect ***identity theft*** or other ***loss***.
   b) ***Money*** lost or stolen.
   c) Costs that are restricted or excluded elsewhere in this Cyber Coverage or policy.

26. ***Identity Recovery Insured*** means the following:

a. When the entity insured under this Cyber Coverage is a sole proprietorship, the ***identity recovery insured*** is the individual person who is the sole proprietor of the insured identity.

b. When the entity insured under this Cyber Coverage is a partnership, the ***identity recovery insureds*** are the current partners.

c. When the entity insured under this Cyber Coverage is a corporation or other form of organization, other than those described in a. or b. above, the ***identity recovery insureds*** are all individuals having an ownership position of 20% or more of the insured entity. However, if, and only if, there is no one who has such an ownership position, then the ***identity recovery insured*** will be:

1) The chief executive of the insured entity; or
2) As respects a religious institution, the senior ministerial ***employee***.

An ***identity recovery insured*** must always be an individual person. If the entity insured under this Cyber Coverage is a legal entity, that legal entity is not an ***identity recovery insured***.

27. ***Identity Theft***

a. ***Identity theft*** means the fraudulent use of ***personally identifying information***. This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts or commit crimes.

b. ***Identity theft*** does not mean or include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

28. ***Independent Contractor*** means a natural person that provides goods or services to ***you*** under terms specified in a written contract, but only while acting on behalf of, at the direction of, and under the supervision of ***you***.

29. ***Loss***

a. With respect to Data Compromise Response Expenses, ***loss*** means expenses, Coverage A.1.–Forensic IT Review through Coverage A.7.–***Reward Payments***, listed in **COVERAGE A**–**DATA COMPROMISE RESPONSE EXPENSES**.

b. With respect to ***Computer Attack***, ***loss*** means those expenses, Coverage B.1.–Data Restoration through Coverage B.8.–***Reward Payments*** listed in **COVERAGE B**–***COMPUTER ATTACK***.

c. With respect to Cyber Extortion, ***loss*** means ***cyber extortion expenses***.

d. With respect to Misdirected Payment Fraud, ***loss*** means ***wrongful transfer costs***.

e. With respect to Computer Fraud, ***loss*** means ***computer fraud costs***.

f. With respect to Telecommunications Fraud, ***loss*** means ***telecommunications fraud costs***.

g. With respect to ***Privacy Incident*** Liability and Network Security Liability, ***loss*** means ***defense costs*** and ***settlement costs***.

h. With respect to Identity Recovery, ***loss*** means those expenses, Coverage I.1. and Coverage I.2. listed in **COVERAGE I**–**IDENTITY RECOVERY**.

30. ***Malware Attack***

a. ***Malware attack*** means an attack that damages a ***computer system*** or data contained therein arising from malicious code, including viruses, worms, Trojans, spyware and keyloggers.

b. ***Malware attack*** does not mean or include damage from shortcomings or mistakes in legitimate electronic code or damage from code installed on ***your computer system*** during the manufacturing process or normal maintenance.

31. ***Money*** means:

a. ***Money*** means a medium of exchange in current use and authorized or adopted by a domestic or foreign government, including currency, coins, banknotes, bullion, travelers' checks, registered checks and money orders held for sale to the public.

b. ***Money*** does not mean or include any cryptocurrency, whether or not authorized or adopted by a domestic or foreign government. Cryptocurrency includes, but is not limited to, Bitcoin, Ethereum and other forms of digital, virtual or electronic currency.

32. ***Network Security Incident*** means a negligent security failure or weakness with respect to a ***computer system*** which allowed one or more of the following to happen:

a. The unintended propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers. Malware does not include shortcomings or mistakes in legitimate electronic code;

b. The unintended abetting of a ***denial of service attack*** against one or more other systems; or

c. The unintended loss, release or disclosure of ***third-party corporate data***.

33. ***Period of Restoration*** means the period of time that begins 8 hours after the time that a ***computer attack*** is discovered by ***you*** and continues until the earliest of:

a. The date that all data restoration, data re-creation and system restoration directly related to the ***computer attack*** has been completed;

b. The date on which such data restoration, data re-creation and system restoration could have been completed with the exercise of due diligence and dispatch;

c. If no data restoration, data re-creation or system restoration is required, the end of the ***computer attack***; or

d. 180 days after the ***computer attack*** is discovered by ***you***.

34. ***Personal Data Compromise*** means the ***loss***, theft, accidental release or accidental publication of ***personally identifying information*** or ***personally sensitive information*** as respects one or more ***affected individuals***. If the ***loss***, theft, accidental release or accidental publication involves ***personally identifying information***, such ***loss***, theft, accidental release or accidental publication must result in or have the reasonable possibility of resulting in the fraudulent use of such information. This definition is subject to the following provisions:

a. At the time of the ***loss***, theft, accidental release or accidental publication, the ***personally identifying***

information or ***personally sensitive information*** need not be at the insured premises but must be in the direct care, custody or control of:

1) ***You***; or

2) A professional entity with which ***you*** have a direct relationship and to which ***you*** (or an ***affected individual*** at ***your*** direction) have turned over (directly or via a professional transmission or transportation provider) such information for storage, processing, transmission or transportation of such information.

b. ***Personal data compromise*** includes disposal or abandonment of ***personally identifying information*** or ***personally sensitive information*** without appropriate safeguards such as shredding or destruction, provided that the failure to use appropriate safeguards was accidental and not reckless or deliberate.

c. ***Personal data compromise*** includes situations where there is a reasonable cause to suspect that such ***personally identifying information*** or ***personally sensitive information*** has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof.

d. All incidents of ***personal data compromise*** that are discovered at the same time or arise from the same cause will be considered one ***personal data compromise***.

35. ***Personally Identifying Information***

a. ***Personally identifying information*** means information, including health information, that could be used to commit fraud or other illegal activity involving the credit, access to health care or identity of an ***affected individual*** or ***identity recovery insured***. This includes, but is not limited to, Social Security numbers or account numbers.

b. ***Personally identifying information*** does not mean or include information that is otherwise available to the public, such as names and addresses.

36. ***Personally Sensitive Information***

a. ***Personally sensitive information*** means private information specific to an individual the release of which requires notification of ***affected individuals*** under any applicable law.

b. ***Personally sensitive information*** does not mean or include ***personally identifying information***.

37. ***Policy Period*** means the period commencing on the effective date shown in the Cyber Suite Supplemental Declarations. The ***policy period*** ends on the expiration date or the cancellation date of this Cyber Coverage, whichever comes first. If there is a ***termination of coverage*** as described in paragraph b. of the definition of ***termination of coverage***, the policy period will be understood to end on the date of such change, but only with respect to such changed coverage.

38. ***Pollutants*** means any solid, liquid, gaseous, or thermal irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be disposed of as well as recycled, reclaimed, or reconditioned.

39. ***Privacy Incident*** means:

a. A ***personal data compromise***;

b. ***Your*** failure to comply with a Privacy Policy;

c. ***Your*** unauthorized, unlawful (including, but not limited to, in violation of the European Union General Data Protection Regulation, the California Consumer Privacy Act or similar laws) or wrongful collection of ***personally identifying information***; or

d. ***Your*** unlawful (including, but not limited to, in violation of the European Union General Data Protection Regulation, the California Consumer Privacy Act or similar laws) or wrongful failure to amend, correct or delete ***personally identifying information***.

For the purposes of this definition, Privacy Policy means a publicly available written policy formally adopted by ***you*** which addresses the collection, handling and management of ***personally identifying information***.

40. ***Property Damage*** means:

a. Physical injury to or destruction of tangible property including all resulting loss of use; or

b. Loss of use of tangible property that is not physically injured.

41. ***Reward Payments*** means**:**

An amount of ***money*** paid by ***you*** to any individual(s) for information leading to the arrest and conviction of any perpetrator(s) of a ***personal data compromise***, ***computer attack***, ***cyber extortion threat***, ***wrongful transfer event***, or ***computer fraud event*** that:

a. ***We*** agree to in writing prior to the ***reward payments*** being offered or paid; and

b. Are offered and paid prior to the earlier of:

1) Six months after the ***personal data compromise***, ***computer attack***, ***cyber extortion threat***, ***wrongful transfer event***, or ***computer fraud event***; or

2) Expiration of the policy term.

Such individual may not be:

1) ***You***;

2) ***Your employee***;

3) Anyone hired by ***you*** to investigate a ***personal data compromise***, ***computer attack***, ***cyber extortion threat***, ***wrongful transfer event***, or ***computer fraud event***; or

4) A member of law enforcement.

42. ***Securities***

a. ***Securities*** means**:**

1) Written negotiable and non-negotiable instruments or contracts representing ***money*** or tangible property; or

2) Uncertified securities.

b. ***Securities*** does not mean or include ***money***.

43. ***Settlement Costs***

a. ***Settlement costs*** means the following, when they arise from a ***claim***:

1) Damages, judgments or settlements;

2) Attorney's fees and other litigation costs added to that part of any judgment paid by ***us***, when such fees and costs are awarded by law or court order; and

3) Pre-judgment interest on that part of any judgment paid by ***us***.

b. ***Settlement costs*** does not mean or include:

1) Civil or criminal fines or penalties imposed by law;

2) Punitive and exemplary damages;

3) The multiple portion of any multiplied damages;

4) Taxes; or

5) Matters which may be deemed uninsurable under the applicable law.

44. ***System Restoration Costs***

a. ***System restoration costs*** means the costs of an outside professional firm hired by ***you*** to do any of the following in order to restore ***your computer system*** to its pre-***computer attack*** level of functionality:

1) Replace or reinstall computer software programs;

2) Remove any malicious code; and

3) Configure or correct the configuration of ***your computer system***.

b. ***System restoration costs*** does not mean or include:

1) Costs to increase the speed, capacity or utility of a ***computer system*** beyond what existed immediately prior to the ***computer attack***;

2) Labor costs of ***your employees*** or ***executives***;

3) Any costs in excess of the actual cash value of ***your computer system***; or

4) Costs to repair or replace hardware. However, at ***our*** sole discretion, ***we*** may choose to pay to repair or replace hardware if doing so reduces the amount of ***loss*** payable under this Cyber Coverage.

45. ***Telecommunications Fraud Costs*** means any payment that ***you*** are responsible for making to ***your*** Telephone Service Provider as a result of a ***computer attack*** on a ***telecommunications system*** that is owned or leased by ***you*** and operated under ***your*** control. As used in this definition, Telephone Service Provider means a business with which ***you*** have a written contract to provide ***you*** with telephone services.

46. ***Telecommunications System*** means any telephone or fax system including but not limited to, Voice over

Internet Protocol (VoIP) or other internet based telephone system that is owned or leased by ***you*** and operated under ***your*** control.

47. ***Termination of Coverage***, as respects Third-Party Coverages only, means whether made by the insurer or the insured at any time:
    a. Cancellation or nonrenewal of a policy; or
    b. Decrease in limits, reduction of coverage, increased deductible or self-insured retention, new exclusion, or any other change in coverage less favorable to the insured.
48. ***Third-Party Corporate Data***
    a. ***Third-party corporate data*** 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 an insured under this Cyber Coverage which is not available to the general public and is provided to ***you*** subject to a mutually executed written confidentiality agreement or which ***you*** are legally required to maintain in confidence.
    b. ***Third-party corporate data*** does not mean or include ***personally identifying information*** or ***personally sensitive information***.
49. ***Unauthorized Access Incident*** means the gaining of access to a ***computer system*** by:
    a. An unauthorized person or persons; or
    b. An authorized person or persons for unauthorized purposes.
50. ***Wrongful Act***
    a. With respect to ***Privacy Incident*** Liability, ***wrongful act*** means a ***privacy incident***.
    b. With respect to Network Security Liability, ***wrongful act*** means a ***network security incident***.
51. ***Wrongful Transfer Costs*** means the amount of ***money*** fraudulently obtained from ***you***. ***Wrongful transfer costs*** include the direct financial ***loss*** only. ***Wrongful transfer costs*** do not include any of the following:
    a. Other expenses that arise from the ***wrongful transfer event***;
    b. Indirect ***loss***, such as ***bodily injury***, lost time, lost wages, ***identity recovery expenses*** or damaged reputation;
    c. Any interest, time value or potential investment gain on the amount of financial ***loss***; or
    d. Any portion of such amount that has been or can reasonably be expected to be reimbursed by a third party, such as a financial institution.
52. ***Wrongful Transfer Event***
    a. ***Wrongful transfer event*** means an intentional and criminal deception of ***you*** or a financial institution with which ***you*** have an account. The deception must be perpetrated by a person who is not an ***employee***, ***executive*** or ***independent contractor*** using email, facsimile or telephone communications to induce ***you*** or the financial institution to send or divert ***money***, ***securities*** or tangible property. The deception must result in direct financial ***loss*** to ***you***.
    b. ***Wrongful transfer event*** does not mean or include any occurrence:
        1) In which ***you*** are threatened or coerced to send ***money*** or divert a payment; or
        2) Arising from a dispute or disagreement over the completeness, authenticity or value of a product, a service or a financial instrument.

ALL OTHER ***TERMS***, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.