

**Price Forbes and Partners Limited****507 PRF****Market Reform Contract****UNIQUE MARKET  
REFERENCE:**

B0507FI1800274

**TYPE:**

Cyber Liability

**INSURED:**

State of Arkansas and entities as listed in the attached schedule

**MAILING  
ADDRESS:**

1200 West Third St., Little Rock, Arkansas 72201-1904

**PERIOD:**From: 14<sup>th</sup> August 2018To: 14<sup>th</sup> August 2019

Both days at 12:01am local standard time, at the mailing address of the Insured

**INTEREST:**

To indemnify the Insured for loss, as covered the wording attached

**LIMIT OF  
LIABILITY:**

USD 10,000,000 in excess of USD 250,000 any one claim and in the aggregate followed by USD 100,000 any one claim thereafter for Insuring modules A, B, C, D, E, H, I &amp; J

USD 500,000 in excess of USD 250,000 any one claim and in the aggregate followed by USD 100,000 any one claim thereafter for insuring module G

USD 5,000,000 in excess of USD 250,000 any one claim and in the aggregate followed by USD 100,000 any one claim thereafter for insuring module L

**TERRITORIAL  
LIMITS:**

Worldwide

**CONDITIONS:**

1. Novae Cyber Connect wording as attached
2. Retroactive Date: As per the endorsement attached
3. War and Terrorism Exclusion NMA 2918 as attached.
4. Nuclear Incident Exclusion Clause – Liability – Direct (Broad)
5. Sanction Limitation and Exclusion Clause LSM wording as attached.
6. Premium Payment Clause LSW3000 as attached
7. NMA 1988 Service of Suit Clause as attached
8. LMA 3100 Sanctions Clause as attached
9. 1% of Premium allocated to TRIA if elected
10. Addition of bricking coverage as attached

**CHOICE OF LAW  
& JURISDICTION:**

This insurance shall be governed by and construed in accordance with the law of Arkansas and each party agrees to submit to the exclusive jurisdiction of the courts of Arkansas

**PREMIUM:**

USD 340,000

**NOTICE OF CLAIM:**

To underwriters via Bancorp South Insurance Services and  
[claims@priceforbes.com](mailto:claims@priceforbes.com)



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**SERVICE OF SUIT:** Service of process in any suit shall be made as per the attached and upon:  
Mendes & Mount LLP,  
750 Seventh Avenue, New York, NY 10019

**PREMIUM**  
**PAYMENT TERMS:** LSW 3000 – 60 days

**TAXES PAYABLE**  
**BY INSURED AND**  
**ADMINISTERED**  
**BY INSURER(S):** None applicable

**RECORDING,**  
**TRANSMITTING**  
**& STORING**  
**INFORMATION:** Where the Broker maintains risk and claim data / information / documents the  
Broker may hold data / information /documents electronically.

**INSURER**  
**CONTRACT**  
**DOCUMENTATION:** This document details the contract terms entered into by the insurer(s), and  
constitutes the contract documentation.



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INFORMATION

As held on file by Price Forbes & Partners Limited



**WAR AND TERRORISM EXCLUSION ENDORSEMENT**

Notwithstanding any provision to the contrary within this Policy or any Endorsement thereto it is agreed that this Policy excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) any act of terrorism.  
For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this policy, the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

**NMA2918**  
**08/10/2001**

**NMA 1256 NUCLEAR INCIDENT EXCLUSION CLAUSE—LIABILITY—DIRECT (BROAD)**

*(Approved by Lloyd's Underwriters' Non-Marine Association)*

*For attachment to insurances of the following classifications in the U.S.A., its Territories and Possessions, Puerto Rico and the Canal Zone:-*

*Owners, Landlords and Tenants Liability, Contractual Liability, Elevator Liability, Owners or Contractors (including railroad) Protective Liability, Manufacturers and Contractors Liability, Product Liability, Professional and Malpractice Liability, Storekeepers Liability, Garage Liability, Automobile Liability (including Massachusetts Motor Vehicle or Garage Liability), not being insurances of the classifications to which the Nuclear Incident Exclusion Clause—Liability—Direct (Limited) applies.*

This Policy\* does not apply:-

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

As used in this endorsement:

**"hazardous properties"** include radioactive, toxic or explosive properties; **"nuclear material"** means source material, special nuclear material or byproduct material; **"source material"**, **"special nuclear material"**, and **"byproduct material"** have the meanings given them in the Atomic Energy Act 1954 or in any law amendatory thereof; **"spent fuel"** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor; **"waste"** means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of

any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof;  
**"nuclear facility"** means

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

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

With respect to injury to or destruction of property, the word "injury" or "destruction" includes all forms of radioactive contamination of property.

It is understood and agreed that, except as specifically provided in the foregoing to the contrary, this clause is subject to the terms, exclusions, conditions and limitations of the Policy to which it is attached.

\*Note:—As respects policies which afford liability coverages and other forms of coverage in addition, the words underlined should be amended to designate the liability coverage to which this clause is to apply.

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NMA 1256

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**SANCTION LIMITATION AND EXCLUSION CLAUSE**

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

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**PREMIUM PAYMENT CLAUSE**

The (Re)Insured undertakes that premium will be paid in full to Underwriters within 60 days of inception of this policy (or, in respect of instalment premiums, when due).

If the premium due under this policy has not been so paid to Underwriters by the 90th day from the inception of this policy (and, in respect of instalment premiums, by the date they are due) Underwriters shall have the right to cancel this policy by notifying the (Re)Insured via the broker in writing. In the event of cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters are on risk but the full policy premium shall be payable to Underwriters in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this policy.

It is agreed that Underwriters shall give not less than 10 days prior notice of cancellation to the (Re)Insured via the broker. If premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the Leading Underwriter (and Agreement Parts if appropriate) are authorised to exercise rights under this clause on their own behalf and on behalf of all Underwriters participating in this contract.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

Where the premium is to be paid through a London Market Bureau, payment to Underwriters will be deemed to occur on the day of delivery of a premium advice note to the Bureau.

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**SERVICE OF SUIT CLAUSE (U.S.A.)**

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Assured, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon, and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above named are authorised and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Assured to give a written undertaking to the Assured that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above named as the person to whom the said officer is authorised to mail such process or a true copy thereof.

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**SPLIT RETROACTIVE DATE ENDORSEMENT**

It is hereby understood and agreed that the retroactive date for this policy shall be inception (14<sup>th</sup> August 2018) for all entities listed in the schedule attached to this policy. The only entity that this shall not apply to is as follows:

State of Arkansas University: Full prior acts for a limit of up to USD 3,000,000

All other terms and conditions remain unchanged.



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**ADDITION OF BRICKING COVERAGE ENDORSEMENT**

It is hereby understood and agreed that a limit of USD 500,000 any one claim and in the aggregate in excess of the listed retentions shall be added for the following coverage:

**Underwriters** will reimburse the **Insured** for the replacement of any **hardware** under the **Insured's** direct ownership and operation that is deemed unfit for purpose, up to the Limit of Liability and excess of the **Retention** as stated in the Policy Schedule, occurring as a direct result of a **Network Security Breach** on the **Insured's Network**, which first occurs on or after the **Retroactive Date** and which was discovered during the **Policy Period**.

It is furthermore understood and agreed that Section VI Exclusions 3. Is deleted in its entirety and replaced with the following:

3. Loss or destruction of or damage to any physical or tangible property or any replacement or repair of any physical or tangible property unless covered under 'Accidental damage of hardware' under Insuring Agreements B, C or D of this Policy. Covered losses arising from a **Privacy breach** as a result of the loss of physical or tangible property.

This exclusion shall apply to **hardware** unless such damage is a result of a **Network Security Breach** and shall not cover betterment of such **hardware**.

All other terms and conditions remain unchanged

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**(RE)INSURERS LIABILITY CLAUSE**

**(Re)insurer's liability several not joint**

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

**Proportion of liability**

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

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All other terms and conditions remain unchanged.

**SECURITY DETAILS**

**ORDER HEREON:** 100% of 100%

**BASIS OF  
WRITTEN LINES:** Percentage of Whole

NMA 2419 Lines Clause, if applicable.

**SIGNING  
PROVISIONS:**

In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the (re)insured, or the (re)insured's representatives, and the Slip Leader. Such variation to be in accordance with provision a) above with the resulting variation in signed lines commencing from the date set out in that agreement.



Any other variation to the contracts will take effect only by the documented agreement of the (re)insured, or the (re)insured's representatives, and all (re)insurers whose lines are to be varied. Such variation to the contracts will take effect only when all such (re)insurers have agreed with the resulting variation in signed lines commencing from the date set out in that agreement.

**LINE CONDITIONS:** None


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WRITTEN LINES:

100%  

X	Z	2	8	4	1	8	A	C	D	U	S
A	A	N	N	N	N	N	A	A	A	A	A

  $\frac{16}{8} \frac{18}{18}$   
per JSS



## Cyber Connect v1.2

1. Policy Number: B0507FI14800274
2. Policy Period: XXXXX  
From: 14<sup>th</sup> August 2018  
To: 14<sup>th</sup> August 2019
3. Named Insured: State of Arkansas and entities as listed in the attached schedule
4. Address: 1200 West third St. Little Rock, Arkansas 72201-1904
5. Application Form Dated: No material changes and No claims declaration signed 14<sup>th</sup> August 2018
6. Premium: USD 340,000.00
7. Policy Limits:
  - (a) Total Aggregate Limit of Liability: USD 10,000,000
  - (b) Insuring Agreements and Limits of Liability: as listed in the slip attaching

### Section I - First Party Insuring Agreements and Limits of Liability

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- |   |                |
|---|----------------|
| A. Breach Costs:                                  | Applicable     |
| B. Costs for Damage to Data or Programs:          | Applicable     |
| C. Insured's Network Failure -                    |                |
| Income Loss and Extra Expense:                    | Applicable     |
| D. Outsource Service Provider/Cloud Service       |                |
| Provider Failure - Income Loss and Extra Expense: | Applicable     |
| E. Cyber Extortion and Ransomware:                | Applicable     |
| F. Customer Attrition:                            | Not Applicable |
| G. E-Theft:                                       | Applicable     |
| H. Hardware Replacement cost                      | Applicable     |

### Section II - Third Party Insuring Agreements and Limits of Liability

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- |   |                |
|---|----------------|
| I. Network Security, Privacy and Confidentiality Liability: | Applicable     |
| J. Network Security and Privacy Liability (Regulatory):     | Applicable     |
| K. Multimedia Liability:                                    | Applicable     |
| L. Technology Errors and Omissions:                         | Not Applicable |

### Section III

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- M. Payment Card Industry Data Security Standard "PCI DSS"  
Fines, Penalties and Assessments: Applicable

### Section IV

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- N. Cyber Terrorism Applicable

8. Retroactive Date: As per the attached endorsement
9. Retention applicable to Insuring Agreements:  
A, B, E, G, H, I, J, K, L and M: USD 250,000 for the first claim and in the aggregate followed  
by USD 100,000 thereafter
10. Time Retention applicable to Insuring Agreements  
C and D: 12 Hours
11. Choice of Law: Arkanas
12. Applicable Endorsements:
- a) LMA 3100 Sanctions Clause
  - b) NMA 1998 Service of Suit Clause
  - c) LSW 3000 - 60 days
  - d) LMA3333 - Several Liability
  - e) NMA 2918 War and Terrorism Exclusion
  - f) Nuclear incident Exclusion Clause - liability - broad
13. (a) Pre-Approved Providers from the Novae Cyber Response  
Panel: to be confirmed
- (b)
- (i) Time Limit for Pre-Approved Provider Expenses: N/A
  - (ii) Allowable amount of Pre-Approved Provider Expenses: N/A
14. Underwriters' Representative for Claims Notification: via [claims@priceforbes.com](mailto:claims@priceforbes.com)
15. Underwriters' Representative for all Other Notifications under this Policy: to underwriters via  
Price Forbes and Partners Ltd, 2 Minster Court, Mincing Lane, London, EC3R7PD
16. Insured's Representative: Price Forbes and Partners
17. Service of Suit: Mendes & Mount LLP, 750 Seventh Avenue, New York, NY 10019



## THE POLICY

**IMPORTANT NOTICE: AS MORE FULLY SET FORTH IN THE INSURING AGREEMENTS, THE THIRD PARTY COVERAGES PROVIDED BY THIS POLICY AND COVERAGE RELATING TO PAYMENT CARD INDUSTRY DATA SECURITY STANDARD UNDER INSURING AGREEMENT L COVER ONLY CLAIMS FIRST MADE AND REPORTED TO UNDERWRITERS DURING AND BEFORE THE END OF THE POLICY PERIOD OR ANY EXTENDED REPORTED PERIOD, IF APPLICABLE.**

**AS MORE FULLY SET FORTH IN THE INSURING AGREEMENTS, THE FIRST PARTY COVERAGES, EXCEPT FOR INSURING AGREEMENT E (CYBER EXTORTION AND RANSOMWARE), COVER ONLY LOSS DISCOVERED AND REPORTED TO UNDERWRITERS DURING AND BEFORE THE END OF THE POLICY PERIOD OR AN EXTENDED REPORTING PERIOD, IF APPLICABLE, AND OCCURRING ON OR AFTER THE RETROACTIVE DATE.**

**COVERAGE PROVIDED BY INSURING AGREEMENT E (CYBER EXTORTION AND RANSOMWARE) COVERS ONLY CYBER EXTORTION DEMANDS OR RANSOMWARE DEMANDS FIRST MADE DURING THE POLICY PERIOD OR AN EXTENDED REPORTING PERIOD, IF APPLICABLE, AND OCCURRING AFTER THE RETROACTIVE DATE.**

**ALL CLAIMS OR ANY OTHER AMOUNTS PAYABLE UNDER THIS POLICY ARE SUBJECT TO THE APPLICABLE LIMITS OF LIABILITY AND THE APPLICABLE RETENTION(S). PLEASE BE ADVISED THAT, WHERE NOTED, THE LIMITS OF LIABILITY INCLUDE DEFENSE COSTS.**

**Unless otherwise expressly provided below, the Insured shall not admit liability, make any payment, assume any obligation, incur any expense, enter into any settlement, stipulate to any judgment or award, or dispose of any loss or Claim without Underwriters' prior written consent.**

**WORDS AND TERMS THAT APPEAR IN BOLD FACE TYPE BELOW ARE DEFINED TERMS IN THIS POLICY. PLEASE READ THIS POLICY CAREFULLY.**

The **Named Insured** has purchased some or all of the Insuring Agreements listed below. Please refer to the Policy Schedule, which is considered to be part of this Policy, which shows the Insuring Agreements that have been purchased. If an Insuring Agreement has not been purchased, that portion of this Policy is not applicable.

In consideration of the payment of Premium by the **Named Insured** to Underwriters hereunder, and subject to the terms, conditions and exclusions of this Policy, as well as the Insuring Agreements purchased, the **Named Insured** and the Underwriters agree as follows:

## Section I - First Party Insuring Agreements

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This Policy provides the **Insured** with coverage for loss as more fully and specifically described in the following Insuring Agreements:

### A. Breach Costs

Underwriters will pay on behalf of the **Insured** any **Breach Costs** up to the Limit of Liability and excess of the **Retention**, as stated in the Policy Schedule, arising out of an actual or suspected **Network security breach, Privacy breach** or a **Confidentiality breach** which first occurred on or after the **Retroactive Date** and was discovered during the **Policy Period**.

Should the **Insured** retain a firm or company from the list of **Pre-Approved Providers from the Novae Cyber Response Panel**, as stated in Item 13(a) of the Policy Schedule, the **Insured** may incur reasonable and necessary **Breach Costs** without first obtaining Underwriters' prior written consent for the period of time listed in Item 13(b) (i) of the Policy Schedule only and for an amount not to exceed the amount listed in Item 13(b) (ii) of the Policy Schedule. Such amount shall be part of and not in addition to the Limits of Liability contained in Item 7 of the Policy Schedule. Within 72 hours of retaining such vendor, the **Insured** must provide notification to Underwriters that such firm or company has been retained to the party listed in Item 15 of the Policy Schedule.

Any **Breach Costs** incurred consistent with the foregoing paragraph but after the period of time listed in Item 13(b)(i) of the Policy Schedule and any **Breach Costs** incurred that do not utilize a vendor from the **Pre-Approved Providers from the Novae Cyber Response Panel** are subject to Underwriters' prior written consent.

### B. Costs for Damage to Data or Programs

Underwriters will pay the **Insured** for any **First Party Costs** up to the Limit of Liability and excess of the **Retention**, as stated in the Policy Schedule, incurred as a direct result of damage to the **Insured's Data** or **Insured's Programs** caused by:

- a. **Computer Attack;**
- b. **Operational Error;**
- c. **Accidental damage of hardware;**
- d. **Failure of back-up generators; or**
- e. **Electrostatic build-up and static electricity;**

which first occurred on or after the **Retroactive Date** and was **Discovered** during the **Policy Period**.

### C. Insured's Network Failure - Income Loss and Extra Expense

Underwriters will pay the **Insured** for any **Income Loss** and **Extra Expense** up to the Limit of Liability as stated in the Policy Schedule, incurred by the **Insured** due to the suspension or deterioration of the **Insured's** business during the **Period of Restoration** directly as a result of the total or partial interruption, degradation in service or failure of the **Insured's Network**, provided that the duration of such interruption, degradation or failure exceeds the **Time Retention** and was directly caused by:

- a. **Computer Attack;**
- b. **Operational Error;**
- c. **Accidental damage of hardware;**
- d. **Failure of back-up generators; or**
- e. **Electrostatic build-up and static electricity;**

which first occurred on or after the **Retroactive Date** and was **Discovered** during the **Policy Period**.

Underwriters will not be liable for any **Income Loss** and **Extra Expense** incurred during the **Time Retention**. The **Time Retention** will apply to each **Period of Restoration**.

Calculation of **Income Loss** and **Extra Expense** is described in Section IX, Clause 3 of this Policy.

#### **D. Outsource Service Provider or Cloud Service Provider Failure- Income Loss and Extra Expense**

Underwriters will pay the Insured for any Income Loss and Extra Expense, up to the Limit of Liability, as stated in the Policy Schedule, incurred by the Insured due to the suspension or deterioration of the Insured's Business during the Period of Restoration directly as a result of the total or partial interruption, degradation in service or failure of a Network operated by an Outsource Service Provider or Cloud Service Provider for the Insured, provided that the duration of such interruption, degradation or failure exceeds the Time Retention and was directly caused by:

- a. Computer Attack;
- b. Operational Error;
- c. Accidental damage of hardware;
- d. Failure of back-up generators; or
- e. Electrostatic build-up and static electricity;

which first occurred on or after the Retroactive Date and was Discovered during the Policy Period.

Underwriters will not be liable for any Income Loss and Extra Expense incurred during the Time Retention. The Time Retention will apply to each Period of Restoration.

Calculation of Income Loss and Extra Expense is described in Section IX, Clause 3 of this Policy.

#### **E. Cyber Extortion and Ransomware**

Underwriters will reimburse the Insured for any Cyber Extortion/Ransomware Payments and any Cyber Extortion/Ransomware Expenses up to the Limit of Liability and excess of the Retention, as stated in the Policy Schedule, incurred directly as a result of a Cyber Extortion Demand or Ransomware Demand first made during the Policy Period.

#### **F. Customer Attrition**

Underwriters will pay the Insured for any Customer Attrition Loss and Extra Expense up to the Limit of Liability and excess of the Retention, as stated in the Policy Schedule, incurred by the Insured during the Customer Attrition Period of Restoration directly as a result of the reputational damage caused by an allegation made in the public domain or the release of information in the public domain to the effect that the Insured committed or failed to prevent a Network Security Breach, Privacy Breach or a Confidentiality breach, provided that such Network Security Breach, Privacy Breach or Confidentiality Breach first occurred on or after the Retroactive Date and was Discovered during the Policy Period.

#### **G. E-Theft**

Underwriters will reimburse the Insured for any E-theft Loss up to the Limit of Liability and excess of the Retention, as stated in the Policy Schedule, incurred as a direct result of a Network Security Breach on the Insured's Network, which first occurs on or after the Retroactive Date and which was discovered during the Policy Period. As a condition precedent to coverage under this Insuring Agreement, all instructions purportedly received by the Insured for the transfer of money, credit, securities or other property of value, must be authenticated by a call back to the telephone number held on file for the individual or entity requesting the transfer, and the Insured must receive oral confirmation from the individual at that telephone number to proceed with the transfer.

### **Section II - Third Party Insuring Agreements**

This Policy provides the Insured with coverage for Claims made under the following Insuring Agreements, as more fully described below:

#### **H. Network Security, Privacy and Confidentiality Liability**

Underwriters will pay on behalf of the Insured any Damages and Defense Costs up to the Limit of Liability and excess of the Retention, as stated in the Policy Schedule, arising out of a Claim first made against the Insured during the Policy Period alleging that the Insured committed or failed to

prevent a **Network Security Breach**, **Privacy breach** or a **Confidentiality breach** which first occurred on or after the **Retroactive Date**.

#### I. Network Security and Privacy Liability (Regulatory)

Underwriters will pay on behalf of the **Insured** any **Regulatory Penalties** and **Regulatory Investigation Costs** up to the Limit of Liability and excess of the **Retention**, as stated in the Policy Schedule, arising out of a **Regulatory Claim** first made against the **Insured** during the **Policy Period** alleging that the **Insured** committed or failed to prevent a **Network Security Breach**, **Privacy Breach** or a **Confidentiality Breach** which first occurred on or after the **Retroactive Date**.

#### J. Multimedia Liability

Underwriters will pay on behalf of the **Insured** any **Damages** and **Defense Costs** up to the Limit of Liability and excess of the **Retention**, as stated in the Policy Schedule, arising out of a **Claim** first made against the **Insured** during the **Policy Period** alleging that the **Insured** committed, either directly or indirectly, or failed to prevent a **Multimedia Wrongful Act** which first occurred on or after the **Retroactive Date**.

#### K. Technology Errors and Omissions

Underwriters will pay on behalf of the **Insured** any **Damages** and **Defense Costs** up to the Limit of Liability and excess of the **Retention**, as stated in the Policy Schedule, arising out of a **Claim** first made against the **Insured** during the **Policy Period** alleging that the **Insured** committed a **Technology Error and Omission** which first occurred on or after the **Retroactive Date**.

### Section III

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#### L. Payment Card Industry Data Security Standard (hereinafter "PCI DSS"): Fines, Penalties and Assessments

Underwriters will pay on behalf of the **Insured** any **PCI DSS Fines, Penalties and Assessments** and **PCI DSS Claim Expenses** up to the Limit of Liability and excess of the **Retention**, as stated in the Policy Schedule, arising out of a **PCI DSS Claim** first made against the **Insured** during the **Policy Period** alleging that the **Insured** committed or failed to prevent a **Network Security Breach**, **Privacy Breach** or a **Confidentiality Breach** which first occurred on or after the **Retroactive Date**.

### Section IV

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#### M. Cyber Terrorism

If a loss or **Claim** is covered under one or more of the Insuring Agreements (A-L) listed above, coverage will still be provided under that Insuring Agreement(s) in the event of a **Cyber Terrorism Event**, but only if this Section IV(M) is marked as applicable in the Policy Schedule. No Limits of Liability are provided by this Policy Section in addition to the Limits of Liability already provided by the specific Insuring Agreements.

### Section V - Definitions

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**Application** means the **Insured's** signed application for insurance and any attachments or other information and materials submitted in connection with this Policy, or during the **Policy Period** for a newly acquired entity. All such applications, attachments, information, and materials are deemed attached to and incorporated into this Policy.

**Breach Costs mean:**

- a. Costs to notify the population impacted or potentially impacted by a breach (including but not limited to call center costs in handling calls from notified individuals), reasonably and necessarily incurred by the **Insured** as a result of a legal or regulatory requirement including but not limited to legal, postage, advertising (not including public relations consultants) and other related expenses. This shall specifically include legal expense and other costs incurred to determine whether a suspected breach is in fact a breach.
- b. Where there is no legal or regulatory requirement to notify the population impacted or potentially impacted by a breach or suspected breach, costs to notify, including but not limited to postage, advertising and other related expenses, including legal expenses incurred after it is determined that there is no legal or regulatory requirement to notify, will only be considered by Underwriters under the following circumstances and subject to Underwriters' prior written consent: i) such costs are intended to mitigate further loss or a **Claim** or potential claim that is covered under this Policy; ii) where the **Insured** has received legal advice recommending that there is a legal or regulatory requirement to notify other portions of the breached population for the same breach or suspected breach; or iii) where the **Insured** has received legal advice that such costs are necessary to mitigate reputational damage to the **Insured**.
- c. Costs to provide credit monitoring and/or identity theft assistance solutions to the population impacted or potentially impacted by a breach for a period as legally required up to a maximum of 2 years, reasonably and necessarily incurred by the **Insured**, including but not limited to credit file monitoring and protection, purchase of identity theft insurance and consultation services.
- d. Costs to appoint a public relations consultant, being all public relations consultancy fees reasonably and necessarily incurred by the **Insured** in mitigating the reputational damage caused by a **Network Security Breach**, **Privacy Breach**, or a **Confidentiality Breach**.
- e. Forensics expenses, being all reasonable and necessary costs that the **Insured** incurs for the purposes of conducting a review or investigation of the source or cause of an actual or suspected **Network Security Breach**.

**Breach of Contract** means breach of a written contract(s) with a client to perform **Technology Services** because of:

- a. The **Technology Services** being negligently performed or containing a material defect;
- b. The **Technology Services** failing to meet any statutory term concerning quality, safety or fitness for a particular express purpose, or failing to meet an implied duty to exercise that degree of care or skill consistent with applicable industry standards; or
- c. Breach of any hold harmless or indemnity provision regarding infringement of intellectual property rights, breach of security, or the confidentiality of information.

**Card Associations** means companies which include but are not limited to MasterCard, VISA, Discover, American Express, or JCB, financial institutions, credit or debit card processors, ISO (Independent Sales Organization), MSP (Member Service Provider) or any other entity, which allows the **Insured** to accept payment by credit, debit or prepaid card and which are able to issue **PCI DSS Fines Penalties and Assessments** under the Payment Card Industry Data Security Standard.

**Claim** means:

- a. A written demand for **Damages** or non-monetary relief against any **Insured**;
- b. A civil proceeding for **Damages** against any **Insured** commenced by the service of a complaint or similar pleading;
- c. The institution of an arbitration, mediation or other alternate dispute resolution proceeding against any **Insured**;
- d. A verbal or written request for a tolling agreement;
- e. A **Regulatory Claim**, but only with respect to coverage provided under Insuring Agreement I (Network Security and Privacy Liability (Regulatory)); or
- f. A **PCI DSS Claim**, but only with respect to coverage provided under Insuring Agreement L. (Payment Card Industry Data Security Standard Fines, Penalties and Assessments).

**Cloud Service Provider** means an individual or entity that is not an **Insured** that provides cloud computing resources that are delivered as a service over a network or the internet, and/or through a data center or other premises where the **Insured's Data** is stored or managed by a **Third Party** under a written contract.

**Computer Attack** means a denial of service attack, use of malicious code/malware, computer virus or any other unauthorized use of the **Insured's Network** (including use by an authorized person(s) for an unauthorized purpose), which is either intended to cause damage to the **Insured's Network**, or as a result of an attack elsewhere, causes damage to the **Insured's Network**.

**Confidentiality Breach** means:

- a. The breach of any legal, regulatory or contractual requirement to protect the security or confidentiality of non-public corporate or other business confidential information, including but not limited to business plans and forecasting information, valuations, product development, banking and tax practice.
- b. The failure to destroy non-public corporate or other business confidential information including but not limited to business plans and forecasting information, valuations, product development, banking and tax practice, which breaches a legal, regulatory or contractual requirement.

**Control Group** means the **Insured's** Chief Executive Officer ("CEO"), Chief Information Officer ("CIO"), Chief Technology Officer ("CTO"), Chief Security Officer ("CSO"), Chief Privacy Officer ("CPO"), General Counsel ("GC") or Risk Manager or their functional equivalents within the **Insured's** business.

**Customer Attrition Loss** means the amount covered under Insuring Agreement F (Customer Attrition) as calculated in Section IX Clause 3 of this Policy.

**Customer Attrition Period of Restoration** means the period of time starting with the earlier of when an allegation is first made in the public domain or the first release of information in the public domain to the effect that the **Insured** committed or failed to prevent a **Network Security Breach**, **Privacy Breach** or a **Confidentiality Breach** and ending 12 months later.

**Cyber Extortion Demand** means a threat by a **Third Party** or **Employee** against the **Insured** to:

- a. corrupt, damage or destroy the **Insured's Network**, an **Outsource Service Provider's Network** or a **Cloud Service Provider's Network** (including through the introduction of malware);
- b. release, divulge, disseminate, destroy or use the **Insured's Data** or **Programs**;
- c. release, divulge or disseminate **Personally Identifiable Non-Public Information** or any other confidential information into the public domain, obtained through the unauthorized use or access (including use or access by an authorized person(s) for an unauthorized purpose) to the **Insured's Network**, an **Outsource Service Provider's Network** or a **Cloud Service Provider's Network**;
- d. restrict or hinder access (including by the use of a denial of service attack) to the **Insured's Network**, or a **Network** operated for the **Insured** by an **Outsource Service Provider** or a **Cloud Service Provider**; or
- e. electronically communicate with **Third Parties**, **Employees** or customers with the fraudulent intent of obtaining personally identifiable information, personal health information or any other confidential information;

accompanied by a demand for the payment of money, bitcoin, securities or other property of value in order to remove the threat.

**Cyber Extortion/Ransomware Expenses** mean reasonable and necessary expenses incurred by the **Insured** in order to meet, eliminate or remove the threat.

**Cyber Extortion/Ransomware Payments** mean payments made by the **Insured** to a **Third Party** or **Employee** threatening them with a **Cyber Extortion Demand** or **Ransomware Demand**, in order to remove the threat.

**Cyber Terrorism Event** for the purpose of the Cyber Terrorism Insuring Agreement shall mean an act or series of acts of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes. This shall include, but is not limited to, the intention to influence any government and/or to put the public in fear for such purposes by using activities perpetrated electronically or otherwise that are directed towards the destruction, disruption or subversion of communication and information systems, infrastructure, computers, the internet, telecommunications or electronic networks and/or the contents thereof or sabotage and/or threat there from.

**Damages** means a monetary judgment, award (including pre and post-judgment interest), or settlement. **Damages** does not include actual or alleged:

- a. Past or future royalties or past or future profits of the **Insured**, restitution, disgorgement of profits, or the costs of complying with orders granting injunctive relief or other non-monetary relief, including specific performance, or any agreement to provide such relief;
- b. return or offset of the **Insured's** fees, charges, or commissions for goods or services already provided or contracted to be provided;
- c. punitive, multiple, or exemplary damages unless insurable by the law of an applicable venue that would most favor coverage for such punitive, multiple or exemplary damages;
- d. taxes, fines, civil penalties, or sanctions unless insurable by the law of an applicable venue that would most favor coverage for such taxes, fines or civil penalties; however the foregoing civil penalties do not include **Regulatory Penalties**;
- e. criminal penalties;
- f. any amounts owed under any express or implied contract, subject to the application of Paragraphs (a), (b), (c), (d), and (e) of Exclusion 17;
- g. any amounts for which the **Insured** is not liable, or for which there is no legal recourse against the **Insured**;
- h. unpaid license fees;
- i. liquidated damages;
- j. **Regulatory Penalties**; or
- k. **PCI DSS Fines Penalties and Assessments**.

**Data** means machine-readable information held, stored or processed on a **Network**.

**Defense Costs** means:

- a. Reasonable and necessary legal costs and expenses incurred by the **Insured** with **Underwriters'** prior consent including amounts charged by an attorney(s) approved by **Underwriters**. However, this does not include legal costs and expenses incurred with regard to a **Regulatory Claim** or a **PCI DSS Claim**.
- b. All other reasonable and necessary fees, costs, and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim**. However, this does not include fees, costs, and expenses incurred with regard to a **Regulatory Claim** or a **PCI DSS Claim**.
- c. **Defense Costs** do not include any salaries, overhead or other charges incurred by an **Insured** for any time spent cooperating in the defense and investigation of any **Claim** or circumstance which might lead to a **Claim** under this Policy.

**Digital Assets** means **Data** and **Programs** that exist in a **Network**. **Digital Assets** do not include any **Hardware**.

**Discovered** means discovered by a member of the **Control Group**.

**Employee** means any individual in the **Insured's** service who is directed by the **Insured**, including any part-time, seasonal, leased, or temporary workers who are under a contract of service with the **Insured** or any individual who is working on the **Insured's** behalf, at the **Insured's** direction, and under the **Insured's** direct control. **Employee** does not include any of the **Insured's** partners or directors, **Outsource Service Providers** or **Cloud Service Providers**.

**Employment Claim** means a **Claim** alleging breach of any employment contract, employer-employee relations policies, practices, or any employment-related law or regulation or discrimination of any kind.

**Enumerated Harms means:**

With regard to Insuring Agreements C. (**Insured's Network Failure - Income Loss and Extra Expense**) and D. (**Outsource Service Provider or Cloud Service Provider Failure - Income Loss and Extra Expense**):

- a. **Computer Attack;**
- b. **Operational Error;**
- c. accidental damage of hardware;
- d. failure of back-up generators; or
- e. electrostatic build-up and static electricity.

With regard to Insuring Agreement F. (**Customer Attrition**):

- a. **Network Security Breach;**
- b. **Privacy Breach; or**
- c. **Confidentiality Breach.**

**E-Theft Loss** means the theft of any money, credit, securities or other property of value through fraudulent electronic transfer.

**Extended Reporting Period** means the period(s) of time after the end of the **Policy Period**, as provided in Section IX Clause 2 of the Policy, for reporting a **Claim**, loss, or with respect to Insuring Agreement E (**Cyber Extortion and Ransomware**), a **Cyber Extortion Demand** or **Ransomware Demand**.

**Extra Expenses** means the amount covered under Insuring Agreement C (**Insured's Network Failure - Income Loss and Extra Expense**); Insuring Agreement D (**Outsource Service Provider or Cloud Service Provider Failure - Income Loss and Extra Expense**); and Insuring Agreement F (**Customer Attrition**) as calculated in Section IX Clause 3 of this Policy.

**First Party Costs** means with regard to Insuring Agreement B (**Costs for Damage to Data or Programs**) only, reasonable and necessary external consultant costs and the **Insured's** own expenses (including additional working hours spent by employees) incurred in restoring, updating, repairing, recreating, or replacing damaged **Data or Programs** to their original pre-damage condition. The costs will be payable by **Underwriters** up to a period of 12 months from the date of discovery of an **Enumerated Harm** and will be capped at the re-purchase price of the **Data or Programs**. If these are no longer available for sale in the open market, then the equivalent **Data or Programs** where available can be purchased. If the original pre-damage condition cannot be achieved or no equivalent is available, then only the **Insured's** reasonable and necessary costs and expenses incurred up the point of this determination will be paid.

**Hardware** means any and all physical components of a computer system.

**Income loss** means the amount covered under Insuring Agreement C (**Insured's Network Failure - Income Loss and Extra Expense**) and Insuring Agreement D (**Outsource Service Provider or Cloud Service Provider Failure - Income Loss and Extra Expense**) as calculated in Section IX Clause 3 of this Policy.

**Insured means:**

- a. The legal entity(s) shown in item 3 of the Policy Schedule;
- b. Any **Subsidiary** of the legal entity(s) shown in item 3 of the Policy Schedule, but only with respect to any acts, fact or circumstances, insured events, breaches, threats or anything else contained in any Insuring Agreement(s) that occur while it is a **Subsidiary** and is otherwise covered by this policy;
- c. Any past, present, or future officer, director, trustee, or **Employee** of any party described in a) or b) above, but only while acting within the scope of their duties as such;
- d. If any party described in a) or b) above is a partnership, limited liability partnership, or limited liability company, then any general or managing partner, principal, stockholder or owner thereof, but only while acting within the scope of their duties as such;



- e. Any agent or independent contractor, including distributors, licensees and sub-licensees, but only while acting on behalf of, or at the direction of, and under the control of any party described in a) or b) above; and
- f. Any entity required by contract to be named an **Insured** under this Policy and to whom **Underwriters** consent in writing, but only for the acts of such entity, as detailed under the relevant Insuring Agreement.

**Insured's Network** means a **Network** that is owned, operated and controlled by the **Insured**.

**Insured's Programs** means

- a. **Programs** owned by the **Insured**; and
- b. **Programs** licensed to the **Insured** by any **Third Party** or **Outside Service Provider**;

**Merchant Services Agreement** means any agreement between the **Insured** and the **Card Associations**, which allows the **Insured** to accept payment by credit, debit or prepaid card.

**Multimedia Wrongful Act** means any of the below acts in the course of publishing content in any form, including but not limited to print, written, electronic, digital or video:

- a. Infringement of copyright, title, slogan, trademark, trade name, trade dress, mark, service mark or service name, including without limitation infringement of domain name, deep linking or framing;
- b. Plagiarism, piracy, violation of moral rights, passing off, or misappropriation of ideas under implied contract or other misappropriation of property rights, ideas or information;
- c. False advertising, including an alleged violation of Section 43(a) of the Lanham Act or any similar federal, state, local or foreign statutes;
- d. Any form of invasion, infringement or interference with rights of privacy or publicity, including but not limited to false light, public disclosure of private facts, intrusion and commercial appropriation of name, persona or likeness;
- e. Defamation including but not limited to disparagement or harm to the character or reputation of any person or organization, including but not limited to libel, slander, product disparagement and trade libel;
- f. Negligent or intentional infliction of emotional distress, outrage or prima facie tort in connection with any published content;
- g. Negligence in the content of any published content;
- h. Wrongful entry or eviction, trespass, eavesdropping or other invasion of the right to private occupancy, including without limitation emotional distress or mental anguish alleged in connection with a **Claim for Damages** in connection with such conduct;
- i. False arrest, detention or imprisonment, abuse of process, or malicious prosecution; or
- j. Unfair competition or trade practices, including but not limited to dilution, confusion, deceptive trade practices or unfair trade practices, civil actions for consumer fraud, false, disruptive or misleading advertising or misrepresentation in advertising, but only if alleged in conjunction with any of the acts listed in a - i above.

**Named Insured** means the individual, partnership, entity, or corporation designated as such in Item 3 of the Policy Schedule.

**Network** means interconnected electronic, wireless, web or similar systems (including all **Hardware**, **Programs**, or software) used to process **Data** or information in analogue, digital, electronic or wireless format including but not limited to, associated input and output devices, computer programs, electronic data, operating systems, servers, media libraries, mobile devices, data storage devices, off line storage facilities (to the extent they hold electronic data), networking equipment, wired or wireless peripherals, mobile devices, electronic data, telecommunications system, websites, extranets, electronic backup facilities and equipment, and media libraries.

**Network Security Breach** means:

- a. The malicious or unauthorized takeover or use of the **Insured's Network**, which either directly or indirectly results in or contributes to the:
  - i. damage, modification, theft, corruption, distortion, copy, deletion, misuse or destruction of **Data**, **Programs** or **Networks**.
  - ii. launch of a denial of service attack or failure to prevent or hinder such attack.

- iii. transmission of malicious code from the **Insured's Network** to a **Third Party Network** or failure to prevent or hinder such transmission.
- b. A phishing, pharming, spoofing or any other attack designed similarly to steal personally identifiable information, protected health information or non-public corporate or other business confidential information including but not limited to bank details.
- c. The breach of the **Insured's** network security policy.

**Operational Error** means the unintentional, accidental, negligent act, error or omission in entering or modifying the **Insured's Data** (including the damage or deletion thereof), or in creating, handling, developing, modifying, or maintaining the **Insured's Data** or **Programs**, or in the ongoing operation or maintenance of the **Insured's Network**.

**Outsource Service Provider** means an individual or entity that is not an **Insured** and is not a **Cloud Service Provider** that provides: a) business process services for the **Insured** in accordance with a written contract with the **Insured**, including human resource, call center, fulfillment and logistical support; and/or b) information technology services for the **Insured** in accordance with a written contract with the **Insured**, including hosting, security management, co-location and data storage.

**Payment Card Industry Data Security Standard** means published and generally accepted security standards for the Payment Card Industry Security Standards Council.

**PCI DSS Claim** means a **Claim** for **PCI DSS Fines, Penalties and Assessments** by a **Card Association** against an **Insured** arising out of an **Insured's** actual or alleged breach of the **Payment Card Industry Data Security Standard**.

**PCI DSS Claim Expenses** means reasonable and necessary legal costs and expenses incurred with **Underwriters'** prior written consent and charged by lawyers approved by **Underwriters** to investigate and respond to a **PCI DSS Claim**, including an appeal.

**PCI DSS Fines Penalties and Assessments** means the fines, penalties, sanctions, card reissuance costs, operational, fraud and administrative reimbursement assessments, and costs of appointing a payment forensic investigator, which the **Insured** is legally liable to pay under the terms of a **Merchant Services Agreement** with a **Card Association**.

**Period of Restoration** means the period of time starting when the total or partial interruption, degradation in service or failure of the **Insured's Network** (under Insuring Agreement C **Insured's Network Failure - Income Loss and Extra Expenses**) or **Network** operated by an **Outsource Service Provider** or **Cloud Service Provider** for the **Insured** (under Insuring Agreement D - **Outsource Service Provider** or **Cloud Service Provider Failure - Income Loss and Extra Expense**) began and ending on the earlier of:

- a. The date on which the **Network** is restored to the same or equivalent condition, functionality and level of service that existed prior to the loss (or could have been if the **Insured** had acted with reasonable speed), plus 30 days beyond this date; or
- b. 180 days after the start of such period.

**Personally Identifiable Non-Public Information** means:

- a. information concerning the individual that constitutes "non-public personal information" as defined in the Gramm-Leach Bliley Act of 1999, as amended, and regulations issued pursuant to the Act or any similar laws, rules, or regulations in other jurisdictions, including foreign jurisdictions;
- b. medical or healthcare information concerning the individual, including "protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and regulations issued pursuant to the Act, or any similar laws, rules or regulations in other jurisdictions, including foreign jurisdictions;
- c. information concerning the individual that is defined as private personal information in any statute, law or regulation that requires notice to persons whose private personal information was accessed or reasonably may have been accessed by an unauthorized person, entity, or program;

- d. Information concerning the individual that is defined as private personal information under statutes or laws enacted to protect such information in foreign countries, for **Claims** or losses subject to the law of such jurisdiction;
- e. the individual's drivers license or state identification number; social security number; unpublished telephone number; and credit, debit or other financial account numbers in combination with associated security codes, access codes, passwords or PINs; if such information allows an individual to be uniquely and reliably identified or contacted or allows access to the individual's financial account or medical record information but does not include publicly available information that is lawfully made available to the general public from government records.

**Policy Period** means the period of time contained in Item 2 of the Policy Schedule or as modified by any earlier cancellation date. **Policy Period** specifically excludes any **Extended Reporting Period**.

**Pollutant** means any pollutant or contamination of any kind, including:

- a. Smoke, vapor, soot, fumes, acid, alkali, chemicals or waste;
- b. Ionizing radiation or contamination by radioactivity from nuclear fuel, or nuclear waste from the combustion of nuclear fuel; or the radioactive, toxic, or explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
- c. Mold, mildew, spores, fungi, mycotoxins, organic pathogens, or other micro-organisms;
- d. An electromagnetic field, electromagnetic radiation or electromagnetism;
- e. Asbestos, asbestos fibers or asbestos dust; or
- f. Any solid, liquid, gaseous or thermal irritants or contaminants.

**Pre-Approved Providers from the Novae Cyber Response Panel** means the firms and companies listed in Item 13(a) of the Policy Schedule

**Privacy Breach** means:

- a. The unauthorized acquisition, access, use, or disclosure of **Personally Identifiable Non-Public Information**, which compromises the security or privacy of such information and breaches a legal, regulatory or contractual requirement to protect the security or confidentiality of this information;
- b. Failure to comply with any applicable law, regulation or contractual requirement requiring the disclosure of what is enumerated in "a" above;
- c. The wrongful collection of **Personally Identifiable Non-Public Information**, which breaches a legal, regulatory or contractual restriction;
- d. The failure to destroy **Personally Identifiable Non-Public Information**, which breaches a legal, regulatory or contractual restriction;
- e. The breach of privacy rights or any similar or equivalent allegation in the jurisdiction in which the **Claim** is brought; or
- f. The breach of the **Insured's** privacy policy.

**Programs** means fully functional software, coding and operating instructions that interfaces with **Hardware** to perform tasks.

**Ransomware Demand** means the installation of malware onto the **Insured's Network** by a **Third Party** or **Employee**, which encrypts any **Data** or **Programs**, accompanied by a demand for the payment of money, bitcoin, securities or other property of value in return for unencrypting the **Data** or **Programs**.

**Regulatory Claim** means a **Claim** made against the **Insured** by a government regulator alleging that the **Insured** has violated a law, statute, or regulation, such as those actions and investigations commenced by a federal, state or local regulatory body as a result of an actual or alleged **Network Security Breach**, **Privacy Breach**, **Confidentiality Breach**, including but not limited to the following:

- a. Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191), known as HIPAA, including amendments contained in the Health Information Technology for Economic and Clinical Health Act (HITECH) and related medical privacy law;
- b. Gramm-Leach Bliley Act of 1999 (G-L-B), also known as the Financial Services Modernization Act of 1999;

- c. State and Federal statutes and regulations regarding the security and privacy of consumer information;
- d. Government privacy protection regulations or laws relating to the control and use of personal information;
- e. Privacy provisions within consumer protection laws, including but not limited to the Federal Fair Credit Reporting Act (FCRA) and other similar state laws;
- f. Children's Online Privacy Protection Act or similar laws;
- g. The EU Data Protection Act, Directive or GDPR or other similar privacy laws in other jurisdictions;
- h. Identity Theft Red Flag Rules under the Fair and Accurate Credit Transactions Act of 2003 (FACTA); or
- i. any similar laws, rules, or regulations in other jurisdictions, including foreign jurisdictions.

**Regulatory Investigation Costs** means reasonable and necessary legal costs and expenses incurred with **Underwriters'** consent and charged by an attorney approved by **Underwriters** to investigate and defend a **Regulatory Claim**.

**Regulatory Penalties** means a regulatory agency's civil penalties or civil fines, or monetary awards to a third party, including a sum of money which the **Insured** is legally required to deposit into a fund as equitable relief for the payment of consumer claims due to an adverse judgment or settlement of a regulatory proceeding. However, **Regulatory Penalties** does not include any criminal penalties or criminal fines issued by a regulatory agency of any kind, including federal, state, or local governmental agencies.

**Retention** means the amount specified in Item 9 of the Policy Schedule.

**Retroactive Date** means the date specified in Item 8 of the Policy Schedule.

**Subsidiary** means:

- a. any entity of which the **Named Insured** owns on or before the inception date of the **Policy Period** more than 50% of the issued and outstanding voting stock or as otherwise expressly provided in this Policy.
- b. Any entity which becomes a **Subsidiary** during the **Policy Period** provided that such entity does not represent more than a twenty percent (20%) increase in the **Named Insured's** total assets, employee count or gross revenue for the four quarterly periods directly preceding the date of acquisition. However, coverage is only extended to such **Subsidiary** for any **Claim**, **PCI DSS Claim** or other notification under this Policy that arises out of acts, errors or omissions first committed or any incident, facts, circumstances, or events first occurring after the entity becomes a **Subsidiary**.

**Technology Error and Omission** means:

- a. the negligent breach of duty, negligent misrepresentation, negligent act, error or omission, or misleading statement in the **Insured's** performance of or failure to perform **Technology Services**;
- b. Unintentional **Breach of Contract**;

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

**Third Party** means an entity or person that is not **Underwriters** or an **Insured**.

**Time Retention** means the number of hours as provided in Item 10 of the Policy Schedule that must elapse before the recovery of **Income Loss** and **Extra Expense** can be considered. The **Time Retention** starts at the beginning of the **Period of Restoration**.

**Undelivered Programs** means any programs, updates or software including updates:

- a. where the development stage has not been finalized;
- b. not ready for operational use because they have not yet passed all test runs;
- c. which have not been proven successful in a live environment for a continuous period of 12 months

**Underwriters** means the insurers providing this insurance.

## Section VI Exclusions

Underwriters shall have no liability or obligation under this Policy for any Claim, loss or any amount arising out of or in connection with:

1. Any acts, facts, incidents or circumstances or the same, related or continuing acts, facts, incidents or circumstances that were first committed or first occurred prior to the **Retroactive Date**.
2. Any acts, facts, incidents or circumstances, which took place prior to the **Policy Period** if:
  - a. i) any member of the **Control Group** knew or could have reasonably foreseen before the **Policy Period** could be the basis of a Claim, loss, circumstance or otherwise covered by this Policy; and ii) which the **Insured** did not disclose to **Underwriters** before the inception of this Policy; or
  - b. if the **Insured** reported such acts, facts, incidents or circumstances to another insurer prior to the inception of this Policy.
3. Loss or destruction of or damage to any physical or tangible property, including **Hardware**, or any replacement or repair of any physical or tangible property including **Hardware** unless covered under 'Accidental damage of hardware' under Insuring Agreements B, C or D of this Policy. Covered losses arising from a **Privacy breach** as a result of the loss of physical or tangible property including **Hardware** are not excluded.
4. Death or bodily injury, except that this exclusion shall not apply to actual or alleged wrongful infliction of emotional distress or mental anguish.
5. Costs or expenses incurred to identify, patch or remediate software program errors or vulnerabilities of the **Insured's Network** except following a covered loss.
6. In respect of Insuring Agreements B (Costs for Damage to **Data** or **Programs**), C (**Insured's Network Failure - Income Loss and Extra Expenses**) or D (**Outsource Service Provider or Cloud Service Provider Failure - Income Loss and Extra Expense**) only:
  - a. Costs or expenses that result in any **Network** having a higher level of functionality than it had before the **Enumerated Harms**;
  - b. Any bankruptcy, liquidation or insolvency of the **Insured**, an **Outsource Service Provider**, or **Cloud Service Provider**;
  - c. Failure in design, architecture or configuration of any **Network** or **Digital Assets**, which arises out of **Undelivered Programs**;
  - d. Wear and tear, drop in performance, progressive or gradual deterioration, or aging of electronic equipment and other property or **Hardware** used by the **Insured**, or the failure of the **Insured** or those acting on the **Insured's** behalf to maintain any computer, **Network**, computer software or any other equipment; or
  - e. Diminution in the economic or market value of the **Insured's Data** or the **Insured's Programs**.
7. a. Criminal fines or penalties; b. civil fines or penalties unless insurable by the law of an applicable venue that would be most favourable to the **Insured**; or c. any amount which **Underwriters** are prohibited from covering as a result of applicable law or regulation.
8. **PCI DSS Fines, Penalties and Assessments** and **PCI DSS Claim Expenses**, except where coverage is specifically provided under Insuring Agreement L (**Payment Card Industry Data Security Standard Fines, Penalties or Assessment**) only.
9. With regard to the First Party Insuring Agreements, (A through E) only, liability to any person or entity.
10. Satellite failures; electrical or mechanical failures and/or interruption including, but not limited to, electrical disturbance, spike, brownout, or blackout; outages to electricity, gas, water, telephone, cable, telecommunications; gradual deterioration of overhead

transmission, distribution lines or subterranean insulation or cabling or other infrastructure, unless such infrastructure is under the **Insured's** operational control and unless such claim forms part of an otherwise covered loss or claim.

11. Any action of, or restrictions or requirements imposed by, a government authority, including government enforcement or investigation of any state or federal regulation, including but not limited to regulations of the United States Federal Trade Commission, Federal Communications Commission or the Securities and Exchange Commission except to the extent specifically and expressly covered by Insuring Agreement I (Network Security and Privacy Liability (Regulatory)) or is brought by a governmental entity in its capacity as a customer of the **Insured** arising in the course of the **Insured's** provision of **Technology Services**, to such governmental entity.
12. Fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, or any other natural weather or seismic event.
13. Any actual or alleged deliberate, intentional, malicious, criminal, unlawful, fraudulent or dishonest act if committed by the **Insured** with the knowledge, connivance or acquiescence of a member of the **Control Group** where determined by a final adjudication. However, notwithstanding the foregoing, this Policy will cover **Defense Costs** incurred for defending any **Claim** alleging such deliberate, intentional, malicious, criminal, unlawful, fraudulent or dishonest acts but this coverage will not apply to any **Damages** that might arise therefrom. Underwriters will have the right to recover **Defense Costs** incurred from those parties found to have committed or acquiesced to the deliberate, intentional, malicious, criminal, unlawful, or fraudulent act.
14. Any act of terrorism, strike or similar labor action, war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, or any action taken in controlling, preventing or suppressing any of these things. Notwithstanding the foregoing, however, **Cyber Terrorism** will be covered where Insuring Agreement M is applicable.
15. An actual, alleged or threatened presence, discharge, dispersal, release, or escape of a **Pollutant**; or a governmental or regulatory directive or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize a **Pollutant**, or in any way respond to or assess the effects of a **Pollutant**.
16. An **Employment Claim** or any **Claim** made by an **Insured** against another **Insured**, however, this exclusion shall not apply in respect of any **Claim** brought by an **Employee** under Insuring Agreement H (Network Security, Privacy and Confidentiality Liability) of this Policy.
17. Liability assumed by the **Insured** under the terms of any contract or agreement or any breach of any express, implied, actual or constructive contract, warranty, guarantee or promise, except this exclusion shall not apply:
  - a. In respect of liability which would have existed even in the absence of such contract or agreement.
  - b. In respect of a breach of the **Insured's** own privacy policy or the **Insured's** network security policy .
  - c. In respect of indemnity provisions regarding the protection of **Personally Identifiable Non-Public Information** or non-public confidential corporate or other business information.
  - d. In respect of a **PCI DSS Claim** under Insuring Agreement L (Payment Card Industry Data Security Standard Fines, Penalties and Assessments).
  - e. For any unintentional breach of contract, but only with respect to **Technology Services** under Insuring Agreement K (**Technology Error and Omissions**).
18. Actual or alleged inaccurate, incomplete or inadequate description or price of goods, products or services, specifically including, but not limited to, technology products or services, cost guarantees, cost representations, contract price, or cost estimates being

exceeded, however this exclusion will not apply if specifically covered under Insuring Agreement J (Multimedia Wrongful act c).

19. Any actual or alleged discrimination of any kind.
20. The actual or alleged breach or infringement of a **Third Party's** intellectual property right by an **Insured**, including but not limited to any patent or the misappropriation, theft, copying, display or any publication of any trade secret. However, this exclusion shall not apply: a) if specifically covered under Insuring Agreement J (Multimedia Liability); or b) to the theft of a **Third Party's** trade secrets arising from a **Network Security Breach, Privacy Breach** or a **Confidentiality Breach**.
21. The actual or alleged breach of unfair competition or anti-trust laws, deceptive trade practices, or restraint of trade or antitrust statute, legislation or regulation, however this exclusion shall not apply if specifically covered under Insuring Agreement J (Multimedia Wrongful Act j).
22. The **Insured's** knowing use of illegal or unlicensed programs that are in violation of the provisions or laws referring to software protection.
23.
  - a. The actual or alleged purchase, sale, offer of, or solicitation of an offer to purchase or sell securities, or violation of any securities law including, but not limited to, the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, the Sarbanes-Oxley Act of 2002, or any regulation promulgated under the foregoing statutes, or any federal, state, local, or foreign laws similar to the foregoing statutes, including "Blue Sky" laws, whether such law is statutory, regulatory, or common law;
  - b. The actual or alleged violation of the Organized Crime Control Act of 1970 (commonly known as "Racketeer Influenced And Corrupt Organizations Act" or "RICO"), as amended, or any regulation promulgated under the foregoing statutes, or any similar federal, state, local or foreign laws, whether such law is statutory, regulatory or common law; or
  - c. The violation of any pension, healthcare, welfare, profit sharing, mutual, or investment plans, funds, or trusts; or any violation of any provision of the Employee Retirement Income Security Act of 1974 and its amendments and/or the Pension Protection Act of 2006 and its amendments, or any regulation, ruling, or order issued pursuant thereto;
24. Any actual or alleged a. unlawful and/or unsolicited distribution of email, direct mail, text messages or facsimiles, b. unlawful telemarketing, or c. eavesdropping, wiretapping or audio or video recording, including but not limited to claims alleging any actual or alleged violation of the Telephone Consumer Protection Act (TCPA), Controlling the Assault of Non-Solicited Pornography and Marketing Act (CAN-SPAM), or any federal or state anti-spam statutes, or any other federal or state statute, law or regulations relating to a person's or entity's right of seclusion.
25.
  - a. Any trading losses or trading liabilities (including commissions or fees) resulting from the fluctuation of any stock, share, security or currency on any financial markets or exchanges;
  - b. the monetary value of any electronic fund transfers, transactions by or on behalf of the **Insured** which are lost, diminished, or damaged during transfer from, into or between accounts (other than where coverage is provided under Insuring Agreement G (E-Theft));
  - c. the theft of any money, securities or any equivalents thereof (including e-certificates, coupons, gift cards and vouchers) (other than where coverage is provided under Insuring Agreement G (E-Theft));
  - d. the face value of coupons, price discounts, prizes, awards, or any other valuable consideration given in excess of the total contracted or expected amount.
26. Except where coverage is specifically provided under Insuring Agreement I (Network Security and Privacy Liability (Regulatory)) only, any actual or alleged violation of the Fair Credit Reporting Act (FCRA), any amendments related to FCRA, including the Fair and Accurate Credit Transaction Act of 2003 (FACTA) and any similar federal or state statute, law or regulations.



## Section VII - Limits of Liability, Retention, and Claims Handling

### 1. Limits of Liability

- a. The Limit of Liability set forth in item 7(a) of the Policy Schedule shall be **Underwriters' Total Aggregate Limit of Liability** under this policy regardless of the number of Insuring Agreements that apply. This includes all **Damages, Defense Costs**, covered loss payments, expenses and any other amounts paid by **Underwriters** under this Policy regardless of the types of losses incurred, the number of Insuring Agreements involved, the number of **Claims**, persons or entities insured, or the number of claimants or losses reported or involved.
- b. The Limits of Liability set forth in item 7(b) of the Policy Schedule shall be the Limit of **Underwriters' liability** for each **Claim** or loss and in the aggregate arising under each Insuring Agreement, including all **Damages, Defense Costs**, covered loss payments, expenses and any other amounts paid by **Underwriters**.
- c. Notwithstanding the aggregate Limit of Liability under each Insuring Agreement as set forth in item 7 (b) of the Policy Schedule, all payments made under this Policy, regardless of the number of Insuring Agreements that apply, will reduce the Total Aggregate Limit of Liability set forth in item 7 (a) of the Policy Schedule. In no event will **Underwriters** pay more than the Total Aggregate Limit of Liability as set forth in item 7 (a) of the Policy Schedule.
- d. All **Claims**, or losses that are covered under a single Insuring Agreement and arise out of the same, related, or continuing acts, facts, or circumstances shall be considered a single **Claim** or loss, under this Policy without regard to the number of **Insureds, Claims**, claimants or losses, and only one Limit of Liability, as set forth in item 7(b) of the Policy Schedule, will apply. All such **Claims** or losses shall be deemed to have been made at the time of the earliest of the following: the date the first such **Claim** is made or the date the loss is first discovered, or in regard to Insuring Agreement E (Cyber Extortion and Ransomware), the date a **Cyber Extortion Demand** or **Ransomware Demand** is first made.
- e. Should a **Claim** and/or loss attach to more than one Insuring Agreement ("an event"), only one Limit of Liability as set forth in Item 7(b) of the Policy Schedule shall apply. With regard to such event, at most, only the highest of the applicable Limits of Liability shall apply. **Underwriters** have the sole discretion to allocate amounts paid, if any, against the appropriate applicable Limit of Liability. However, the amount paid by **Underwriters** under any Insuring Agreement shall not be greater than the Limit of Liability set forth in Item 7(b) of the Declarations for that Insuring Agreement. Such event shall be deemed to have been made at the time of the earliest of the following: the date the first **Claim** is made or the date the loss is first discovered, or in regard to Insuring Agreement E the date a **Cyber Extortion Demand** or **Ransomware Demand** is first made.
- f. The Limits of Liability for the **Extended Reporting Period(s)** in Section IX Clause 2 below, if applicable, shall be part of and not in addition to the Limits of Liability contained in the Policy Schedule under Items 7(a) and 7(b).
- g. With regard to Insuring Agreement M (Cyber Terrorism), no Limits of Liability are provided in addition to the Limits of Liability provided by the specific Insuring Agreements (A through L).

### 2. Retention

- a. The **Retention** amount set forth in item 9 of the Policy Schedule for each Insuring Agreement shall apply to each and every **Claim** or loss. The **Retention** shall be satisfied by the **Insured's** payment of any amounts covered under this Policy. If a **Claim** or loss

attaches to more than one of Insuring Agreements A, B, E, G, H, I, J, K, L or M only the highest **Retention** applies, but the **Retention** for Insuring Agreement F (Customer Attrition) and the **Time Retention** for Insuring Agreements C (Insured's Network Failure - Income Loss and Extra Expense) and D (Outsource Service Provider or Cloud Service Provider Failure - Income Loss and Extra Expense) will always apply to these Insuring Agreements in addition to that highest **Retention**.

- b. The **Insured's** payment of the applicable **Retention** is a condition precedent to the payment by **Underwriters** of any amounts covered under this Policy and **Underwriters** will only be liable for the amount in excess of such **Retention**, not to exceed **Underwriters' Limits of Liability** as stated in item 7 of the Policy Schedule. The **Insured** shall make direct payments within the **Retention** to the appropriate parties or as may be directed by **Underwriters**.
  - c. Multiple **Claims**, or losses that are covered under a single Insuring Agreement and arise out of the same, related or continuing acts, facts, or circumstances shall be considered a single **Claim** or loss under this Policy without regard to the number of **Insureds**, **Claims**, claimants, or losses and only one **Retention** will, as set forth in Item 9 of the Policy Schedule, apply. All such **Claims**, or losses shall be deemed to have been made at the time of the earliest of the following: the date the first such **Claim** is made or the date the loss was first discovered, or in regard to Insuring Agreement E (Cyber Extortion and Ransomware), the date a **Cyber Extortion Demand** or **Ransomware Demand** is first made.
  - d. **Underwriters** will not reimburse an **Insured** in respect of **Income Loss and Extra Expense** incurred during the **Time Retention** listed in the Policy Schedule.
3. Claims Handling
- a. With respect to Insuring Agreements H, I, J, and K, if purchased, **Underwriters** shall have the right and duty to defend any **Claim** by a **Third Party** against the **Insured** seeking payment under the terms of this Policy, even if any of the allegations of the **Claim** are groundless, false, or fraudulent, and subject to the Limit of Liability, exclusions, and other terms and conditions of this Policy. The **Insured** shall seek **Underwriters' consent**, which shall not be unreasonably withheld, prior to appointment of defense counsel.
  - b. The Limit of Liability as stated within Item 7 of the Policy Schedule shall be reduced, and may be completely exhausted, by payment of **Defense Costs** or any other amounts covered under the Policy. **Damages**, **Defense Costs**, and any other amounts covered under this Policy shall be applied against the **Retention**.
  - c. The **Insured** shall cooperate with **Underwriters** in all investigations. **Underwriters** shall have the right to make any investigation they deem necessary with respect to coverage or otherwise including, but not limited to, any investigation with respect to the **Application** and statements made in the **Application**. The **Insured** shall execute or cause to be executed all papers and render all assistance as requested by **Underwriters**. Part of this assistance may require the **Insured** to assist in providing copies of a **Third Party's** system security and event logs.
  - d. With respect to Insuring Agreements H, J and K if purchased, if the **Insured** refuses to consent to any settlement or compromise recommended by **Underwriters** that is acceptable to the claimant and elects to contest the **Claim**, **Underwriters' total liability** for any **Damages**, **Defense Costs**, and other amounts covered under this policy shall not exceed:
    - i. The amount for which the **Claim** could have been settled, less the remaining **Retention**, plus the **Defense Costs** incurred up to the time of such refusal, and
    - ii. Fifty percent (50%) of any **Damages** and **Defense Costs** incurred after the date such settlement or compromise was recommended to the **Insured**. The remaining Fifty percent (50%) of such **Damages** and **Defense Costs**, or other amounts covered under this Policy are to be borne by the **Insured** at the **Insured's** own risk and uninsured under this Policy.

- e. It is further provided that **Underwriters** shall not be obligated to pay any **Damages, Defense Costs** or any other amounts covered under this Policy, or to undertake or continue defense of any suit or proceeding after the applicable Limit of Liability has been exhausted by payment of **Damages, Defense Costs**, or other amounts covered under this Policy and that upon such payment, **Underwriters** shall have the right to withdraw from the further defense thereof by tendering control of said defense to the **Insured**.
- f. Upon **Underwriters'** request, the **Insured** shall assist in making settlements in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Insured** with respect to which insurance is afforded under this Policy; and the **Insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses at the **Insured's** own cost.
- g. Unless specifically provided otherwise in this Policy, the **Insured** shall not admit liability, make any payment, assume any obligation, incur any expense, enter into any settlement, stipulate to any judgment or award, or dispose of any loss or **Claim** without **Underwriters'** written consent. Notwithstanding the foregoing, the prompt public admission of a **Network Security Breach or Privacy breach** potentially impacting **Personally identifiable Non-Public Information of Employees or Third Parties** as required by governmental privacy legislation or credit card association operating requirements will not be considered as an admission of liability requiring **Underwriters'** prior consent; however **Underwriters** are to be informed as soon as practicable of such public admission if such public admission is a circumstance that could lead to a **Claim**.
- h. The **Insured** shall submit for examination under oath by **Underwriters'** representative, if requested, in connection with all matters relating to this Policy.

## Section VIII - Warranties

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By the acceptance of this Policy, each **Insured** warrants that:

1. The statements contained in the **Application** are their agreements and representations and that these shall be deemed material to the risk assumed by **Underwriters**, and that this Policy is issued in reliance upon the truth thereof.

In the event there is any material misrepresentation or non-disclosure of any matter by the **Insured** in the **Application** submitted to **Underwriters**, the knowledge of one **Insured** will not be imputed to any other **Insured**; provided, however, that this Policy will be rendered null and void, relieving the **Underwriters** from all liability under the Policy:

- a. with respect to any **Insured** who committed or knew of such misrepresentation or non-disclosure; and
- b. with respect to the **Insured**, but only if a member of the **Control Group** knew of such misrepresentation or non-disclosure.

The **Application** is deemed incorporated into and made a part of this Policy.

2. Solely in respect of Insuring Agreement E (Cyber Extortion and Ransomware), the **Insured** shall not disclose the existence of this Policy to any **Third Party** without the prior consent of the **Underwriters**.

## Section IX - Miscellaneous Terms and Conditions

### 1. Notification

- a. If any **Claim** is made against the **Insured** or, in regard to Insuring Agreement E (Cyber Extortion and Ransomware), a **Cyber Extortion Demand** or **Ransomware Demand** is made, it is a condition precedent to coverage under this Policy that the **Insured** notify **Underwriters** in writing as soon as practicable. A **Claim** is deemed to be first made when a member of the **Control Group** first receives notice or becomes aware that such **Claim** or **Cyber Extortion Demand** or **Ransomware Demand** has been made. Notice shall be issued to the person(s) or entity named in Item 14 of the Policy Schedule, together with every demand, notice, summons, or other process received by the **Insured**. Notice of such **Claim** or **Cyber Extortion Demand** or **Ransomware Demand** must be received by **Underwriters** no more than fourteen (14) days after the expiration of the **Policy Period**.
- b. When any loss covered under Section I - First Party Coverages under Insuring Agreements A, B, C, D, F or G is discovered or suspected, it is a condition precedent to coverage under this Policy that the **Insured** notify the **Underwriters** in writing as soon as practicable after a member of the **Control Group** discovers or suspects such loss. Notice shall be issued to person(s) or entity named in Item 14 of the Policy Schedule, together with all available pertinent acts, facts and details regarding the loss or suspected loss. In any event, notice of any of the foregoing must be received by **Underwriters** no more than fourteen (14) days after the expiration of the **Policy Period**.
- c. If during the **Policy Period**, a member of the **Control Group** becomes aware of any acts, facts, or circumstances that could reasonably be a basis for a **Claim**, the **Insured** may give written notice of the following information to **Underwriters** through the person(s) or entity named in item 14 of the Policy Schedule, as soon as practicable during the **Policy Period**: with specific details of the acts, facts, or circumstances that could reasonably be the basis for a **Claim**; possible damages or other amounts potentially covered under this Policy that may result or have resulted from the acts, facts or circumstances; details regarding how the **Insured** first became aware of the acts, facts, or circumstances; and any relevant logs and documentation, which provide further details regarding the acts, facts, or circumstances. Any subsequent **Claim** arising out of such acts, facts or circumstances, which is the subject of the written notice, will be deemed to be a **Claim** made at the time the foregoing written notice was first given to **Underwriters**.
- d. If the **Insured** is unable to provide notification required under the Policy due to a prohibition by any governmental authority, the **Insured** will use its best efforts to provide **Underwriters** with allowable information to put **Underwriters** on notice of a covered or potentially covered matter until such time that details can be legally provided.
- e. Contact with or notification to any **Pre-Approved Providers from the Novae Cyber Response Panel** is not considered and does not constitute notification under the Policy for any purpose hereunder.
- f. It is the sole responsibility of the **Insured** to report any matter to any applicable governmental, regulatory or law enforcement authorities if appropriate.
- g. A **Claim** and/or any loss shall be considered to be reported to **Underwriters** when notice is first given to **Underwriters** through the person(s) or entity named item 14 of the Policy Schedule.

### 2. Extended Reporting Provision

- a. Automatic Extended Reporting Period
  - i. If either the **Insured** or **Underwriters** shall cancel or non-renew this Policy, the **Insured** shall have the right following the effective date of such cancellation or non-renewal, to a period of 60 days in which to give written notice to **Underwriters** of: a) any **Claim** first made against

an Insured prior to the end of the Policy Period; b) any Cyber Extortion Demand or Ransomware Demand made under Insuring Agreement E prior to the end of the Policy Period; and/or c) any loss Discovered under Section I - First Party Coverages prior to the end of the Policy Period, provided that any actual or alleged acts, facts or circumstances underlying the Claim, Cyber Extortion Demand or Ransomware Demand or loss occurred prior to the end of the Policy Period, and are otherwise covered by this Policy, and reported to Underwriters during the Automatic Extended Reporting Period.

- ii. The Limits of Liability for the Automatic Extended Reporting Period shall be part of and not in addition to the Limits of Liability for the Policy Period contained in the Policy Schedule under Items 7(a) and 7(b).

**b. Additional Extended Reporting Period**

- i. In the event of cancellation or non-renewal of this insurance by the Insured or Underwriters and solely in the event that the Insureds not insured under any policy providing the type of coverage(s) the Insured had pursuant to this Policy, the Named Insured shall have the right, upon payment of an additional premium, to purchase a 12 month Additional Extended Reporting Period at 100% of the total Policy premium, for Claims first made against the Insured and notified to Underwriters during the Additional Extended Reporting Period, with regard to any acts, facts, and circumstances occurring or committed after the Retroactive Date and before the end of the Policy Period, subject to the conditions set forth herein. In order for the Named Insured to invoke the Additional Extended Reporting Period option, the Named Insured must pay Underwriters the additional premium in full within 30 days of the non-renewal or cancellation.
  - ii. The Limits of Liability for the Additional Extended Reporting Period shall be part of and not in addition to the Limits of Liability for the Policy Period contained in the Policy Schedule under Item 7.
  - iii. The Named Insured's right to the Additional Extended Reporting Period shall not be available where cancellation or non-renewal by Underwriters is due to non-payment of premium or the Insured's failure to pay such amounts in excess of the applicable Limit of Liability or within the amount of the applicable Retention.
  - iv. All notices and premium payments with respect to the Additional Extended Reporting Period shall be directed to Underwriters through the entity named in Item 15 of the Policy Schedule.
  - v. At the commencement of the Additional Extended Reporting Period the entire premium shall be deemed earned; in the event that the Insured terminates the Additional Extended Reporting Period for any reason prior to its natural expiration, Underwriters will not be liable to return any premium paid for the Additional Extended Reporting Period.
3. Calculation of Income Loss and Extra Expense under Insuring Agreement C (Insured's Network Failure - Income Loss and Extra Expense), and Insuring Agreement D (Outsource Service Provider or Cloud Service Provider Failure - Income Loss and Extra Expense) and Calculation of Customer Attrition Loss and Extra Expense under Insuring Agreement F (Customer Attrition).
- a) Calculation of Income Loss and Customer Attrition Loss.

The Insured can make a claim for Income Loss under Insuring Agreements C (Insured's Network Failure - Income Loss and Extra Expense and D (Outsource Service Provider or Cloud Service Provider Failure -Income Loss and Extra Expense), and Customer Attrition Loss (where applicable) under Insuring Agreement F (Customer Attrition) using one of the following only: Method 1, 2 or 3.

### Method 1

Loss of **Gross Profit** calculation - The amount payable as indemnity hereunder shall be:

**Reduction in Sales:** The sum produced by applying the **Rate of Gross Profit** to the amount by which **Sales** during the **Period of Restoration** or the **Customer Attrition Period of Restoration** (where applicable) shall be less than **Standard Sales** as the result of the loss.

This sum will be reduced by any amount saved during the **Period of Restoration** or the **Customer Attrition Period of Restoration** (where applicable) in respect of such charges and expenses payable out of **Gross Profit** as may cease or be reduced as a result of the loss.

Definitions for the purposes of this Policy:

**Fixed Expenses:** All charges and expenses that do not cease or reduce during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable).

**Gross Profit:** The amount produced by adding to the **Net Profit** the amount of **Fixed Expenses**. If there is no net operating profit, the amount of net operating loss will be deducted from the **Fixed Expenses**.

**Net Profit:** The net operating profit (or net operating loss) resulting from the business of the **Insured** after due provision has been made for all **Fixed Expenses** and other expenses, including depreciation, but before the deduction of any taxes on profits.

**Rate of Gross Profit:** The rate of **Gross Profit** earned on sales during the twelve full calendar months immediately before the date of the loss, corresponding with the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable), adjusted for trend, as described in the Trend Clause below, so that the rate of **Gross Profit** reflects the rate of **Gross Profit** that would have been experienced if the **Emunerated Harm(s)** had not occurred.

**Sales:** The money paid or payable to the **Insured** for goods sold and delivered and/or for services rendered in the conduct of its business.

**Standard Sales:** The sales during that period in the twelve months immediately before the date of the loss adjusted for trend as described in the Trend Clause below so that the standard sales reflects the sales that would have been experienced if the **Enumerated Harm(s)** had not occurred.

In arriving at the loss of **Gross Profit** during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable), due consideration will be given to the trend of the **Insured's** business, as described in the Trend Clause below.

### Method 2

Loss of **Gross Earnings** calculation - The amount payable as indemnity hereunder shall be the Actual Loss Sustained arising from:

The **Gross Earnings** and all other earnings derived from the operation of the **Insured's** business that would have been earned during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable) if the **Enumerated Harm(s)** had not occurred, but which was lost, less all charges and expenses as may cease or be reduced during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable).

In arriving at the amount of **Gross Earnings** loss during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable), due consideration will be given to the trend of the **Insured's** Business, as described in the Trend Clause below.

Definitions for the Purposes of this Policy:

**Gross Earnings:**

For manufacturing operations the **Net Sales** value of production less the cost of all raw stock, materials and supplies used in such production; or

For mercantile or non-manufacturing operations: the total **Net Sales** less the cost of merchandise sold, materials and supplies consumed in the operations or services rendered by the **Insured**.

**Net Sales:** Gross sales less discounts, returns, allowances for damage or missing goods, bad debts, and prepaid freights, if any of those items are included in the gross sales figures.

It is hereby understood and agreed that where there is a loss of production, but no materially lower or zero loss of sales, then due account shall be taken when quantifying the loss payable under this Policy.

### Method 3

Net Income Loss calculation - The amount payable as indemnity hereunder shall be:

The **Insured's** net income (profit or loss) before tax that would have been achieved during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable) if the **Enumerated Harm(s)** had not occurred, but which was lost; and

The **Insured's** continuing normal operating expenses including but not limited to payroll, rent and utility bills, which are redundant because of the suspension or deterioration of its business, to the extent that such expenses must continue during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable).

In arriving at the amount of net income (profit or loss) during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable), due consideration will be given to the trend of the **Insured's** Business.

### Alternative Trading Clause (applicable to Methods 1, 2 and 3):

If during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable) goods shall be sold or services shall be rendered through substitute methods, facilities or personnel, the money paid or payable in respect of such sales or services shall be taken into account in arriving at the **Income Loss** and **Customer Attrition Loss** (where applicable) during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable).

### Trend Clause (applicable to Methods 1, 2 and 3):

Adjustments shall be made as may be necessary to provide for the **Insured's** Business trends, variations in or other circumstances affecting the **Insured's** Business either before or after the **Enumerated Harm(s)** occurred, or which would have affected the **Insured's** Business had the **Enumerated Harm(s)** not occurred. It is intended that that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which would have been obtained during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable) but for the **Enumerated Harm(s)**.

### b) Calculation of Extra Expenses:

**Extra Expenses** means the **Insured's** reasonable and necessary extra expenses incurred to:

- i. avoid or minimize the suspension or deterioration in its business, which it would not have incurred if the **Enumerated Harm(s)** had not occurred, including but not limited to: the cost of renting or leasing equipment, expense of moving to temporary premises and the rental expenses of these premises, consultancy fees and third party services, substitute work or production procedures, extra labor costs and expenses for special advertising; and to
- ii. minimize or avoid any **Enumerated Harm(s)** to enable the **Insured's** Business to continue operating; and to
- iii. preserve critical evidence of any criminal or malicious wrongdoing; and to
- iv. discover and determine the nature of the **Enumerated Harm(s)**.

The total expenses incurred under i) and ii) above combined shall not exceed the amount by which the **Insured's Income Loss or Customer Attrition Loss** (where applicable) is reduced by such expenses.

**Extra Expenses** do not include any **Breach Costs** or any additional costs to provide credit monitoring and/or identity theft assistance solutions.

#### 4. Claims Preparation Clause

This Policy provides coverage for reasonable and supportable costs incurred by the **Insured** (including the cost of utilizing external consultants) for preparation, presentation, certification and/or verification of any Proof of loss under Insuring Agreements B, C and D. A 50% co-insurance will be applied to this clause, whereby the **Insured** must contribute 50% towards any costs provided for under this clause, with **Underwriters'** maximum liability under this clause capped at USD 50,000 or currency equivalent. Such amount shall be part of and not in addition to the Limits of Liability contained in Item 7.

#### 5. Proof of Loss

The **Insured** shall provide as soon as practicable, but in any event no later than 180 days after a loss is **Discovered**, a Proof of Loss detailing the loss for which it is seeking coverage under the First Party Coverages (Section I) in this Policy, including as may be appropriate:

- i. information and evidence known to the **Insured** of the facts relating to the loss event, threat, or failure, the amount of the loss;
- ii. a description of the incident and any **Data, Programs** and equipment involved;
- iii. identification of involved personnel;
- iv. copies of available system and security logs, and any reports of outside experts and consultants; and
- v. any other information as reasonably requested by **Underwriters'** representatives.

The **Insured** may provide an interim Proof of Loss and request interim payment from **Underwriters** if the loss is incapable of being fully quantified.

#### 6. Subrogation

If any payment is made under this Policy and there is available to **Underwriters** any of the **Insured's** rights of recovery against a **Third Party**, then **Underwriters** shall maintain all such rights of recovery. The **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing to prejudice such rights without **Underwriters'** prior written approval. Any recoveries shall be applied first to subrogation expenses, second to **Damages, Defense Costs**, or any other amount paid by **Underwriters**, and lastly to the **Retention**. Any additional amounts recovered shall be paid to the **Insured**.

#### 7. Other Insurance

Coverage afforded hereunder shall apply only as excess over any valid and collectible insurance or indemnity available to any **Insured**, including any self-insured retention or deductible portion thereof, unless such other insurance is written only as specific excess insurance over the Total Aggregate Limit of Liability or any other applicable Limit of Liability of this Policy, as provided in the Policy Schedule.

#### 8. Loss Mitigation

The **Insured** shall take all reasonable steps to avoid or mitigate and prevent any loss, damages, or any other amounts covered under this Policy and to assist in the defense of all legal actions brought against it by **Third Parties**. Once a loss or potential loss has been discovered or a **Claim** has been made, the **Insured** must take all reasonable steps to prevent further loss, **Damages**, or any other amounts that might be covered under this Policy.

#### 9. Acquisitions, Mergers, Liquidation or Dissolution,

- a. If during the **Policy Period**, the **Named Insured** or any **Subsidiary** acquires any entity whose annual revenues are more than a twenty percent (20%) increase in the **Named Insured's** total



assets, employee count or gross revenue for the four quarterly periods directly preceding the date of acquisition, it shall be deemed a **Subsidiary** under the Policy but only upon the condition that within thirty (30) days of it becoming a **Subsidiary**, the **Named Insured** shall have provided **Underwriters** with full details regarding the new **Subsidiary** and agreed to any additional premium and/or amendment of the provisions of this Policy required by **Underwriters** relating to such new **Subsidiary**, subject to advanced review and acceptance by **Underwriters** of full and complete underwriting information. Coverage is only extended to any **Subsidiary** for any **Claim**, loss, or other notification under this Policy that arises out of acts, errors or omissions first committed or any incident, facts, circumstances, or events first occurring after the entity becomes a **Subsidiary**.

b. Should the **Named Insured** be acquired by, consolidate with, or merge into another entity, enter into liquidation or dissolution, or sell or dispose of substantially all of its assets, this Policy shall respond only with respect to acts, errors or omission first committed or any incident, facts, circumstances, or events first occurring before the date of acquisition, consolidation, merger, sale, liquidation or dissolution. No coverage shall be provided by this Policy for any other **Claim** or loss unless the **Named Insured** provides written notice to **Underwriters** prior to such acquisition, consolidation, merger or sale, the **Named Insured** has agreed to any additional premium and terms of coverage required by **Underwriters** and **Underwriters** have issued an endorsement extending coverage under this Policy.

c. All notices and premium payments made under this Clause 9. shall be directed to **Underwriters** through the entity named in Item 15 of the Policy Schedule.

#### 10. Cancellation

a. This Policy may be cancelled by the **Named Insured** by surrender thereof to **Underwriters** or by mailing to **Underwriters** through the entity named in Item 15 of the Policy Schedule written notice stating when thereafter the cancellation shall be effective. If the **Insured** cancels this insurance prior to any **Claim** or loss being reported, thirty percent (30%) of the premium shall be deemed earned upon inception of this Policy, and the remaining earned premium shall be computed in accordance with the Lloyd's short rate table and procedure.

b. **Underwriters** may cancel this insurance by mailing to the **Named Insured** at the address shown in Item 4 of the Policy Schedule stating when not less than 60 days thereafter such cancellation shall be effective. However, if **Underwriters** cancel this insurance because the **Insured** has failed to pay a premium when due, this insurance may be cancelled by **Underwriters** by mailing a written notice of cancellation to the **Named Insured** at the address shown in Item 4 of the Policy Schedule stating when not less than 10 days thereafter such cancellation shall be effective. Mailing of notice under this paragraph shall be sufficient proof of notice. If **Underwriters** cancel this insurance, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation. Notwithstanding the foregoing, the premium shall be deemed fully earned if any **Claim** or loss is notified to **Underwriters** or discovered by the **Control Group** on or before the date of cancellation.

#### 11. Choice of Law

The interpretation of this Policy and any disputes involving this Policy are governed by the law of the jurisdiction stated in item 11 of the Policy Schedule.

#### 12. Innocent Insured Provision

a. Whenever coverage under this Policy would be excluded, suspended, or lost because of non-compliance with Section IX Clause 1 relating to providing notice of a **Claim** or any loss to **Underwriters**, with respect to which any other **Insured** shall be in default solely because of the failure to give such notice or concealment of such failure by one or more **Insureds**, then such insurance as would otherwise be afforded under this Policy shall cover and be paid with respect to those **Insureds** who did not personally commit, personally participate in committing, or personally acquiesce in such failure to give notice, provided that the **Insured** entitled to the benefit of this provision shall comply with Section IX Clause 1, Notification, promptly after obtaining knowledge of the failure of any other **Insured** to comply therewith. Notwithstanding

the foregoing, the reporting of any such **Claim** or loss must be made during the **Policy Period** or **Extended Reporting Period**, if applicable.

b. Whenever coverage under this Policy would be excluded, suspended, or lost because of Exclusion 13 relating to any deliberate, intentional, malicious, criminal, unlawful, fraudulent, or dishonest act by any **Insured**, then such insurance as would otherwise be afforded under this Policy shall cover and be paid with respect to those **Insureds** who did not personally commit, personally participate in committing, personally acquiesce, or remain passive after having personal knowledge thereof.

### 13. Fraud

If any **Insured** notifies a **Claim** or loss under this Policy that is fraudulent, as regards amount or otherwise, **Underwriters** may elect (in their sole discretion) to terminate this Policy immediately in its entirety and in which case this Policy shall be of no effect whatsoever and all amounts requested or owed for such **Claim** and/or loss shall be forfeited. Further, in circumstances where **Underwriters** are entitled to avoid this Policy, **Underwriters** may instead elect to give notice to the **Named Insured** that the Policy remains in full force and effect, but no indemnity or any other payment will be made for any **Claim** or loss based upon, directly or indirectly arising out of, or in any way involving the circumstance that entitled **Underwriters** to avoid this Policy.

### 14. Action against Underwriters

No action shall lie against **Underwriters** unless and until, as a condition precedent thereto, the **Insured** shall have fully complied with all provisions, terms and conditions of this Insurance, and the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment or award against the **Insured** after trial, regulatory proceeding, arbitration or by written agreement of the **Insured**, the claimant and the **Underwriters**. No person or organization shall have the right under this Policy to join **Underwriters** as a party to an action or other proceeding against the **Insured** to determine the **Insured's** liability, nor shall **Underwriters** be impleaded by the **Insured** or the **Insured's** legal representatives. The **Insured's** bankruptcy or insolvency or of the **Insured's** estate shall not relieve the **Underwriters** of their obligations hereunder.

### 15. Dispute Resolution

- a. The parties shall attempt in good faith to resolve any dispute or controversy arising out of or relating to this Policy or the subject matter hereof promptly by negotiation. If the dispute has not been resolved by negotiation within thirty (30) days of the disputing party's notice, the parties may submit the dispute to non-binding mediation. Unless both parties agree otherwise, any non-binding mediation shall be administered by the American Arbitration Association or JAMS in accordance with their then prevailing Commercial Mediation Rules.
- b. If mediation is unsuccessful in resolving the dispute or controversy by agreement of the parties, either party shall have the right to commence a judicial proceeding, except with regard to the Calculation of **Income Loss** and **Extra Expense** under Insuring Agreement C (**Insured's Network Failure - Income Loss and Extra Expense**), and Insuring Agreement D (**Outsource Service Provider/Cloud Service Provider Failure - Income Loss and Extra Expense**) and Calculation of **Customer Attrition Loss** and **Extra Expense** under Insuring Agreement F (**Customer Attrition**).
- c. With regard to any loss under any of the First Party Insuring Agreements (Section I of the Policy), if the **Insured** has a dispute with **Underwriters** as to the amount sustained, the **Insured** will not be required to first mediate and may elect to demand an appraisal. Once a demand is made, each party will select an appraiser who will separately arrive at the amount of loss sustained. If the **Insured** and **Underwriters** fail to then agree upon the amount, the dispute will be submitted to an impartial appraiser jointly selected by the **Insured** and **Underwriters**. A decision agreed to by two of the three appraisers will be binding on both the **Insured** and **Underwriters**. The **Insured** and **Underwriters** will bear their own costs for the work of the appraiser they each retain and will equally share the costs of the third, impartial appraiser. Any appraisal shall be subject to the terms, conditions and exclusions of this Policy. Unless the parties agree otherwise, any other disputes concerning issues other than valuation will be resolved in accordance with the Dispute Resolution procedure noted above, except with regard to the

Calculation of **Income Loss and Extra Expense** under Insuring Agreement C (**Insured's Network Failure - Income Loss and Extra Expense**), and Insuring Agreement D (**Outsource Service Provider/Cloud Service Provider Failure - Income Loss and Extra Expense**) and Calculation of **Customer Attrition Loss and Extra Expense** under Insuring Agreement F (**Customer Attrition**).

With regard to the Calculation of **Income Loss and Extra Expense** under Insuring Agreement C (**Insured's Network Failure - Income Loss and Extra Expense**), and Insuring Agreement D (**Outsource Service Provider/Cloud Service Provider Failure - Income Loss and Extra Expense**) and Calculation of **Customer Attrition Loss and Extra Expense** under Insuring Agreement F (**Customer Attrition**), unless the parties agree otherwise, any other disputes concerning issues other than valuation will be resolved by binding arbitration before a single arbitrator in a proceeding administered by the American Arbitration Association or JAMS in accordance with their then prevailing Commercial Arbitration Rules.

- d. All applicable statutes of limitations and defenses based upon the passage of time shall be tolled while the procedures specified in Clause 15 (Dispute Resolution) are pending. The parties will take such action, if any, required to effectuate such tolling.

#### 16. Service of Suit

Subject to the provisions of Clause 15, **Underwriters** agree to submit to the jurisdiction of a court of competent jurisdiction within the United States if the **Insured** is located there or for **Insureds** not located in the United States any jurisdiction where the **Insured** is located. Nothing in this clause constitutes or should be understood to constitute a waiver of **Underwriters'** rights to commence an action in a court of competent jurisdiction, to remove an action, or to seek a transfer of a case to another court. It is further agreed that service of process may be made upon **Underwriters'** Representative, as designated in item 17 of the Policy Schedule, and that in any suit instituted against **Underwriters** under this Policy, **Underwriters** will abide by the final decision of such court or of any appellate court in the event of an appeal.

The person(s) or entity designated in item 17 of the Policy Schedule is authorized and directed to accept service of process on each the **Underwriters'** behalf in any suit and/or upon the **Insured's** request to give a written undertaking to the **Insured** that they will enter a general appearance upon the **Underwriters'** behalf in the event such a suit shall be instituted.

Further, with regard to **Insureds** located in the United States only, the following will apply: Pursuant to any statute of any state, territory or district of the United States which makes provision therefor, **Underwriters** designate the Superintendent, Commissioner or Director of insurance or other officer specified for that purpose in the statute, or their successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on the **Insured's** behalf or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

#### 17. Territory

This Policy applies to any acts, insured events, breaches or threats or any other matter detailed under the relevant insuring agreements, no matter where committed, suspected, or alleged to have been committed or wherever occurring anywhere in the world.

#### 18. Authorization

By acceptance of this Policy, each **Insured** agrees that the **Named Insured** shall act on behalf of all **Insureds** for all purposes including the negotiation of the terms of this Policy, payment of or return of premiums, receipt and acceptance of any endorsement issued to form a part of this Policy and giving and receiving notice of cancellation of this Policy.

#### 19. Assignment

The interest hereunder of any **Insured** is not assignable. If the **Insured** shall die or be adjudged incompetent, such insurance shall cover the **Insured's** legal representative as the **Insured** as would be permitted by this Policy.

#### 20. Headings

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

#### 21. Singular Form of a Word

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

#### 22. Entire Agreement

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

#### 23. Complaints Procedure

It is **Underwriters'** aim and goal to provide excellent service to the **Insured**. However, if the **Insured** believes it has any cause for complaint or the **Insured** has any inquiries regarding this Policy, in the first instance the **Insured** should contact its broker or agent who arranged this insurance.

The **Insured** can also contact **Underwriters** directly at: Novae, 21 Lombard Street, London EC3V 9AH

If the **Insured** is not satisfied with the manner in which a complaint has been handled, the **Insured** may ask Lloyd's to review the matter without prejudice to its rights at law. The address is:

Complaints Team  
Lloyd's, One Lime Street  
London EC3M 7HA United Kingdom

Email: [complaints@lloyds.com](mailto:complaints@lloyds.com)  
Telephone: +44 (0) 20 7327 5693  
Fax: +44 (0) 20 7327 5225

## Schedule of Insureds

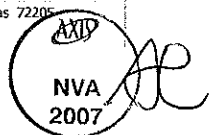
Agency	Address	City/State/ZIP
1 002 - Arkansas House of Representatives	Capitol Building 500 Woodlane Street, Room 350	Little Rock, Arkansas 72201
2 005 - Arkansas Senate	Capitol Building 500 Woodlane Street, Room 320	Little Rock, Arkansas 72201
3 009 - Arkansas Legislative Audit	Capitol Building 500 Woodlane Street, Room 172	Little Rock, Arkansas 72201
4 011 - Bureau of Legislative Research	Multi-Agency Complex No. 1 Capitol Mall, 5th Floor	Little Rock, Arkansas 72201
5 018 - Court of Appeal	Justice Building 625 Marshall Street	Little Rock, Arkansas 72201
6 023 - Administrative Office of the Courts	Justice Building 625 Marshall Street	Little Rock, Arkansas 72201
7 028 - Office of Prosecutor Coordinator	Tower Building 323 Center Street, Suite 750	Little Rock, Arkansas 72201
8 032 - Arkansas Supreme Court	Justice Building 625 Marshall Street	Little Rock, Arkansas 72201
9 034 - Office of Governor	500 Woodlane St.	Little Rock, Arkansas 72201
10 035 - Office of Medicaid Inspector General	Tower Building 323 Center Street, Ste. 1200	Little Rock, Arkansas 72201
11 051 - Lieutenant Governor	Capitol Building 400 Woodlane Str., Room 270	Little Rock, Arkansas 72201
12 053 - Office of Attorney General	Tower Building 323 Center Street, Suite 200	Little Rock, Arkansas 72201
13 059 - Auditor of State	1401 West Capitol Street Suite 325	Little Rock, Arkansas 72201
14 061 - Arkansas Land Department	Capitol Building 500 Woodlane Street, Room 109	Little Rock, Arkansas 72201
15 063 - Office of Secretary of State	Capitol Building 500 Woodlane Street, Room 012	Little Rock, Arkansas 72201
16 069 - State Treasurer	1401 West Capitol, Suite 275	Little Rock, Arkansas 72201
17 080 - Arkansas Game and Fish Commission	No. 2 Natural Resources Drive	Little Rock, Arkansas 72205
18 090 - Arkansas Department of Transportation	P.O. Box 2261 10324 Interstate 30 - Exit 130	Little Rock, Arkansas 72203-2261
19 100 - Henderson State University	1100 Henderson Street	Arkadelphia, Arkansas 71999-0001
20 105 - Southern Arkansas University	MSC 9288 100 East University	Magnolia, Arkansas 71753
21 115A - Southern Arkansas University-Technical Branch	P.O. Box 3499	Camden, Arkansas 71711
22 120 - Arkansas State University - Beebe	P.O. Box 1000	Beebe, Arkansas 72012-1000
23 125A - Arkansas State University - Jonesboro	P.O. Box 2100	State University, Arkansas 72467
24 125C - Arkansas State University - Other Locations	P.O. Box 2100	State University, Arkansas 72467
25 128 - Arkansas State University - Mountain Home	1600 South College	Mountain Home, Arkansas 72653
26 129 - Arkansas State University - Newport	7648 Victory Boulevard	Newport, Arkansas 72112
27 130 - Arkansas Tech University	Purchasing Department Young Building East End - 203 W. "O" Street	Russellville, Arkansas 72801-2222
28 165 - University of Central Arkansas	Human Resources 201 Donaghey - Wingo Hall	Conway, Arkansas 72035
29 170 - East Arkansas Community College	1700 Newcastle Road	Forrest City, Arkansas 72335-9598
30 175 - National Park College	101 College Drive	Hot Springs, Arkansas 71913
31 177 - Arkansas State University - Mid South	2000 West Broadway	West Memphis, Arkansas 72301
32 180 - Arkansas Northeastern College	P.O. Box 1109	Blytheville, Arkansas 72316-1109
33 185 - North Arkansas College	1515 Pioneer Drive	Harrison, Arkansas 72601
34 193 - South Arkansas Community College	300 South West Avenue P.O. Box 7010	El Dorado, Arkansas 71731-7010
35 198 - Northwest Arkansas Community College	One College Drive	Bentonville, Arkansas 72712
36 200 - Abstractor's Board of Examiners	P.O. Box 166006	Little Rock, Arkansas 72216
37 203 - State Board of Public Accountancy	Main Street Mall 101 East Capital Avenue	Little Rock, Arkansas 72201
38 205 - Appraiser's Licensing and Certification Board	Main Street Mall 101 East Capital Avenue, Suite 430	Little Rock, Arkansas 72201
39 206 - State Board of Architects	Main Street Mall 101 East Capitol Avenue, Suite 110	Little Rock, Arkansas 72201
40 210 - Arkansas Auctioneers Licensing Board	Main Street Mall 101 East Capitol Avenue, Suite 112B	Little Rock, Arkansas 72201
41 211 - Arkansas Professional Bail Bondsman Licensing Board	Main Street Mall 101 East Capitol Avenue, Suite 117	Little Rock, Arkansas 72201



42 212 - Arkansas State Board of Barber Examiners	501 Woodlane Building 501 Woodlane Street, Room 212 North	Little Rock, Arkansas 72201-1026
43 221 - State Board of Collection Agencies	Lafayette Building 523 South Louisiana Street, Suite 460	Little Rock, Arkansas 72201
44 224 - Contractors Licensing Board	4100 Richards Road	North Little Rock, Arkansas 72117
45 228 - Arkansas Board of Examiners in Counseling	101 East Capitol, Suite 202	Little Rock, Arkansas 72201
46 229 - Arkansas Fair Housing Commission	Main Street Mall 101 East Capitol Avenue, Suite 212	Little Rock, Arkansas 72201
47 232 - Board of Election Commissioners	501 Woodlane Building 501 Woodlane Street, Suite 401N	Little Rock, Arkansas 72201
48 236 - Board of Licensure for Professional Engineers and Professional Surveyors	623 Woodlane	Little Rock, Arkansas 72201-1009
49 238 - Arkansas Ethics Commission	501 Woodlane Street, Ste 301N	Little Rock, Arkansas 72201-1152
50 241 - Judicial Discipline and Disability Commission	Tower Building 323 Center Street, Suite 1060	Little Rock, Arkansas 72201
51 246 - State Board of Physical Therapy	No. 9 Shackelford Plaza Drive, Suite 3	Little Rock, Arkansas 72211
52 248 - Arkansas Real Estate Commission	612 Summit Street	Little Rock, Arkansas 72201-4740
53 254 - Social Work Licensing Board	Executive Building, 2020 West Third, Room 518 P.O. Box 251965	Little Rock, Arkansas 72205
54 255 - Home Inspector Registration Board	P.O. Box 251911	Little Rock, Arkansas 72225
55 258 - Towing and Recovery Board	7418 North Hills Blvd	North Little Rock, Arkansas 72116
56 261 - Tobacco Control Board	Main Street Mall 101 East Capitol Avenue, Suite 401	Little Rock, Arkansas 72201-3826
57 263 - Arkansas Fire Protection Licensing Board	7509 Cantrell Road, Suite 102	Little Rock, Arkansas 72207
58 265 - Arkansas State Board of Chiropractic Examiners	Main Street Mall 101 East Capitol Avenue, Suite 209	Little Rock, Arkansas 72201
59 268 - State Board of Dental Examiners	Main Street Mall 101 East Capitol Avenue, Suite 111	Little Rock, Arkansas 72201
60 270 - Dietetics Licensing Board	P. O. Box 1016	North Little Rock, Arkansas 72115
61 274 - Arkansas State Medical Board	1401 West Capitol Street, Suite 340	Little Rock, Arkansas 72201-2936
62 277 - Arkansas State Board of Nursing	University Tower Building 1123 South University Avenue, Suite 600	Little Rock, Arkansas 72204
63 279 - Dispensing Optician Board	P.O. Box 627	Helena, Arkansas 72342
64 280 - Optometry Board	404 W. Vine Avenue	Searcy, Arkansas 72143
65 283 - Arkansas State Board of Pharmacy	322 South Main Building Suite 600	Little Rock, Arkansas 72201
66 289 - Arkansas Board of Examiners in Psychology	Main Street Mall 101 East Capitol Avenue, Suite 415	Little Rock, Arkansas 72201
67 292 - Board of Examiners Speech Language Pathology and Audiology	Main Street Mall 101 East Capitol Avenue, Suite 103	Little Rock, Arkansas 72201
68 295 - Spinal Cord Commission	1501 North University, Suite 470	Little Rock, Arkansas 72207
69 298 - Veterinary Medical Examiner Board	One Natural Resources Dr. Room 105	Little Rock, Arkansas 72115
70 305 - Arkansas Manufactured Home Commission	Main Street Mall 101 East Capitol Avenue, Suite 210	Little Rock, Arkansas 72201
71 311 - Disability Determination for Social Security Administration	701 Pulaski Street	Little Rock, Arkansas 72201
72 314 - Governors Mansion Commission	1800 Center Street	Little Rock, Arkansas 72206
73 315 - Capitol Zoning District Commission	410 South Battery Street	Little Rock, Arkansas 72201
74 318 - Martin Luther King, Jr. Commission	501 Woodlane Building 501 Woodlane Street, Room 122 South	Little Rock, Arkansas 72201
75 319 - Minority Health Commission	1501 S. Main Street, Suite A	Little Rock, Arkansas 72201
76 320 - Arkansas Motor Vehicle Commission	Main Street Mall 101 East Capitol Avenue, Suite 204	Little Rock, Arkansas 72201-3826
77 323 - Arkansas Parole Board	Two Union National Plaza 105 W. Capitol Avenue, Suite 501	Little Rock, Arkansas 72201
78 324 - Arkansas Public Defender Commission	Main Street Mall 101 East Capitol Avenue, Suite 201	Little Rock, Arkansas 72201
79 328 - Arkansas Sentencing Commission	Main Street Mall 101 East Capitol Avenue, Suite 470	Little Rock, Arkansas 72201
80 334 - Arkansas Tobacco Settlement Commission	Main Street Mall 101 East Capitol Avenue, Suite 460	Little Rock, Arkansas 72201
81 341 - Arkansas Waterways Commission	Main Street Mall 101 East Capitol Avenue Suite 370	Little Rock, Arkansas 72201
82 360 - Arkansas Claims Commission	Main Street Mall 101 East Capitol Avenue, Suite 410	Little Rock, Arkansas 72201
83 365 - Disabled Veterans Service Office		
84 370 - Arkansas Public Employment Retirement System	One Union National Plaza 124 W. Capitol Avenue	Little Rock, Arkansas 72201



85 375 - Arkansas Teacher Retirement System	1400 West Third Street	Little Rock, Arkansas 72201
86 380 - Veterans Child Welfare Service	702 S/ Victory St.	Little Rock, Arkansas 72201
87 385 - Arkansas Department of Veterans Affairs	1501 West Maryland Avenue	North Little Rock, Arkansas 72120
88 390 - Workers Compensation Commission	324 Spring Street P.O. Box 950	Little Rock, Arkansas 72203-0950
89 395 - Arkansas Development Finance Authority	900 West Capitol Building 900 West Capitol Avenue, Suite 310	Little Rock, Arkansas 72201
90 400-100 - Arkansas Agriculture Department-Administration	One Natural Resources Dr.	Little Rock, Arkansas 72205
91 400-355 - Arkansas Agriculture Department - Livestock and Poultry Commission	No. 1 Natural Resources Drive P.O. Box 8505	Little Rock, Arkansas 72215
92 400-415 - Arkansas Agriculture Department - Forestry Commission	#1 Natural Resources Drive	Little Rock, Arkansas 72205
93 400-445 - Arkansas Agriculture Department - Plant Board	No. 1 Natural Resources Drive P.O. Box 1069	Little Rock, Arkansas 72203
94 402 - Arkansas Department of Aeronautics	State Police Hanger 2315 Crisp Drive, #8 Hangar South	Little Rock, Arkansas 72202
95 405 - Arkansas State Bank Department	400 Hardin Road, Suite 100	Little Rock, Arkansas 72211
96 410 - Arkansas Securities Department	Heritage West Building 201 East Markham Street, Suite 300	Little Rock, Arkansas 72201-1692
97 420 - Arkansas Geological Survey	3815 Roosevelt Road	Little Rock, Arkansas 72204
98 425 - Arkansas Insurance Department	1200 West Third Street	Little Rock, Arkansas 72201-1904
99 430 - Liquefied Petroleum Gas Board	3800 Richards Road	North Little Rock, Arkansas 72117
100 440 - Arkansas Oil and Gas Commission	301 Natural Resources Drive, Suite 102	Little Rock, Arkansas 72205
101 450 - Public Service Commission	1000 Center Street P.O. Box 400	Little Rock, Arkansas 72203-0400
102 455 - Arkansas Natural Resources Commission	Main Street Mall 101 East Capitol Avenue, Suite 350	Little Rock, Arkansas 72201
103 470 - Department of Information Systems	Multi-Agency Complex No. 1 Capitol Mall, 3B-907, P.O. Box 3155	Little Rock, Arkansas 72203
104 472 - Arkansas Geographic Information Office	Multi-Agency Complex No. 1 Capitol Mall, Suite 6D	Little Rock, Arkansas 72201
105 480 - Arkansas Department of Correction	P.O. Box 6408	Pine Bluff, Arkansas 71611
106 485 - Arkansas Department of Community Correction	Two Union National Plaza 105 West Capitol Avenue	Little Rock, Arkansas 72201
107 490 - Assessment Coordination Department	900 W. Capitol Ave., Ste 320	Little Rock, Arkansas 72201
108 500 - Arkansas Department of Education	Arch Ford Education Building No. 4 Capitol Mall, Room 104A	Little Rock, Arkansas 72201-1071
109 510 - Arkansas School for the Blind	2600 West Markham Street	Little Rock, Arkansas 72203
110 513 - Arkansas School for the Deaf	2400 Markham Street	Little Rock, Arkansas 72205
111 516 - Arkansas Educational Television Commission	350 S. Donaghey Street	Conway, Arkansas 72034
112 519 - Arkansas State Library	900 West Capitol Avenue, Suite 100	Little Rock, Arkansas 72201
113 520 - Department of Career Education - Rehabilitation Services Division	525 West Capitol	Little Rock, Arkansas 72201
114 552 - Northwest Technical Institute	709 South Missouri Road P.O. Box 2000	Springdale, Arkansas 72765-2000
115 582 - Riverside Vo-Tech School	8000 Correction Circle P.O. Box 1179	Pine Bluff, Arkansas 71613
116 590 - Department of Career Education - Central Division	Luther Hardin Building No. 3 Capitol Mall, Room 113	Little Rock, Arkansas 72201
117 610 - DFA-Management Services - Asset Management Section	1515 West 7th Street, Room 700, P.O. Box 2485	Little Rock, Arkansas 72203
118 645 - Department of Health	4815 West Markham, Slot H55	Little Rock, Arkansas 72203-1437
119 665 - Health Services Permit Agency	5800 W. 10th Street, Suite 805	Little Rock, Arkansas 72204
120 675 - Black River Technical College	1410 Highway 304 East P.O. Box 468	Pocahontas, Arkansas 72455
121 685 - College of the Ouachitas	One College Circle	Malvern, Arkansas 72104
122 687 - Ozarka Technical College	218 College Drive P.O. Box 10	Melbourne, Arkansas 72556
123 691 - Southeast Arkansas College	1900 Hazel Street PO BOX 1180	Pine Bluff, Arkansas 71613
124 700 - Arkansas Department of Higher Education	423 Main Street	Little Rock, Arkansas 72201
125 710 - Department of Human Services	Donaghey West Building P.O. Box 1437 Slot W 103	Little Rock, Arkansas 72203-1437
126 790 - Arkansas Economic Development Commission	900 West Capitol Avenue, Suite 400	Little Rock, Arkansas 72201
127 800 - Arkansas Department of Labor	Cone One Building 10421 West Markham Street	Little Rock, Arkansas 72205



128 810 - Arkansas Department of Workforce Services	#2 Capitol Mall P.O. Box 2981	Little Rock, Arkansas 72203
129 865 - Department of Arkansas Heritage - Central Administration	1100 North Street	Little Rock, Arkansas 72201
130 900 - Arkansas Department of Parks and Tourism	Multi-Agency Complex No. 1 Capitol Mall	Little Rock, Arkansas 72201
131 930 - Arkansas Department of Environmental Quality	5301 Northshore Drive	North Little Rock, Arkansas 72118-5317
132 950 - Arkansas Commission on Law Enforcement Standards and Training	Hussey Road P.O. Box 3106	East Camden, Arkansas 71711
133 955 - Arkansas Crime Laboratory	No. 3 Natural Resources Drive P.O. Box 8500	Little Rock, Arkansas 72205
134 960A - Arkansas State Police Commission	No. 1 State Police Plaza Drive	Little Rock, Arkansas 72209
135 975 - Arkansas State Military Department		
136 990 - Arkansas Crime Information Center	322 S. Main Street, Suite 615	Little Rock, Arkansas 72201
137 995 - Arkansas Department of Emergency Management	Building #9501, Camp Joseph T. Robinson	North Little Rock, Arkansas 72199-9606



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Market Reform ContractUNIQUE MARKET  
REFERENCE:

B0507FI1800275

TYPE:

Excess Cyber Liability

INSURED:

State of Arkansas and entities as listed in the attached schedule

MAILING  
ADDRESS:

1200 West Third St., Little Rock, Arkansas 72201-1904

PERIOD:

From: 14<sup>th</sup> August 2018  
To: 14<sup>th</sup> August 2019  
Both days at 12:01am local standard time, at the mailing address of the Insured

INTEREST:

To indemnify the Insured for loss, as covered the wording attached

LIMIT OF  
LIABILITY:

USD 15,000,000 in excess of USD 10,000,000 in turn in excess of USD 250,000 any one claim and in the aggregate followed by USD 100,000 any one claim thereafter for Insuring modules A, B, C, D, E, H, I & J

USD 5,000,000 in excess of USD 5,000,000 in turn in excess of USD 250,000 any one claim and in the aggregate followed by USD 100,000 any one claim thereafter for insuring module L.

TERRITORIAL  
LIMITS:

Worldwide

CONDITIONS:

1. LSW 055 Follow form as attached
2. Retroactive Date: inception
3. War and Terrorism Exclusion NMA 2918 as attached.
4. Nuclear Incident Exclusion Clause – Liability – Direct (Broad)
5. Sanction Limitation and Exclusion Clause LSM wording as attached.
6. Premium Payment Clause LSW3000 as attached
7. NMA 1988 Service of Suit Clause as attached
8. LMA 3100 Sanctions Clause as attached
9. 1% of Premium allocated to TRIA if elected
10. Recognition of erosion but not follow form endorsement

CHOICE OF LAW  
& JURISDICTION:

This insurance shall be governed by and construed in accordance with the law of Arkansas and each party agrees to submit to the exclusive jurisdiction of the courts of Arkansas

PREMIUM:

USD 305,000

NOTICE OF CLAIM:

To underwriters via Bancorp South Insurance Services and  
[claims@priceforbes.com](mailto:claims@priceforbes.com)



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Price Forbes & Partners Limited

UMR: B0507FI1800275



**SERVICE OF SUIT:**

Service of process in any suit shall be made as per the attached and upon:  
Mendes & Mount LLP,  
750 Seventh Avenue, New York, NY 10019

**PREMIUM**

**PAYMENT TERMS:**

LSW 3000 – 60 days

**TAXES PAYABLE  
BY INSURED AND  
ADMINISTERED  
BY INSURER(S):**

None applicable

**RECORDING,  
TRANSMITTING  
& STORING  
INFORMATION:**

Where the Broker maintains risk and claim data / information / documents the  
Broker may hold data / information / documents electronically.

**INSURER  
CONTRACT  
DOCUMENTATION:**

This document details the contract terms entered into by the insurer(s), and  
constitutes the contract documentation.

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UMR: B0507FI1800275



PRICE FORBES

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INFORMATION

As held on file by Price Forbes & Partners Limited

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**WAR AND TERRORISM EXCLUSION ENDORSEMENT**

Notwithstanding any provision to the contrary within this Policy or any Endorsement thereto it is agreed that this Policy excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) any act of terrorism.  
For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this policy, the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

**NMA2918**  
**08/10/2001**



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**NMA 1256 NUCLEAR INCIDENT EXCLUSION CLAUSE—LIABILITY—DIRECT (BROAD)**

*(Approved by Lloyd's Underwriters' Non-Marine Association)*

*For attachment to insurances of the following classifications in the U.S.A., its Territories and Possessions, Puerto Rico and the Canal Zone:-*

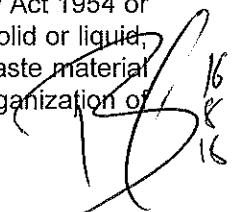
*Owners, Landlords and Tenants Liability, Contractual Liability, Elevator Liability, Owners or Contractors (including railroad) Protective Liability, Manufacturers and Contractors Liability, Product Liability, Professional and Malpractice Liability, Storekeepers Liability, Garage Liability, Automobile Liability (including Massachusetts Motor Vehicle or Garage Liability), not being insurances of the classifications to which the Nuclear Incident Exclusion Clause—Liability—Direct (Limited) applies.*

This Policy\* does not apply:-

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

As used in this endorsement:

**"hazardous properties"** include radioactive, toxic or explosive properties; **"nuclear material"** means source material, special nuclear material or byproduct material; **"source material"**, **"special nuclear material"**, and **"byproduct material"** have the meanings given them in the Atomic Energy Act 1954 or in any law amendatory thereof; **"spent fuel"** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor; **"waste"** means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of



any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof; **"nuclear facility"** means

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

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

With respect to injury to or destruction of property, the word "injury" or "destruction" includes all forms of radioactive contamination of property.

It is understood and agreed that, except as specifically provided in the foregoing to the contrary, this clause is subject to tie terms, exclusions, conditions and limitations of the Policy to which it is attached.

\*Note:—As respects policies which afford liability coverages and other forms of coverage in addition, the words underlined should be amended to designate the liability coverage to which this clause is to apply.

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**SANCTION LIMITATION AND EXCLUSION CLAUSE**

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

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**PREMIUM PAYMENT CLAUSE**

The (Re)Insured undertakes that premium will be paid in full to Underwriters within 60 days of inception of this policy (or, in respect of instalment premiums, when due).

If the premium due under this policy has not been so paid to Underwriters by the 90th day from the inception of this policy (and, in respect of instalment premiums, by the date they are due) Underwriters shall have the right to cancel this policy by notifying the (Re)Insured via the broker in writing. In the event of cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters are on risk but the full policy premium shall be payable to Underwriters in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this policy.

It is agreed that Underwriters shall give not less than 10 days prior notice of cancellation to the (Re)Insured via the broker. If premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the Leading Underwriter (and Agreement Parts if appropriate) are authorised to exercise rights under this clause on their own behalf and on behalf of all Underwriters participating in this contract.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

Where the premium is to be paid through a London Market Bureau, payment to Underwriters will be deemed to occur on the day of delivery of a premium advice note to the Bureau.





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**SERVICE OF SUIT CLAUSE (U.S.A.)**

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Assured, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon, and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above named are authorised and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Assured to give a written undertaking to the Assured that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above named as the person to whom the said officer is authorised to mail such process or a true copy thereof.

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**RECOGNITION OF EROSION BUT NON FOLLOW FORM ENDORSEMENT**

It is hereby understood that this policy shall recognise the erosion of the underlying layer in respect to Insuring module G but shall not afford any coverage under this policy.

It is furthermore understood and agreed that this policy shall not afford any coverage as listed underneath the "Addition of Bricking Coverage Endorsement" but shall recognise the erosion of the underlying aggregate.

All other terms and conditions remain unchanged.



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**(RE)INSURERS LIABILITY CLAUSE**

**(Re)insurer's liability several not joint**

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

**Proportion of liability**

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

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All other terms and conditions remain unchanged.



**SECURITY DETAILS**

**ORDER HEREON:** 100% of 100%

**BASIS OF  
WRITTEN LINES:** Percentage of Whole

NMA 2419 Lines Clause, if applicable.

**SIGNING  
PROVISIONS:**

In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the (re)insured, or the (re)insured's representatives, and the Slip Leader. Such variation to be in accordance with provision a) above with the resulting variation in signed lines commencing from the date set out in that agreement.

Any other variation to the contracts will take effect only by the documented agreement of the (re)insured, or the (re)insured's representatives, and all (re)insurers whose lines are to be varied. Such variation to the contracts will take effect only when all such (re)insurers have agreed with the resulting variation in signed lines commencing from the date set out in that agreement.

**LINE CONDITIONS:** None



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PRICE FORBES


WRITTEN LINES:

**BRIT** **BRT**  
GLOBAL SPECIALTY

50% { 45% 5%

G	k	0	1	1	D	1	8	A	0	0	0	%2987
G	k	0	1	1	D	1	8	A	0	0	0	%2988

A A N N N A N N A N N N




**T A R I A N**  
**% 9714**

50%

L	T	C	V	1	8	A	A	5	3	9	Z
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A A A A N N A A N N N A

All Underwriters as per LPSO Registered No 9714

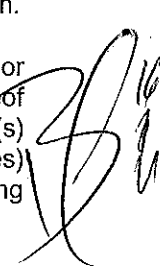
 Per MW 16/08/18

**LSW 055 FOLLOW FORM**  
**(EXCESS: AGGREGATE COSTS INCLUSIVE)**

To indemnify the Assured for claim or claims first made against the Assured during the Period of Insurance hereon up to this Policy's amount of liability (as hereinafter specified) in the aggregate, the excess of the Underlying Policy(ies) limits (as hereinafter specified) in the aggregate, the latter amount being the subject of Indemnity Policy(ies) (as hereinafter specified) or any Policy(ies) issued in substitution or renewal thereof for the same amount effected by the Assured and hereinafter referred to as "the Underlying Policy(ies)".

<b>This Policy's amount of liability:</b>	USD 10,000,000 part of USD 50,000,000 any one claim and in the aggregate
<b>Underlying Policy limits:</b>	USD 10,000,000 in turn in excess of USD 250,000 any one claim and in the aggregate followed by USD 100,000 any one claim thereafter
<b>Underlying Carrier</b>	Lloyd's Syndicate NVA 2007
<b>Underlying Policy Number:</b>	B0507FI1800274

1. Liability to pay under this Policy shall not attach unless and until the Underwriters of the Underlying Policy(ies) shall have paid or have admitted liability or have been held liable to pay, the full amount of their indemnity inclusive of costs and expenses.
2. It is a condition of this Policy that the Underlying Policy(ies) shall be maintained in full effect during the currency of this Policy except for any reduction of the aggregate limits contained therein solely by payment of claims or of legal costs and expenses incurred in defence or settlement of such claims.
3. If by reason of the payment of any claim or claims or legal costs and expenses by the Underwriters of the Underlying Policy(ies) during the period of this Insurance, the amount of indemnity provided by such Underlying Policy(ies) is:-
  - (a) Partially reduced, then this Policy shall apply in excess of the reduced amount of the Underlying Policy(ies) for the remainder of the Period of Insurance;
  - (b) Totally exhausted, then this Policy shall continue in force as Underlying Policy until expiry hereof.
4. In the event of a claim arising to which the Underwriters hereon may be liable to contribute, no costs shall be incurred on their behalf without their consent being first obtained (such consent not to be unreasonably withheld). No settlement of a claim shall be effected by the Assured for such a sum as will involve this Policy without the consent of Underwriters hereon.
5. Any claim(s) made against the Assured or the discovery by the Assured of any loss(es) or any circumstances of which the Assured becomes aware during the subsistence hereof which are likely to give rise to such a claim or loss, shall, if it appears likely that such claim(s) plus costs and expenses incurred in the defence or settlement of such claim(s) or loss(es) may exceed the indemnity available under the Policy(ies) of the Primary and Underlying



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Excess Insurers, be notified immediately by the Assured in writing to the Underwriters hereon.

6. All recoveries or payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to such settlement and all necessary adjustments shall then be made between the Assured and the Underwriters provided always that nothing in this Policy shall be construed to mean that loss settlements under this Policy are not payable until the Assured's ultimate net loss has been finally ascertained.
7. Except as otherwise provided herein this Policy is subject to the same terms, exclusions, conditions and definitions as the Policy of the Primary Insurers. No amendment to the Policy of the Primary Insurers during the period of this Policy in respect of which the Primary Insurers require an additional premium or a deductible shall be effective in extending the scope of this Policy until agreed in writing by the Underwriters.
8. If the Assured shall prefer any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claims hereunder shall be forfeited.

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## Schedule of Insureds

Agency	Address	City/State/ZIP
1 002 - Arkansas House of Representatives	Capitol Building 500 Woodlane Street, Room 350	Little Rock, Arkansas 72201
2 005 - Arkansas Senate	Capitol Building 500 Woodlane Street, Room 320	Little Rock, Arkansas 72201
3 009 - Arkansas Legislative Audit	Capitol Building 500 Woodlane Street, Room 172	Little Rock, Arkansas 72201
4 011 - Bureau of Legislative Research	Multi-Agency Complex No. 1 Capitol Mall, 5th Floor	Little Rock, Arkansas 72201
5 018 - Court of Appeal	Justice Building 625 Marshall Street	Little Rock, Arkansas 72201
6 023 - Administrative Office of the Courts	Justice Building 625 Marshall Street	Little Rock, Arkansas 72201
7 028 - Office of Prosecutor Coordinator	Tower Building 323 Center Street, Suite 750	Little Rock, Arkansas 72201
8 032 - Arkansas Supreme Court	Justice Building 625 Marshall Street	Little Rock, Arkansas 72201
9 034 - Office of Governor	500 Woodlane St.	Little Rock, Arkansas 72201
10 035 - Office of Medicaid Inspector General	Tower Building 323 Center Street, Ste. 1200	Little Rock, Arkansas 72201
11 051 - Lieutenant Governor	Capitol Building 400 Woodlane Str., Room 270	Little Rock, Arkansas 72201
12 053 - Office of Attorney General	Tower Building 323 Center Street, Suite 200	Little Rock, Arkansas 72201
13 059 - Auditor of State	1401 West Capitol Street Suite 325	Little Rock, Arkansas 72201
14 061 - Arkansas Land Department	Capitol Building 500 Woodlane Street, Room 109	Little Rock, Arkansas 72201
15 063 - Office of Secretary of State	Capitol Building 500 Woodlane Street, Room 012	Little Rock, Arkansas 72201
16 069 - State Treasurer	1401 West Capitol, Suite 275	Little Rock, Arkansas 72201
17 080 - Arkansas Game and Fish Commission	No. 2 Natural Resources Drive	Little Rock, Arkansas 72205
18 090 - Arkansas Department of Transportation	P.O. Box 2261 10324 Interstate 30 - Exit 130	Little Rock, Arkansas 72203-2261
19 100 - Henderson State University	1100 Henderson Street	Arkadelphia, Arkansas 71999-0001
20 105 - Southern Arkansas University	MSC 9288 100 East University	Magnolia, Arkansas 71753
21 115A - Southern Arkansas University-Technical Branch	P.O. Box 3499	Camden, Arkansas 71711
22 120 - Arkansas State University - Beebe	P.O. Box 1000	Beebe, Arkansas 72012-1000
23 125A - Arkansas State University - Jonesboro	P.O. Box 2100	State University, Arkansas 72467
24 125C - Arkansas State University - Other Locations	P.O. Box 2100	State University, Arkansas 72467
25 128 - Arkansas State University - Mountain Home	1600 South College	Mountain Home, Arkansas 72653
26 129 - Arkansas State University - Newport	7648 Victory Boulevard	Newport, Arkansas 72112
27 130 - Arkansas Tech University	Purchasing Department Young Building East End - 203 W. "O" Street	Russellville, Arkansas 72801-2222
28 165 - University of Central Arkansas	Human Resources 201 Donaghey - Wingo Hall	Conway, Arkansas 72035
29 170 - East Arkansas Community College	1700 Newcastle Road	Forrest City, Arkansas 72335-9598
30 175 - National Park College	101 College Drive	Hot Springs, Arkansas 71913
31 177 - Arkansas State University - Mid South	2000 West Broadway	West Memphis, Arkansas 72301
32 180 - Arkansas Northeastern College	P.O. Box 1109	Blytheville, Arkansas 72316-1109
33 185 - North Arkansas College	1515 Pioneer Drive	Harrison, Arkansas 72601
34 193 - South Arkansas Community College	300 South West Avenue P.O. Box 7010	El Dorado, Arkansas 71731-7010
35 198 - Northwest Arkansas Community College	One College Drive	Bentonville, Arkansas 72712
36 200 - Abstractor's Board of Examiners	P.O. Box 166005	Little Rock, Arkansas 72216
37 203 - State Board of Public Accountancy	Main Street Mall 101 East Capitol Avenue	Little Rock, Arkansas 72201
38 205 - Appraiser's Licensing and Certification Board	Main Street Mall 101 East Capitol Avenue, Suite 430	Little Rock, Arkansas 72201
39 206 - State Board of Architects	Main Street Mall 101 East Capitol Avenue, Suite 110	Little Rock, Arkansas 72201
40 210 - Arkansas Auctioneers Licensing Board	Main Street Mall 101 East Capitol Avenue, Suite 112B	Little Rock, Arkansas 72201
41 211 - Arkansas Professional Ball Bondsman Licensing Board	Main Street Mall 101 East Capitol Avenue, Suite 117	Little Rock, Arkansas 72201



42 212 - Arkansas State Board of Barber Examiners	501 Woodlane Building 501 Woodlane Street, Room 212 North	Little Rock, Arkansas 72201-1026
43 221 - State Board of Collection Agencies	Lafayette Building 523 South Louisiana Street, Suite 460	Little Rock, Arkansas 72201
44 224 - Contractors Licensing Board	4100 Richards Road	North Little Rock, Arkansas 72117
45 228 - Arkansas Board of Examiners In Counseling	101 East Capitol, Suite 202	Little Rock, Arkansas 72201
46 229 - Arkansas Fair Housing Commission	Main Street Mall 101 East Capitol Avenue, Suite 212	Little Rock, Arkansas 72201
47 232 - Board of Election Commissioners	501 Woodlane Building 501 Woodlane Street, Suite 401N	Little Rock, Arkansas 72201
48 236 - Board of Licensure for Professional Engineers and Professional Surveyors	623 Woodlane	Little Rock, Arkansas 72201-1009
49 238 - Arkansas Ethics Commission	501 Woodlane Street, Ste 301N	Little Rock, Arkansas 72201-1152
50 241 - Judicial Discipline and Disability Commission	Tower Building 323 Center Street, Suite 1060	Little Rock, Arkansas 72201
51 246 - State Board of Physical Therapy	No. 9 Shackelford Plaza Drive, Suite 3	Little Rock, Arkansas 72211
52 248 - Arkansas Real Estate Commission	612 Summit Street	Little Rock, Arkansas 72201-4740
53 254 - Social Work Licensing Board	Executive Building, 2020 West Third, Room 518 P.O. Box 251965	Little Rock, Arkansas 72205
54 255 - Home Inspector Registration Board	P.O. Box 251911	Little Rock, Arkansas 72225
55 258 - Towing and Recovery Board	7418 North Hills Blvd	North Little Rock, Arkansas 72116
56 261 - Tobacco Control Board	Main Street Mall 101 East Capitol Avenue, Suite 401	Little Rock, Arkansas 72201-3826
57 263 - Arkansas Fire Protection Licensing Board	7509 Cantrell Road, Suite 102	Little Rock, Arkansas 72207
58 265 - Arkansas State Board of Chiropractic Examiners	Main Street Mall 101 East Capitol Avenue, Suite 209	Little Rock, Arkansas 72201
59 268 - State Board of Dental Examiners	Main Street Mall 101 East Capitol Avenue, Suite 111	Little Rock, Arkansas 72201
60 270 - Dietetics Licensing Board	P. O. Box 1016	North Little Rock, Arkansas 72115
61 274 - Arkansas State Medical Board	1401 West Capitol Street, Suite 340	Little Rock, Arkansas 72201-2936
62 277 - Arkansas State Board of Nursing	University Tower Building 1123 South University Avenue, Suite 600	Little Rock, Arkansas 72204
63 279 - Dispensing Optician Board	P.O. Box 627	Helena, Arkansas 72342
64 280 - Optometry Board	404 W. Vine Avenue	Searcy, Arkansas 72143
65 283 - Arkansas State Board of Pharmacy	322 South Main Building Suite 600	Little Rock, Arkansas 72201
66 289 - Arkansas Board of Examiners In Psychology	Main Street Mall 101 East Capitol Avenue, Suite 415	Little Rock, Arkansas 72201
67 292 - Board of Examiners Speech Language Pathology and Audiology	Main Street Mall 101 East Capitol Avenue, Suite 103	Little Rock, Arkansas 72201
68 295 - Spinal Cord Commission	1501 North University, Suite 470	Little Rock, Arkansas 72207
69 298 - Veterinary Medical Examiner Board	One Natural Resources Dr. Room 105	Little Rock, Arkansas 72115
70 305 - Arkansas Manufactured Home Commission	Main Street Mall 101 East Capitol Avenue, Suite 210	Little Rock, Arkansas 72201
71 311 - Disability Determination for Social Security Administration	701 Pulaski Street	Little Rock, Arkansas 72201
72 314 - Governors Mansion Commission	1800 Center Street	Little Rock, Arkansas 72206
73 315 - Capitol Zoning District Commission	410 South Battery Street	Little Rock, Arkansas 72201
74 318 - Martin Luther King, Jr. Commission	501 Woodlane Building 501 Woodlane Street, Room 122 South	Little Rock, Arkansas 72201
75 319 - Minority Health Commission	1501 S. Main Street, Suite A	Little Rock, Arkansas 72201
76 320 - Arkansas Motor Vehicle Commission	Main Street Mall 101 East Capitol Avenue, Suite 204	Little Rock, Arkansas 72201-3826
77 323 - Arkansas Parole Board	Two Union National Plaza 105 W. Capitol Avenue, Suite 501	Little Rock, Arkansas 72201
78 324 - Arkansas Public Defender Commission	Main Street Mall 101 East Capitol Avenue, Suite 201	Little Rock, Arkansas 72201
79 328 - Arkansas Sentencing Commission	Main Street Mall 101 East Capitol Avenue, Suite 470	Little Rock, Arkansas 72201
80 334 - Arkansas Tobacco Settlement Commission	Main Street Mall 101 East Capitol Avenue, Suite 460	Little Rock, Arkansas 72201
81 341 - Arkansas Waterways Commission	Main Street Mall 101 East Capitol Avenue Suite 370	Little Rock, Arkansas 72201
82 360 - Arkansas Claims Commission	Main Street Mall 101 East Capitol Avenue, Suite 410	Little Rock, Arkansas 72201
83 365 - Disabled Veterans Service Office		
84 370 - Arkansas Public Employment Retirement System	One Union National Plaza 124 W. Capitol Avenue	Little Rock, Arkansas 72201

85 375 - Arkansas Teacher Retirement System	1400 West Third Street	Little Rock, Arkansas 72201
86 380 - Veterans Child Welfare Service	702 S/ Victory St.	Little Rock, Arkansas 72201
87 385 - Arkansas Department of Veterans Affairs	1501 West Maryland Avenue	North Little Rock, Arkansas 72120
88 390 - Workers Compensation Commission	324 Spring Street P.O. Box 950	Little Rock, Arkansas 72203-0950
89 395 - Arkansas Development Finance Authority	900 West Capitol Building 900 West Capitol Avenue, Suite 310	Little Rock, Arkansas 72201
90 400-100 - Arkansas Agriculture Department-Administration	One Natural Resources Dr.	Little Rock, Arkansas 72205
91 400-355 - Arkansas Agriculture Department - Livestock and Poultry Commission	No. 1 Natural Resources Drive P.O. Box 8505	Little Rock, Arkansas 72215
92 400-415 - Arkansas Agriculture Department - Forestry Commission	#1 Natural Resources Drive	Little Rock, Arkansas 72205
93 400-445 - Arkansas Agriculture Department - Plant Board	No. 1 Natural Resources Drive P.O. Box 1069	Little Rock, Arkansas 72203
94 402 - Arkansas Department of Aeronautics	State Police Hanger 2315 Crisp Drive, #8 Hangar South	Little Rock, Arkansas 72202
95 405 - Arkansas State Bank Department	400 Hardin Road, Suite 100	Little Rock, Arkansas 72211
96 410 - Arkansas Securities Department	Heritage West Building 201 East Markham Street, Suite 300	Little Rock, Arkansas 72201-1692
97 420 - Arkansas Geological Survey	3815 Roosevelt Road	Little Rock, Arkansas 72204
98 425 - Arkansas Insurance Department	1200 West Third Street	Little Rock, Arkansas 72201-1904
99 430 - Liquefied Petroleum Gas Board	3800 Richards Road	North Little Rock, Arkansas 72117
100 440 - Arkansas Oil and Gas Commission	301 Natural Resources Drive, Suite 102	Little Rock, Arkansas 72205
101 450 - Public Service Commission	1000 Center Street P.O. Box 400	Little Rock, Arkansas 72203-0400
102 455 - Arkansas Natural Resources Commission	Main Street Mall 101 East Capitol Avenue, Suite 350	Little Rock, Arkansas 72201
103 470 - Department of Information Systems	Multi-Agency Complex No. 1 Capitol Mall, 3B-907, P.O. Box 3155	Little Rock, Arkansas 72203
104 472 - Arkansas Geographic Information Office	Multi-Agency Complex No. 1 Capitol Mall, Suite 6D	Little Rock, Arkansas 72201
105 480 - Arkansas Department of Correction	P.O. Box 6408	Pine Bluff, Arkansas 71611
106 485 - Arkansas Department of Community Correction	Two Union National Plaza 105 West Capitol Avenue	Little Rock, Arkansas 72201
107 490 - Assessment Coordination Department	900 W. Capitol Ave., Ste 320	Little Rock, Arkansas 72201
108 500 - Arkansas Department of Education	Arch Ford Education Building No. 4 Capitol Mall, Room 104A	Little Rock, Arkansas 72201-1071
109 510 - Arkansas School for the Blind	2600 West Markham Street	Little Rock, Arkansas 72203
110 513 - Arkansas School for the Deaf	2400 Markham Street	Little Rock, Arkansas 72205
111 516 - Arkansas Educational Television Commission	350 S. Donaghey Street	Conway, Arkansas 72034
112 519 - Arkansas State Library	900 West Capitol Avenue, Suite 100	Little Rock, Arkansas 72201
113 520 - Department of Career Education - Rehabilitation Services Division	525 West Capitol	Little Rock, Arkansas 72201
114 552 - Northwest Technical Institute	709 South Missouri Road P.O. Box 2000	Springdale, Arkansas 72765-2000
115 582 - Riverside Vo-Tech School	8000 Correction Circle P.O. Box 1179	Pine Bluff, Arkansas 71613
116 590 - Department of Career Education - Central Division	Luther Hardin Building No. 3 Capitol Mall, Room 113	Little Rock, Arkansas 72201
117 610 - DFA-Management Services - Asset Management Section	1515 West 7th Street, Room 700, P.O. Box 2485	Little Rock, Arkansas 72203
118 645 - Department of Health	4815 West Markham, Slot H55	Little Rock, Arkansas 72203-1437
119 665 - Health Services Permit Agency	5800 W. 10th Street, Suite 805	Little Rock, Arkansas 72204
120 675 - Black River Technical College	1410 Highway 304 East P.O. Box 468	Pocahontas, Arkansas 72455
121 685 - College of the Ouachitas	One College Circle	Malvern, Arkansas 72104
122 687 - Ozarka Technical College	218 College Drive P.O. Box 10	Melbourne, Arkansas 72556
123 691 - Southeast Arkansas College	1900 Hazel Street PO BOX 1180	Pine Bluff, Arkansas 71613
124 700 - Arkansas Department of Higher Education	423 Main Street	Little Rock, Arkansas 72201
125 710 - Department of Human Services	Donaghey West Building P.O. Box 1437 Slot W 103	Little Rock, Arkansas 72203-1437
126 790 - Arkansas Economic Development Commission	900 West Capitol Avenue, Suite 400	Little Rock, Arkansas 72201
127 800 - Arkansas Department of Labor	Cone One Building 10421 West Markham Street	Little Rock, Arkansas 72205

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128 810 - Arkansas Department of Workforce Services	#2 Capitol Mall P.O. Box 2981	Little Rock, Arkansas 72203
129 865 - Department of Arkansas Heritage - Central Administration	1100 North Street	Little Rock, Arkansas 72201
130 900 - Arkansas Department of Parks and Tourism	Multi-Agency Complex No. 1 Capitol Mall	Little Rock, Arkansas 72201
131 930 - Arkansas Department of Environmental Quality	5301 Northshore Drive	North Little Rock, Arkansas 72118-5317
132 950 - Arkansas Commission on Law Enforcement Standards and Training	Hussey Road P.O. Box 3106	East Camden, Arkansas 71711
133 955 - Arkansas Crime Laboratory	No. 3 Natural Resources Drive P.O. Box 6500	Little Rock, Arkansas 72205
134 960A - Arkansas State Police Commission	No. 1 State Police Plaza Drive	Little Rock, Arkansas 72209
135 975 - Arkansas State Military Department		
136 990 - Arkansas Crime Information Center	322 S. Main Street, Suite 615	Little Rock, Arkansas 72201
137 995 - Arkansas Department of Emergency Management	Building #9501, Camp Joseph T. Robinson	North Little Rock, Arkansas 72199-9600



### CONTRACT ENDORSEMENT

Unique Market Reference: B0507FI1800274  
Endorsement Reference: 001  
Insured: State of Arkansas and entities as listed

### CONTRACT CHANGES

Notwithstanding anything contained herein to the contrary, this contract is amended as follows:

**EFFECTIVE DATE: 14<sup>th</sup> August 2018**

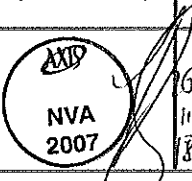
It is hereby understood and agreed that the wording for this policy is ammended to read as attached.

All other terms and conditions remain unchanged.

### CONTRACT ADMINISTRATION AND ADVISORY SECTION

1. N/A

### AGREEMENT

GENERAL UNDERWRITERS AGREEMENT (GUA) Each Underwriter's proportion is several not joint		
Slip Leader Only	Slip Leader and Agreement Parties	All Underwriters
		

Date / Name *per*

INITIALS			
SYND/CO			

INITIALS			
SYND/CO			

## Cyber Connect v1.2

1. Policy Number: B0507FI1800274
2. Policy Period:
  - From: 14<sup>th</sup> August 2018
  - To: 14<sup>th</sup> August 2019
3. Named Insured: State of Arkansas and entities as listed in the attached schedule
4. Address: 1200 West third St. Little Rock, Arkansas 72201-1904
5. Application Form Dated: No material changes and No claims declaration signed 14<sup>th</sup> August 2018
6. Premium: USD 340,000.00
7. Policy Limits:
  - (a) Total Aggregate Limit of Liability: USD 10,000,000
  - (b) Insuring Agreements and Limits of Liability: as listed in the slip attaching

### Section I - First Party Insuring Agreements and Limits of Liability

- |  |                |
|--|----------------|
| A. Breach Costs:   | Applicable     |
| B. Costs for Damage to Data or Programs:   | Applicable     |
| C. Insured's Network Failure -<br>Income Loss and Extra Expense:                                 | Applicable     |
| D. Outsource Service Provider/Cloud Service<br>Provider Failure - Income Loss and Extra Expense: | Applicable     |
| E. Cyber Extortion and Ransomware:   | Applicable     |
| F. Customer Attrition:   | Not Applicable |
| G. E-Theft:  | Applicable     |
| H. Hardware Replacement cost   | Applicable     |

### Section II - Third Party Insuring Agreements and Limits of Liability

- |   |                |
|---|----------------|
| I. Network Security, Privacy and Confidentiality Liability: | Applicable     |
| J. Network Security and Privacy Liability (Regulatory):     | Applicable     |
| K. Multimedia Liability:                                    | Applicable     |
| L. Technology Errors and Omissions:                         | Not Applicable |

### Section III

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M. Payment Card Industry Data Security Standard "PCI DSS"  
Fines, Penalties and Assessments:

Applicable

### Section IV

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N. Cyber Terrorism

Applicable

8. Retroactive Date: As per the attached endorsement
9. Retention applicable to Insuring Agreements:  
A, B, E, G, H, I, J, K, L and M: USD 250,000 for the first claim and in the aggregate followed  
by USD 100,000 thereafter
10. Time Retention applicable to Insuring Agreements  
C and D: 12
11. Choice of Law: Arkanas
12. Applicable Endorsements:
  - a) LMA 3100 Sanctions Clause
  - b) NMA 1998 Service of Suit Clause
  - c) LSW 3000 - 60 days
  - d) LMA3333 - Several Liability
  - e) NMA 2918 War and Terrorism Exclusion
  - f) Nuclear incident Exclusion Clause - liability - broad
13. (a) Pre-Approved Providers from the Novae Cyber Response  
Panel:  
Privacy Event Council  
  
Mullen Coughlin  
POC: John Mullen, Partnerjmullem@mullen.law  
1275 Drummers Lane, Suite 302, Wayne, PA 19087www.mullen.law  
  
Office: +1 (267) 930-4791 Hotline: +1 (844) 445-6097

#### Computer Forensics

##### **Navigant US**

POC: Darin Bielby, Managing Directordbielby@navigant.com  
50 South 16th Street, 33rd floor Philadelphia PA 19102www.navigant.com  
Office: +1 (215) 832-4485Hotline/Email: [incident@navigant.com](mailto:incident@navigant.com)

##### Data Breach Response

##### **CyberScout**

POC: Thomas Spier or Laura Kempstspier@cyberscout.comlkemps@cyberscout.com  
7580 N Dobson Rd, Suite 201, Scottsdale, AZ 85256, USAwww.cyberscout.com  
Hotline/Email: +1 (800) 493-0943 [breach@cyberscout.com](mailto:breach@cyberscout.com)

or as per the approved vendor sheet attached at the rear of this policy

(b)

(i) Time Limit for Pre-Approved Provider Expenses: 72 Hours

(ii) Allowable amount of Pre-Approved Provider Expenses: N/A

1. Underwriters' Representative for Claims Notification: via [claims@priceforbes.com](mailto:claims@priceforbes.com)
2. Underwriters' Representative for all Other Notifications under this Policy: to underwriters via Price Forbes and Partners Ltd, 2 Minster Court, Mincing Lane, London, EC3R7PD
3. Insured's Representative: Price Forbes and Partners
4. Service of Suit: Mendes & Mount LLP, 750 Seventh Avenue, New York, NY 10019

## THE POLICY

**IMPORTANT NOTICE: AS MORE FULLY SET FORTH IN THE INSURING AGREEMENTS, THE THIRD PARTY COVERAGES PROVIDED BY THIS POLICY AND COVERAGE RELATING TO PAYMENT CARD INDUSTRY DATA SECURITY STANDARD UNDER INSURING AGREEMENT L COVER ONLY CLAIMS FIRST MADE AND REPORTED TO UNDERWRITERS DURING AND BEFORE THE END OF THE POLICY PERIOD OR ANY EXTENDED REPORTED PERIOD, IF APPLICABLE.**

**AS MORE FULLY SET FORTH IN THE INSURING AGREEMENTS, THE FIRST PARTY COVERAGES, EXCEPT FOR INSURING AGREEMENT E (CYBER EXTORTION AND RANSOMWARE), COVER ONLY LOSS DISCOVERED AND REPORTED TO UNDERWRITERS DURING AND BEFORE THE END OF THE POLICY PERIOD OR AN EXTENDED REPORTING PERIOD, IF APPLICABLE, AND OCCURRING ON OR AFTER THE RETROACTIVE DATE.**

**COVERAGE PROVIDED BY INSURING AGREEMENT E (CYBER EXTORTION AND RANSOMWARE) COVERS ONLY CYBER EXTORTION DEMANDS OR RANSOMWARE DEMANDS FIRST MADE DURING THE POLICY PERIOD OR AN EXTENDED REPORTING PERIOD, IF APPLICABLE, AND OCCURRING AFTER THE RETROACTIVE DATE.**

**ALL CLAIMS OR ANY OTHER AMOUNTS PAYABLE UNDER THIS POLICY ARE SUBJECT TO THE APPLICABLE LIMITS OF LIABILITY AND THE APPLICABLE RETENTION(S). PLEASE BE ADVISED THAT, WHERE NOTED, THE LIMITS OF LIABILITY INCLUDE DEFENSE COSTS.**

**Unless otherwise expressly provided below, the Insured shall not admit liability, make any payment, assume any obligation, incur any expense, enter into any settlement, stipulate to any judgment or award, or dispose of any loss or Claim without Underwriters' prior written consent.**

**WORDS AND TERMS THAT APPEAR IN BOLD FACE TYPE BELOW ARE DEFINED TERMS IN THIS POLICY. PLEASE READ THIS POLICY CAREFULLY.**

The **Named Insured** has purchased some or all of the Insuring Agreements listed below. Please refer to the Policy Schedule, which is considered to be part of this Policy, which shows the Insuring Agreements that have been purchased. If an Insuring Agreement has not been purchased, that portion of this Policy is not applicable.

In consideration of the payment of Premium by the **Named Insured** to **Underwriters** hereunder, and subject to the terms, conditions and exclusions of this Policy, as well as the Insuring Agreements purchased, the **Named Insured** and the **Underwriters** agree as follows:



## Section I - First Party Insuring Agreements

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This Policy provides the **Insured** with coverage for loss as more fully and specifically described in the following Insuring Agreements:

### A. Breach Costs

**Underwriters** will pay on behalf of the **Insured** any **Breach Costs** up to the Limit of Liability and excess of the **Retention**, as stated in the Policy Schedule, arising out of an actual or suspected **Network security breach, Privacy breach or a Confidentiality breach** which first occurred on or after the **Retroactive Date** and was discovered during the **Policy Period**.

Should the **Insured** retain a firm or company from the list of **Pre-Approved Providers from the Novae Cyber Response Panel**, as stated in Item 13(a) of the Policy Schedule, the **Insured** may incur reasonable and necessary **Breach Costs** without first obtaining **Underwriters'** prior written consent for the period of time listed in Item 13(b) (i) of the Policy Schedule only and for an amount not to exceed the amount listed in Item 13(b) (ii) of the Policy Schedule. Such amount shall be part of and not in addition to the Limits of Liability contained in Item 7 of the Policy Schedule. Within 72 hours of retaining such vendor, the **Insured** must provide notification to **Underwriters** that such firm or company has been retained to the party listed in Item 15 of the Policy Schedule.

Any **Breach Costs** incurred consistent with the foregoing paragraph but after the period of time listed in Item 13(b)(i) of the Policy Schedule and any **Breach Costs** incurred that do not utilize a vendor from the **Pre-Approved Providers from the Novae Cyber Response Panel** are subject to **Underwriters'** prior written consent.

### B. Costs for Damage to Data or Programs

**Underwriters** will pay the **Insured** for any **First Party Costs** up to the Limit of Liability and excess of the **Retention**, as stated in the Policy Schedule, incurred as a direct result of damage to the **Insured's Data or Insured's Programs** caused by:

- a. **Computer Attack;**
- b. **Operational Error;**
- c. **Accidental damage of hardware;**
- d. **Failure of back-up generators; or**
- e. **Electrostatic build-up and static electricity;**

which first occurred on or after the **Retroactive Date** and was **Discovered** during the **Policy Period**.

### C. Insured's Network Failure - Income Loss and Extra Expense

**Underwriters** will pay the **Insured** for any **Income Loss** and **Extra Expense** up to the Limit of Liability as stated in the Policy Schedule, incurred by the **Insured** due to the suspension or deterioration of the **Insured's** business during the **Period of Restoration** directly as a result of the total or partial interruption, degradation in service or failure of the **Insured's Network**, provided that the duration of such interruption, degradation or failure exceeds the **Time Retention** and was directly caused by:

- a. **Computer Attack;**
- b. **Operational Error;**
- c. **Accidental damage of hardware;**
- d. **Failure of back-up generators; or**
- e. **Electrostatic build-up and static electricity;**

which first occurred on or after the **Retroactive Date** and was **Discovered** during the **Policy Period**.

**Underwriters** will not be liable for any **Income Loss** and **Extra Expense** incurred during the **Time Retention**. The **Time Retention** will apply to each **Period of Restoration**.

Calculation of **Income Loss** and **Extra Expense** is described in Section IX, Clause 3 of this Policy.

#### **D. Outsource Service Provider or Cloud Service Provider Failure- Income Loss and Extra Expense**

Underwriters will pay the Insured for any Income Loss and Extra Expense, up to the Limit of Liability, as stated in the Policy Schedule, incurred by the Insured due to the suspension or deterioration of the Insured's Business during the Period of Restoration directly as a result of the total or partial interruption, degradation in service or failure of a Network operated by an Outsource Service Provider or Cloud Service Provider for the Insured, provided that the duration of such interruption, degradation or failure exceeds the Time Retention and was directly caused by:

- a. Computer Attack;
- b. Operational Error;
- c. Accidental damage of hardware;
- d. Failure of back-up generators; or
- e. Electrostatic build-up and static electricity;

which first occurred on or after the Retroactive Date and was Discovered during the Policy Period.

Underwriters will not be liable for any Income Loss and Extra Expense incurred during the Time Retention. The Time Retention will apply to each Period of Restoration.

Calculation of Income Loss and Extra Expense is described in Section IX, Clause 3 of this Policy.

#### **E. Cyber Extortion and Ransomware**

Underwriters will reimburse the Insured for any Cyber Extortion/Ransomware Payments and any Cyber Extortion/Ransomware Expenses up to the Limit of Liability and excess of the Retention, as stated in the Policy Schedule, incurred directly as a result of a Cyber Extortion Demand or Ransomware Demand first made during the Policy Period.

#### **F. Customer Attrition**

Underwriters will pay the Insured for any Customer Attrition Loss and Extra Expense up to the Limit of Liability and excess of the Retention, as stated in the Policy Schedule, incurred by the Insured during the Customer Attrition Period of Restoration directly as a result of the reputational damage caused by an allegation made in the public domain or the release of information in the public domain to the effect that the Insured committed or failed to prevent a Network Security Breach, Privacy Breach or a Confidentiality breach, provided that such Network Security Breach, Privacy Breach or Confidentiality Breach first occurred on or after the Retroactive Date and was Discovered during the Policy Period.

#### **G. E-Theft**

Underwriters will reimburse the Insured for any E-theft Loss up to the Limit of Liability and excess of the Retention, as stated in the Policy Schedule, incurred as a direct result of a Network Security Breach on the Insured's Network, which first occurs on or after the Retroactive Date and which was discovered during the Policy Period. As a condition precedent to coverage under this Insuring Agreement, all instructions purportedly received by the Insured for the transfer of money, credit, securities or other property of value, must be authenticated by a call back to the telephone number held on file for the individual or entity requesting the transfer, and the Insured must receive oral confirmation from the individual at that telephone number to proceed with the transfer.

### **Section II - Third Party Insuring Agreements**

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This Policy provides the Insured with coverage for Claims made under the following Insuring Agreements, as more fully described below:

#### **H. Network Security, Privacy and Confidentiality Liability**

Underwriters will pay on behalf of the Insured any Damages and Defense Costs up to the Limit of Liability and excess of the Retention, as stated in the Policy Schedule, arising out of a Claim first made against the Insured during the Policy Period alleging that the Insured committed or failed to

prevent a **Network Security Breach**, **Privacy breach** or a **Confidentiality breach** which first occurred on or after the **Retroactive Date**.

#### **I. Network Security and Privacy Liability (Regulatory)**

**Underwriters** will pay on behalf of the **Insured** any **Regulatory Penalties** and **Regulatory Investigation Costs** up to the Limit of Liability and excess of the **Retention**, as stated in the Policy Schedule, arising out of a **Regulatory Claim** first made against the **Insured** during the **Policy Period** alleging that the **Insured** committed or failed to prevent a **Network Security Breach**, **Privacy Breach** or a **Confidentiality Breach** which first occurred on or after the **Retroactive Date**.

#### **J. Multimedia Liability**

**Underwriters** will pay on behalf of the **Insured** any **Damages** and **Defense Costs** up to the Limit of Liability and excess of the **Retention**, as stated in the Policy Schedule, arising out of a **Claim** first made against the **Insured** during the **Policy Period** alleging that the **Insured** committed, either directly or indirectly, or failed to prevent a **Multimedia Wrongful Act** which first occurred on or after the **Retroactive Date**.

#### **K. Technology Errors and Omissions**

**Underwriters** will pay on behalf of the **Insured** any **Damages** and **Defense Costs** up to the Limit of Liability and excess of the **Retention**, as stated in the Policy Schedule, arising out of a **Claim** first made against the **Insured** during the **Policy Period** alleging that the **Insured** committed a **Technology Error and Omission** which first occurred on or after the **Retroactive Date**.

### **Section III**

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#### **L. Payment Card Industry Data Security Standard (hereinafter "PCI DSS"): Fines, Penalties and Assessments**

**Underwriters** will pay on behalf of the **Insured** any **PCI DSS Fines, Penalties and Assessments** and **PCI DSS Claim Expenses** up to the Limit of Liability and excess of the **Retention**, as stated in the Policy Schedule, arising out of a **PCI DSS Claim** first made against the **Insured** during the **Policy Period** alleging that the **Insured** committed or failed to prevent a **Network Security Breach**, **Privacy Breach** or a **Confidentiality Breach** which first occurred on or after the **Retroactive Date**.

### **Section IV**

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#### **M. Cyber Terrorism**

If a loss or **Claim** is covered under one or more of the Insuring Agreements (A-L) listed above, coverage will still be provided under that Insuring Agreement(s) in the event of a **Cyber Terrorism Event**, but only if this Section IV(M) is marked as applicable in the Policy Schedule. No Limits of Liability are provided by this Policy Section in addition to the Limits of Liability already provided by the specific Insuring Agreements.

### **Section V - Definitions**

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**Application** means the **Insured's** signed application for insurance and any attachments or other information and materials submitted in connection with this Policy, or during the Policy Period for a newly acquired entity. All such applications, attachments, information, and materials are deemed attached to and incorporated into this Policy.

**Breach Costs** mean:

- a. Costs to notify the population impacted or potentially impacted by a breach (including but not limited to call center costs in handling calls from notified individuals), reasonably and necessarily incurred by the **Insured** as a result of a legal or regulatory requirement including but not limited to legal, postage, advertising (not including public relations consultants) and other related expenses. This shall specifically include legal expense and other costs incurred to determine whether a suspected breach is in fact a breach.
- b. Where there is no legal or regulatory requirement to notify the population impacted or potentially impacted by a breach or suspected breach, costs to notify, including but not limited to postage, advertising and other related expenses, including legal expenses incurred after it is determined that there is no legal or regulatory requirement to notify, will only be considered by Underwriters under the following circumstances and subject to Underwriters' prior written consent: i) such costs are intended to mitigate further loss or a **Claim** or potential claim that is covered under this Policy; ii) where the **Insured** has received legal advice recommending that there is a legal or regulatory requirement to notify other portions of the breached population for the same breach or suspected breach; or iii) where the **Insured** has received legal advice that such costs are necessary to mitigate reputational damage to the **Insured**.
- c. Costs to provide credit monitoring and/or identity theft assistance solutions to the population impacted or potentially impacted by a breach for a period as legally required up to a maximum of 2 years, reasonably and necessarily incurred by the **Insured**, including but not limited to credit file monitoring and protection, purchase of identity theft insurance and consultation services.
- d. Costs to appoint a public relations consultant, being all public relations consultancy fees reasonably and necessarily incurred by the **Insured** in mitigating the reputational damage caused by a **Network Security Breach**, **Privacy Breach**, or a **Confidentiality Breach**.
- e. Forensics expenses, being all reasonable and necessary costs that the **Insured** incurs for the purposes of conducting a review or investigation of the source or cause of an actual or suspected **Network Security Breach**.

**Breach of Contract** means breach of a written contract(s) with a client to perform **Technology Services** because of:

- a. The **Technology Services** being negligently performed or containing a material defect;
- b. The **Technology Services** failing to meet any statutory term concerning quality, safety or fitness for a particular express purpose, or failing to meet an implied duty to exercise that degree of care or skill consistent with applicable industry standards; or
- c. Breach of any hold harmless or indemnity provision regarding infringement of intellectual property rights, breach of security, or the confidentiality of information.

**Card Associations** means companies which include but are not limited to MasterCard, VISA, Discover, American Express, or JCB, financial institutions, credit or debit card processors, ISO (Independent Sales Organization), MSP (Member Service Provider) or any other entity, which allows the **Insured** to accept payment by credit, debit or prepaid card and which are able to issue **PCI DSS Fines Penalties and Assessments** under the **Payment Card Industry Data Security Standard**.

**Claim** means:

- a. A written demand for **Damages** or non-monetary relief against any **Insured**;
- b. A civil proceeding for **Damages** against any **Insured** commenced by the service of a complaint or similar pleading;
- c. The institution of an arbitration, mediation or other alternate dispute resolution proceeding against any **Insured**;
- d. A verbal or written request for a tolling agreement;
- e. A **Regulatory Claim**, but only with respect to coverage provided under Insuring Agreement I (Network Security and Privacy Liability (Regulatory)); or
- f. A **PCI DSS Claim**, but only with respect to coverage provided under Insuring Agreement L. (Payment Card Industry Data Security Standard Fines, Penalties and Assessments).

**Cloud Service Provider** means an individual or entity that is not an **Insured** that provides cloud computing resources that are delivered as a service over a network or the internet, and/or through a data center or other premises where the **Insured's Data** is stored or managed by a **Third Party** under a written contract.

**Computer Attack** means a denial of service attack, use of malicious code/malware, computer virus or any other unauthorized use of the **Insured's Network** (including use by an authorized person(s) for an unauthorized purpose), which is either intended to cause damage to the **Insured's Network**, or as a result of an attack elsewhere, causes damage to the **Insured's Network**.

**Confidentiality Breach** means:

- a. The breach of any legal, regulatory or contractual requirement to protect the security or confidentiality of non-public corporate or other business confidential information, including but not limited to business plans and forecasting information, valuations, product development, banking and tax practice.
- b. The failure to destroy non-public corporate or other business confidential information including but not limited to business plans and forecasting information, valuations, product development, banking and tax practice, which breaches a legal, regulatory or contractual requirement.

**Control Group** means the Risk manager for the Arkansas Multi Agency Insurance Trust and/or Chief Information Security Officer (CISO) for the Arkansas Department of Information Systems or Risk Manager or their functional equivalents within the **Insured's** business.

**Customer Attrition Loss** means the amount covered under Insuring Agreement F (Customer Attrition) as calculated in Section IX Clause 3 of this Policy.

**Customer Attrition Period of Restoration** means the period of time starting with the earlier of when an allegation is first made in the public domain or the first release of information in the public domain to the effect that the **Insured** committed or failed to prevent a **Network Security Breach**, **Privacy Breach** or a **Confidentiality Breach** and ending 12 months later.

**Cyber Extortion Demand** means a threat by a **Third Party** or **Employee** against the **Insured** to:

- a. corrupt, damage or destroy the **Insured's Network**, an **Outsource Service Provider's Network** or a **Cloud Service Provider's Network** (including through the introduction of malware);
- b. release, divulge, disseminate, destroy or use the **Insured's Data** or **Programs**;
- c. release, divulge or disseminate **Personally Identifiable Non-Public Information** or any other confidential information into the public domain, obtained through the unauthorized use or access (including use or access by an authorized person(s) for an unauthorized purpose) to the **Insured's Network**, an **Outsource Service Provider's Network** or a **Cloud Service Provider's Network**;
- d. restrict or hinder access (including by the use of a denial of service attack) to the **Insured's Network**, or a **Network** operated for the **Insured** by an **Outsource Service Provider** or a **Cloud Service Provider**; or
- e. electronically communicate with **Third Parties**, **Employees** or customers with the fraudulent intent of obtaining personally identifiable information, personal health information or any other confidential information;

accompanied by a demand for the payment of money, bitcoin, securities or other property of value in order to remove the threat.

**Cyber Extortion/Ransomware Expenses** mean reasonable and necessary expenses incurred by the **Insured** in order to meet, eliminate or remove the threat.

**Cyber Extortion/Ransomware Payments** mean payments made by the **Insured** to a **Third Party** or **Employee** threatening them with a **Cyber Extortion Demand** or **Ransomware Demand**, in order to remove the threat.

**Cyber Terrorism Event** for the purpose of the Cyber Terrorism Insuring Agreement shall mean an act or series of acts of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes. This shall include, but is not limited to, the intention to influence any government and/or to put the public in fear for such purposes by using activities perpetrated electronically or otherwise that are directed towards the destruction, disruption or subversion of communication and information systems, infrastructure, computers, the internet, telecommunications or electronic networks and/or the contents thereof or sabotage and/or threat there from.

**Damages** means a monetary judgment, award (including pre and post-judgment interest), or settlement. **Damages** does not include actual or alleged:

- a. Past or future royalties or past or future profits of the **Insured**, restitution, disgorgement of profits, or the costs of complying with orders granting injunctive relief or other non-monetary relief, including specific performance, or any agreement to provide such relief;
- b. return or offset of the **Insured's** fees, charges, or commissions for goods or services already provided or contracted to be provided;
- c. punitive, multiple, or exemplary damages unless insurable by the law of an applicable venue that would most favor coverage for such punitive, multiple or exemplary damages;
- d. taxes, fines, civil penalties, or sanctions unless insurable by the law of an applicable venue that would most favor coverage for such taxes, fines or civil penalties; however the foregoing civil penalties do not include **Regulatory Penalties**;
- e. criminal penalties;
- f. any amounts owed under any express or implied contract, subject to the application of Paragraphs (a), (b), (c), (d), and (e) of Exclusion 17;
- g. any amounts for which the **Insured** is not liable, or for which there is no legal recourse against the **Insured**;
- h. unpaid license fees;
- i. liquidated damages;
- j. **Regulatory Penalties**; or
- k. **PCI DSS Fines Penalties and Assessments**.

**Data** means machine-readable information held, stored or processed on a **Network**.

**Defense Costs** means:

- a. Reasonable and necessary legal costs and expenses incurred by the **Insured** with **Underwriters'** prior consent including amounts charged by an attorney(s) approved by **Underwriters**. However, this does not include legal costs and expenses incurred with regard to a **Regulatory Claim** or a **PCI DSS Claim**.
- b. All other reasonable and necessary fees, costs, and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim**. However, this does not include fees, costs, and expenses incurred with regard to a **Regulatory Claim** or a **PCI DSS Claim**.
- c. **Defense Costs** do not include any salaries, overhead or other charges incurred by an **Insured** for any time spent cooperating in the defense and investigation of any **Claim** or circumstance which might lead to a **Claim** under this Policy.

**Digital Assets** means **Data** and **Programs** that exist in a **Network**. **Digital Assets** do not include any **Hardware**.

**Discovered** means discovered by a member of the **Control Group**.

**Employee** means any individual in the **Insured's** service who is directed by the **Insured**, including any part-time, seasonal, leased, or temporary workers who are under a contract of service with the **Insured** or any individual who is working on the **Insured's** behalf, at the **Insured's** direction, and under the **Insured's** direct control. **Employee** does not include any of the **Insured's** partners or directors, **Outsource Service Providers** or **Cloud Service Providers**.

**Employment Claim** means a **Claim** alleging breach of any employment contract, employer-employee relations policies, practices, or any employment-related law or regulation or discrimination of any kind.

**Enumerated Harms** means:

With regard to Insuring Agreements C. (**Insured's Network Failure - Income Loss and Extra Expense**) and D. (**Outsource Service Provider or Cloud Service Provider Failure - Income Loss and Extra Expense**):

- a. **Computer Attack;**
- b. **Operational Error;**
- c. accidental damage of hardware;
- d. failure of back-up generators; or
- e. electrostatic build-up and static electricity.

With regard to Insuring Agreement F. (**Customer Attrition**):

- a. **Network Security Breach;**
- b. **Privacy Breach;** or
- c. **Confidentiality Breach.**

**E-Theft Loss** means the theft of any money, credit, securities or other property of value through fraudulent electronic transfer.

**Extended Reporting Period** means the period(s) of time after the end of the **Policy Period**, as provided in Section IX Clause 2 of the Policy, for reporting a **Claim**, loss, or with respect to Insuring Agreement E (**Cyber Extortion and Ransomware**), a **Cyber Extortion Demand** or **Ransomware Demand**.

**Extra Expenses** means the amount covered under Insuring Agreement C (**Insured's Network Failure - Income Loss and Extra Expense**); Insuring Agreement D (**Outsource Service Provider or Cloud Service Provider Failure - Income Loss and Extra Expense**); and Insuring Agreement F (**Customer Attrition**) as calculated in Section IX Clause 3 of this Policy.

**First Party Costs** means with regard to Insuring Agreement B (**Costs for Damage to Data or Programs**) only, reasonable and necessary external consultant costs and the **Insured's** own expenses (including additional working hours spent by employees) incurred in restoring, updating, repairing, recreating, or replacing damaged **Data** or **Programs** to their original pre-damage condition. The costs will be payable by **Underwriters** up to a period of 12 months from the date of discovery of an **Enumerated Harm** and will be capped at the re-purchase price of the **Data** or **Programs**. If these are no longer available for sale in the open market, then the equivalent **Data** or **Programs** where available can be purchased. If the original pre-damage condition cannot be achieved or no equivalent is available, then only the **Insured's** reasonable and necessary costs and expenses incurred up the point of this determination will be paid.

**Hardware** means any and all physical components of a computer system.

**Income loss** means the amount covered under Insuring Agreement C (**Insured's Network Failure - Income Loss and Extra Expense**) and Insuring Agreement D (**Outsource Service Provider or Cloud Service Provider Failure - Income Loss and Extra Expense**) as calculated in Section IX Clause 3 of this Policy.

**Insured** means:

- a. The legal entity(s) shown in item 3 of the Policy Schedule;
- b. Any **Subsidiary** of the legal entity(s) shown in item 3 of the Policy Schedule, but only with respect to any acts, fact or circumstances, insured events, breaches, threats or anything else contained in any Insuring Agreement(s) that occur while it is a **Subsidiary** and is otherwise covered by this policy;
- c. Any past, present, or future officer, director, trustee, or **Employee** of any party described in a) or b) above, but only while acting within the scope of their duties as such;
- d. If any party described in a) or b) above is a partnership, limited liability partnership, or limited liability company, then any general or managing partner, principal, stockholder or owner thereof, but only while acting within the scope of their duties as such;

- e. Any agent or independent contractor, including distributors, licensees and sub-licensees, but only while acting on behalf of, or at the direction of, and under the control of any party described in a) or b) above; and
- f. Any entity required by contract to be named an **Insured** under this Policy and to whom **Underwriters** consent in writing, but only for the acts of such entity, as detailed under the relevant Insuring Agreement.

**Insured's Network** means a **Network** that is owned, operated and controlled by the **Insured**.

**Insured's Programs** means

- a. **Programs** owned by the **Insured**; and
- b. **Programs** licensed to the **Insured** by any **Third Party** or **Outside Service Provider**;

**Merchant Services Agreement** means any agreement between the **Insured** and the **Card Associations**, which allows the **Insured** to accept payment by credit, debit or prepaid card.

**Multimedia Wrongful Act** means any of the below acts in the course of publishing content in any form, including but not limited to print, written, electronic, digital or video:

- a. Infringement of copyright, title, slogan, trademark, trade name, trade dress, mark, service mark or service name, including without limitation infringement of domain name, deep linking or framing;
- b. Plagiarism, piracy, violation of moral rights, passing off, or misappropriation of ideas under implied contract or other misappropriation of property rights, ideas or information;
- c. False advertising, including an alleged violation of Section 43(a) of the Lanham Act or any similar federal, state, local or foreign statutes;
- d. Any form of invasion, infringement or interference with rights of privacy or publicity, including but not limited to false light, public disclosure of private facts, intrusion and commercial appropriation of name, persona or likeness;
- e. Defamation including but not limited to disparagement or harm to the character or reputation of any person or organization, including but not limited to libel, slander, product disparagement and trade libel;
- f. Negligent or intentional infliction of emotional distress, outrage or prima facie tort in connection with any published content;
- g. Negligence in the content of any published content;
- h. Wrongful entry or eviction, trespass, eavesdropping or other invasion of the right to private occupancy, including without limitation emotional distress or mental anguish alleged in connection with a **Claim** for **Damages** in connection with such conduct;
- i. False arrest, detention or imprisonment, abuse of process, or malicious prosecution; or
- j. Unfair competition or trade practices, including but not limited to dilution, confusion, deceptive trade practices or unfair trade practices, civil actions for consumer fraud, false, disruptive or misleading advertising or misrepresentation in advertising, but only if alleged in conjunction with any of the acts listed in a - i above.

**Named Insured** means the individual, partnership, entity, or corporation designated as such in Item 3 of the Policy Schedule.

**Network** means interconnected electronic, wireless, web or similar systems (including all **Hardware**, **Programs**, or software) used to process **Data** or information in analogue, digital, electronic or wireless format including but not limited to, associated input and output devices, computer programs, electronic data, operating systems, servers, media libraries, mobile devices, data storage devices, off line storage facilities (to the extent they hold electronic data), networking equipment, wired or wireless peripherals, mobile devices, electronic data, telecommunications system, websites, extranets, electronic backup facilities and equipment, and media libraries.

**Network Security Breach** means:

- a. The malicious or unauthorized takeover or use of the **Insured's Network**, which either directly or indirectly results in or contributes to the:
  - i. damage, modification, theft, corruption, distortion, copy, deletion, misuse or destruction of **Data**, **Programs** or **Networks**.
  - ii. launch of a denial of service attack or failure to prevent or hinder such attack.



- iii. transmission of malicious code from the **Insured's Network** to a **Third Party Network** or failure to prevent or hinder such transmission.
- b. A phishing, pharming, spoofing or any other attack designed similarly to steal personally identifiable information, protected health information or non-public corporate or other business confidential information including but not limited to bank details.
- c. The breach of the **Insured's** network security policy.

**Operational Error** means the unintentional, accidental, negligent act, error or omission in entering or modifying the **Insured's Data** (including the damage or deletion thereof), or in creating, handling, developing, modifying, or maintaining the **Insured's Data** or **Programs**, or in the ongoing operation or maintenance of the **Insured's Network**.

**Outsource Service Provider** means an individual or entity that is not an **Insured** and is not a **Cloud Service Provider** that provides: a) business process services for the **Insured** in accordance with a written contract with the **Insured**, including human resource, call center, fulfillment and logistical support; and/or b) information technology services for the **Insured** in accordance with a written contract with the **Insured**, including hosting, security management, co-location and data storage.

**Payment Card Industry Data Security Standard** means published and generally accepted security standards for the Payment Card Industry Security Standards Council.

**PCI DSS Claim** means a **Claim** for **PCI DSS Fines, Penalties and Assessments** by a **Card Association** against an **Insured** arising out of an **Insured's** actual or alleged breach of the **Payment Card Industry Data Security Standard**.

**PCI DSS Claim Expenses** means reasonable and necessary legal costs and expenses incurred with **Underwriters'** prior written consent and charged by lawyers approved by **Underwriters** to investigate and respond to a **PCI DSS Claim**, including an appeal.

**PCI DSS Fines Penalties and Assessments** means the fines, penalties, sanctions, card reissuance costs, operational, fraud and administrative reimbursement assessments, and costs of appointing a payment forensic investigator, which the **Insured** is legally liable to pay under the terms of a **Merchant Services Agreement** with a **Card Association**.

**Period of Restoration** means the period of time starting when the total or partial interruption, degradation in service or failure of the **Insured's Network** (under Insuring Agreement C **Insured's Network Failure - Income Loss and Extra Expenses**) or **Network** operated by an **Outsource Service Provider** or **Cloud Service Provider** for the **Insured** (under Insuring Agreement D - **Outsource Service Provider** or **Cloud Service Provider Failure - Income Loss and Extra Expense**) began and ending on the earlier of:

- a. The date on which the **Network** is restored to the same or equivalent condition, functionality and level of service that existed prior to the loss (or could have been if the **Insured** had acted with reasonable speed), plus 30 days beyond this date; or
- b. 180 days after the start of such period.

**Personally Identifiable Non-Public Information** means:

- a. information concerning the individual that constitutes "non-public personal information" as defined in the Gramm-Leach Bliley Act of 1999, as amended, and regulations issued pursuant to the Act or any similar laws, rules, or regulations in other jurisdictions, including foreign jurisdictions;
- b. medical or healthcare information concerning the individual, including "protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and regulations issued pursuant to the Act, or any similar laws, rules or regulations in other jurisdictions, including foreign jurisdictions;
- c. information concerning the individual that is defined as private personal information in any statute, law or regulation that requires notice to persons whose private personal information was accessed or reasonably may have been accessed by an unauthorized person, entity, or program;

- d. Information concerning the individual that is defined as private personal information under statutes or laws enacted to protect such information in foreign countries, for **Claims** or losses subject to the law of such jurisdiction;
- e. the individual's drivers license or state identification number; social security number; unpublished telephone number; and credit, debit or other financial account numbers in combination with associated security codes, access codes, passwords or PINs; if such information allows an individual to be uniquely and reliably identified or contacted or allows access to the individual's financial account or medical record information but does not include publicly available information that is lawfully made available to the general public from government records.

**Policy Period** means the period of time contained in Item 2 of the Policy Schedule or as modified by any earlier cancellation date. **Policy Period** specifically excludes any **Extended Reporting Period**.

**Pollutant** means any pollutant or contamination of any kind, including:

- a. Smoke, vapor, soot, fumes, acid, alkali, chemicals or waste;
- b. Ionizing radiation or contamination by radioactivity from nuclear fuel, or nuclear waste from the combustion of nuclear fuel; or the radioactive, toxic, or explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
- c. Mold, mildew, spores, fungi, mycotoxins, organic pathogens, or other micro-organisms;
- d. An electromagnetic field, electromagnetic radiation or electromagnetism;
- e. Asbestos, asbestos fibers or asbestos dust; or
- f. Any solid, liquid, gaseous or thermal irritants or contaminants.

**Pre-Approved Providers from the Novae Cyber Response Panel** means the firms and companies listed in Item 13(a) of the Policy Schedule

**Privacy Breach** means:

- a. The unauthorized acquisition, access, use, or disclosure of **Personally Identifiable Non-Public Information**, which compromises the security or privacy of such information and breaches a legal, regulatory or contractual requirement to protect the security or confidentiality of this information;
- b. Failure to comply with any applicable law, regulation or contractual requirement requiring the disclosure of what is enumerated in "a" above;
- c. The wrongful collection of **Personally Identifiable Non-Public Information**, which breaches a legal, regulatory or contractual restriction;
- d. The failure to destroy **Personally Identifiable Non-Public Information**, which breaches a legal, regulatory or contractual restriction;
- e. The breach of privacy rights or any similar or equivalent allegation in the jurisdiction in which the **Claim** is brought; or
- f. The breach of the **Insured's** privacy policy.

**Programs** means fully functional software, coding and operating instructions that interfaces with **Hardware** to perform tasks.

**Ransomware Demand** means the installation of malware onto the **Insured's Network** by a **Third Party** or **Employee**, which encrypts any **Data** or **Programs**, accompanied by a demand for the payment of money, bitcoin, securities or other property of value in return for unencrypting the **Data** or **Programs**.

**Regulatory Claim** means a **Claim** made against the **Insured** by a government regulator alleging that the **Insured** has violated a law, statute, or regulation, such as those actions and investigations commenced by a federal, state or local regulatory body as a result of an actual or alleged **Network Security Breach**, **Privacy Breach**, **Confidentiality Breach**, including but not limited to the following:

- a. Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191), known as HIPAA, including amendments contained in the Health Information Technology for Economic and Clinical Health Act (HITECH) and related medical privacy law;
- b. Gramm-Leach Bliley Act of 1999 (G-L-B), also known as the Financial Services Modernization Act of 1999;

- c. State and Federal statutes and regulations regarding the security and privacy of consumer information;
- d. Government privacy protection regulations or laws relating to the control and use of personal information;
- e. Privacy provisions within consumer protection laws, including but not limited to the Federal Fair Credit Reporting Act (FCRA) and other similar state laws;
- f. Children's Online Privacy Protection Act or similar laws;
- g. The EU Data Protection Act, Directive or GDPR or other similar privacy laws in other jurisdictions;
- h. Identity Theft Red Flag Rules under the Fair and Accurate Credit Transactions Act of 2003 (FACTA); or
- i. any similar laws, rules, or regulations in other jurisdictions, including foreign jurisdictions.

**Regulatory Investigation Costs** means reasonable and necessary legal costs and expenses incurred with **Underwriters'** consent and charged by an attorney approved by **Underwriters** to investigate and defend a **Regulatory Claim**.

**Regulatory Penalties** means a regulatory agency's civil penalties or civil fines, or monetary awards to a third party, including a sum of money which the **Insured** is legally required to deposit into a fund as equitable relief for the payment of consumer claims due to an adverse judgment or settlement of a regulatory proceeding. However, **Regulatory Penalties** does not include any criminal penalties or criminal fines issued by a regulatory agency of any kind, including federal, state, or local governmental agencies.

**Retention** means the amount specified in Item 9 of the Policy Schedule.

**Retroactive Date** means the date specified in Item 8 of the Policy Schedule.

**Subsidiary** means:

- a. any entity of which the **Named Insured** owns on or before the inception date of the **Policy Period** more than 50% of the issued and outstanding voting stock or as otherwise expressly provided in this Policy.
- b. Any entity which becomes a **Subsidiary** during the **Policy Period** provided that such entity does not represent more than a twenty percent (20%) increase in the **Named Insured's** total assets, employee count or gross revenue for the four quarterly periods directly preceding the date of acquisition. However, coverage is only extended to such **Subsidiary** for any **Claim**, **PCI DSS Claim** or other notification under this Policy that arises out of acts, errors or omissions first committed or any incident, facts, circumstances, or events first occurring after the entity becomes a **Subsidiary**.

**Technology Error and Omission** means:

- a. the negligent breach of duty, negligent misrepresentation, negligent act, error or omission, or misleading statement in the **Insured's** performance of or failure to perform **Technology Services**;
- b. Unintentional **Breach of Contract**;

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

**Third Party** means an entity or person that is not **Underwriters** or an **Insured**.

**Time Retention** means the number of hours as provided in Item 10 of the Policy Schedule that must elapse before the recovery of **Income Loss** and **Extra Expense** can be considered. The **Time Retention** starts at the beginning of the **Period of Restoration**.

**Undelivered Programs** means any programs, updates or software including updates:

- a. where the development stage has not been finalized;
- b. not ready for operational use because they have not yet passed all test runs;
- c. which have not been proven successful in a live environment for a continuous period of 12 months

**Underwriters** means the insurers providing this insurance.

## Section VI Exclusions

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Underwriters shall have no liability or obligation under this Policy for any Claim, loss or any amount arising out of or in connection with:

1. Any acts, facts, incidents or circumstances or the same, related or continuing acts, facts, incidents or circumstances that were first committed or first occurred prior to the **Retroactive Date**.
2. Any acts, facts, incidents or circumstances, which took place prior to the **Policy Period** if:
  - a. i) any member of the **Control Group** knew or could have reasonably foreseen before the **Policy Period** could be the basis of a **Claim**, loss, circumstance or otherwise covered by this Policy; and ii) which the **Insured** did not disclose to **Underwriters** before the inception of this Policy; or
  - b. if the **Insured** reported such acts, facts, incidents or circumstances to another insurer prior to the inception of this Policy.
3. Loss or destruction of or damage to any physical or tangible property, including **Hardware**, or any replacement or repair of any physical or tangible property including **Hardware** unless covered under 'Accidental damage of hardware' under Insuring Agreements B, C or D of this Policy. Covered losses arising from a **Privacy breach** as a result of the loss of physical or tangible property including **Hardware** are not excluded.
4. Death or bodily injury, except that this exclusion shall not apply to actual or alleged wrongful infliction of emotional distress or mental anguish.
5. Costs or expenses incurred to identify, patch or remediate software program errors or vulnerabilities of the **Insured's Network** except following a covered loss.
6. In respect of Insuring Agreements B (Costs for Damage to **Data** or **Programs**), C (**Insured's Network Failure - Income Loss** and **Extra Expenses**) or D (**Outsource Service Provider** or **Cloud Service Provider Failure - Income Loss** and **Extra Expense**) only:
  - a. Costs or expenses that result in any **Network** having a higher level of functionality than it had before the **Enumerated Harms**;
  - b. Any bankruptcy, liquidation or insolvency of the **Insured**, an **Outsource Service Provider**, or **Cloud Service Provider**;
  - c. Failure in design, architecture or configuration of any **Network** or **Digital Assets**, which arises out of **Undelivered Programs**;
  - d. Wear and tear, drop in performance, progressive or gradual deterioration, or aging of electronic equipment and other property or **Hardware** used by the **Insured**, or the failure of the **Insured** or those acting on the **Insured's** behalf to maintain any computer, **Network**, computer software or any other equipment; or
  - e. Diminution in the economic or market value of the **Insured's Data** or the **Insured's Programs**.
7.
  - a. Criminal fines or penalties; b. civil fines or penalties unless insurable by the law of an applicable venue that would be most favourable to the **Insured**; or c. any amount which **Underwriters** are prohibited from covering as a result of applicable law or regulation.
8. **PCI DSS Fines, Penalties and Assessments** and **PCI DSS Claim Expenses**, except where coverage is specifically provided under Insuring Agreement L (**Payment Card Industry Data Security Standard Fines, Penalties or Assessment**) only.
9. With regard to the First Party Insuring Agreements, (A through E) only, liability to any person or entity.
10. Satellite failures; electrical or mechanical failures and/or interruption including, but not limited to, electrical disturbance, spike, brownout, or blackout; outages to electricity, gas, water, telephone, cable, telecommunications; gradual deterioration of overhead

transmission, distribution lines or subterranean insulation or cabling or other infrastructure, unless such infrastructure is under the **Insured's** operational control and unless such claim forms part of an otherwise covered loss or claim.

11. Any action of, or restrictions or requirements imposed by, a government authority, including government enforcement or investigation of any state or federal regulation, including but not limited to regulations of the United States Federal Trade Commission, Federal Communications Commission or the Securities and Exchange Commission except to the extent specifically and expressly covered by Insuring Agreement I (Network Security and Privacy Liability (Regulatory)) or is brought by a governmental entity in its capacity as a customer of the **Insured** arising in the course of the **Insured's** provision of **Technology Services**, to such governmental entity.
12. Fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, or any other natural weather or seismic event.
13. Any actual or alleged deliberate, intentional, malicious, criminal, unlawful, fraudulent or dishonest act if committed by the **Insured** with the knowledge, connivance or acquiescence of a member of the **Control Group** where determined by a final adjudication. However, notwithstanding the foregoing, this Policy will cover **Defense Costs** incurred for defending any **Claim** alleging such deliberate, intentional, malicious, criminal, unlawful, fraudulent or dishonest acts but this coverage will not apply to any **Damages** that might arise therefrom. Underwriters will have the right to recover **Defense Costs** incurred from those parties found to have committed or acquiesced to the deliberate, intentional, malicious, criminal, unlawful, or fraudulent act.
14. Any act of terrorism, strike or similar labor action, war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, or any action taken in controlling, preventing or suppressing any of these things. Notwithstanding the foregoing, however, **Cyber Terrorism** will be covered where Insuring Agreement M is applicable.
15. An actual, alleged or threatened presence, discharge, dispersal, release, or escape of a **Pollutant**; or a governmental or regulatory directive or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize a **Pollutant**, or in any way respond to or assess the effects of a **Pollutant**.
16. An **Employment Claim** or any **Claim** made by an **Insured** against another **Insured**, however, this exclusion shall not apply in respect of any **Claim** brought by an **Employee** under Insuring Agreement H (Network Security, Privacy and Confidentiality Liability) of this Policy.
17. Liability assumed by the **Insured** under the terms of any contract or agreement or any breach of any express, implied, actual or constructive contract, warranty, guarantee or promise, except this exclusion shall not apply:
  - a. In respect of liability which would have existed even in the absence of such contract or agreement.
  - b. In respect of a breach of the **Insured's** own privacy policy or the **Insured's** network security policy .
  - c. In respect of indemnity provisions regarding the protection of **Personally Identifiable Non-Public Information** or non-public confidential corporate or other business information.
  - d. In respect of a **PCI DSS Claim** under Insuring Agreement L (Payment Card Industry Data Security Standard Fines, Penalties and Assessments).
  - e. For any unintentional breach of contract, but only with respect to **Technology Services** under Insuring Agreement K (**Technology Error and Omissions**).
18. Actual or alleged inaccurate, incomplete or inadequate description or price of goods, products or services, specifically including, but not limited to, technology products or services, cost guarantees, cost representations, contract price, or cost estimates being

exceeded, however this exclusion will not apply if specifically covered under Insuring Agreement J (Multimedia Wrongful act c).

19. Any actual or alleged discrimination of any kind.
20. The actual or alleged breach or infringement of a **Third Party's** intellectual property right by an **Insured**, including but not limited to any patent or the misappropriation, theft, copying, display or any publication of any trade secret. However, this exclusion shall not apply: a) if specifically covered under Insuring Agreement J (Multimedia Liability); or b) to the theft of a **Third Party's** trade secrets arising from a **Network Security Breach, Privacy Breach** or a **Confidentiality Breach**.
21. The actual or alleged breach of unfair competition or anti-trust laws, deceptive trade practices, or restraint of trade or antitrust statute, legislation or regulation, however this exclusion shall not apply if specifically covered under Insuring Agreement J (Multimedia Wrongful Act j).
22. The **Insured's** knowing use of illegal or unlicensed programs that are in violation of the provisions or laws referring to software protection.
23.
  - a. The actual or alleged purchase, sale, offer of, or solicitation of an offer to purchase or sell securities, or violation of any securities law including, but not limited to, the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, the Sarbanes-Oxley Act of 2002, or any regulation promulgated under the foregoing statutes, or any federal, state, local, or foreign laws similar to the foregoing statutes, including "Blue Sky" laws, whether such law is statutory, regulatory, or common law;
  - b. The actual or alleged violation of the Organized Crime Control Act of 1970 (commonly known as "Racketeer Influenced And Corrupt Organizations Act" or "RICO"), as amended, or any regulation promulgated under the foregoing statutes, or any similar federal, state, local or foreign laws, whether such law is statutory, regulatory or common law; or
  - c. The violation of any pension, healthcare, welfare, profit sharing, mutual, or investment plans, funds, or trusts; or any violation of any provision of the Employee Retirement Income Security Act of 1974 and its amendments and/or the Pension Protection Act of 2006 and its amendments, or any regulation, ruling, or order issued pursuant thereto;
24. Any actual or alleged a. unlawful and/or unsolicited distribution of email, direct mail, text messages or facsimiles, b. unlawful telemarketing, or c. eavesdropping, wiretapping or audio or video recording, including but not limited to claims alleging any actual or alleged violation of the Telephone Consumer Protection Act (TCPA), Controlling the Assault of Non-Solicited Pornography and Marketing Act (CAN-SPAM), or any federal or state anti-spam statutes, or any other federal or state statute, law or regulations relating to a person's or entity's right of seclusion.
25.
  - a. Any trading losses or trading liabilities (including commissions or fees) resulting from the fluctuation of any stock, share, security or currency on any financial markets or exchanges;
  - b. the monetary value of any electronic fund transfers, transactions by or on behalf of the **Insured** which are lost, diminished, or damaged during transfer from, into or between accounts (other than where coverage is provided under Insuring Agreement G (E-Theft));
  - c. the theft of any money, securities or any equivalents thereof (including e-certificates, coupons, gift cards and vouchers) (other than where coverage is provided under Insuring Agreement G (E-Theft)); or
  - d. the face value of coupons, price discounts, prizes, awards, or any other valuable consideration given in excess of the total contracted or expected amount.
26. Except where coverage is specifically provided under Insuring Agreement I (Network Security and Privacy Liability (Regulatory)) only, any actual or alleged violation of the Fair Credit Reporting Act (FCRA), any amendments related to FCRA, including the Fair and Accurate Credit Transaction Act of 2003 (FACTA) and any similar federal or state statute, law or regulations.

## Section VII - Limits of Liability, Retention, and Claims Handling

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### 1. Limits of Liability

- a. The Limit of Liability set forth in item 7(a) of the Policy Schedule shall be **Underwriters' Total Aggregate Limit of Liability** under this policy regardless of the number of Insuring Agreements that apply. This includes all **Damages, Defense Costs**, covered loss payments, expenses and any other amounts paid by **Underwriters** under this Policy regardless of the types of losses incurred, the number of Insuring Agreements involved, the number of **Claims**, persons or entities insured, or the number of claimants or losses reported or involved.
- b. The Limits of Liability set forth in item 7(b) of the Policy Schedule shall be the Limit of **Underwriters' liability** for each **Claim** or loss and in the aggregate arising under each Insuring Agreement, including all **Damages, Defense Costs**, covered loss payments, expenses and any other amounts paid by **Underwriters**.
- c. Notwithstanding the aggregate Limit of Liability under each Insuring Agreement as set forth in item 7 (b) of the Policy Schedule, all payments made under this Policy, regardless of the number of Insuring Agreements that apply, will reduce the Total Aggregate Limit of Liability set forth in item 7 (a) of the Policy Schedule. In no event will **Underwriters** pay more than the Total Aggregate Limit of Liability as set forth in item 7 (a) of the Policy Schedule.
- d. All **Claims**, or losses that are covered under a single Insuring Agreement and arise out of the same, related, or continuing acts, facts, or circumstances shall be considered a single **Claim** or loss, under this Policy without regard to the number of **Insureds, Claims**, claimants or losses, and only one Limit of Liability, as set forth in item 7(b) of the Policy Schedule, will apply. All such **Claims** or losses shall be deemed to have been made at the time of the earliest of the following: the date the first such **Claim** is made or the date the loss is first discovered, or in regard to Insuring Agreement E (Cyber Extortion and Ransomware), the date a **Cyber Extortion Demand** or **Ransomware Demand** is first made.
- e. Should a **Claim** and/or loss attach to more than one Insuring Agreement ("an event"), only one Limit of Liability as set forth in Item 7(b) of the Policy Schedule shall apply. With regard to such event, at most, only the highest of the applicable Limits of Liability shall apply. **Underwriters** have the sole discretion to allocate amounts paid, if any, against the appropriate applicable Limit of Liability. However, the amount paid by **Underwriters** under any Insuring Agreement shall not be greater than the Limit of Liability set forth in Item 7(b) of the Declarations for that Insuring Agreement. Such event shall be deemed to have been made at the time of the earliest of the following: the date the first **Claim** is made or the date the loss is first discovered, or in regard to Insuring Agreement E the date a **Cyber Extortion Demand** or **Ransomware Demand** is first made.
- f. The Limits of Liability for the **Extended Reporting Period(s)** in Section IX Clause 2 below, if applicable, shall be part of and not in addition to the Limits of Liability contained in the Policy Schedule under Items 7(a) and 7(b).
- g. With regard to Insuring Agreement M (Cyber Terrorism), no Limits of Liability are provided in addition to the Limits of Liability provided by the specific Insuring Agreements (A through L).

### 2. Retention

- a. The **Retention** amount set forth in item 9 of the Policy Schedule for each Insuring Agreement shall apply to each and every **Claim** or loss. The **Retention** shall be satisfied by the **Insured's** payment of any amounts covered under this Policy. If a **Claim** or loss



attaches to more than one of Insuring Agreements A, B, E, G, H, I, J, K, L or M only the highest **Retention** applies, but the **Retention** for Insuring Agreement F (Customer Attrition) and the **Time Retention** for Insuring Agreements C (Insured's Network Failure - **Income Loss** and **Extra Expense**) and D (Outsource Service Provider or Cloud Service Provider Failure - **Income Loss** and **Extra Expense**) will always apply to these Insuring Agreements in addition to that highest **Retention**.

- b. The **Insured's** payment of the applicable **Retention** is a condition precedent to the payment by **Underwriters** of any amounts covered under this Policy and **Underwriters** will only be liable for the amount in excess of such **Retention**, not to exceed **Underwriters' Limits of Liability** as stated in item 7 of the Policy Schedule. The **Insured** shall make direct payments within the **Retention** to the appropriate parties or as may be directed by **Underwriters**.
- c. Multiple **Claims**, or losses that are covered under a single Insuring Agreement and arise out of the same, related or continuing acts, facts, or circumstances shall be considered a single **Claim** or loss under this Policy without regard to the number of **Insureds**, **Claims**, claimants, or losses and only one **Retention** will, as set forth in Item 9 of the Policy Schedule, apply. All such **Claims**, or losses shall be deemed to have been made at the time of the earliest of the following: the date the first such **Claim** is made or the date the loss was first discovered, or in regard to Insuring Agreement E (Cyber Extortion and Ransomware), the date a **Cyber Extortion Demand** or **Ransomware Demand** is first made.
- d. **Underwriters** will not reimburse an **Insured** in respect of **Income Loss** and **Extra Expense** incurred during the **Time Retention** listed in the Policy Schedule.

### 3. Claims Handling

- a. With respect to Insuring Agreements H, I, J, and K, if purchased, **Underwriters** shall have the right and duty to defend any **Claim** by a **Third Party** against the **Insured** seeking payment under the terms of this Policy, even if any of the allegations of the **Claim** are groundless, false, or fraudulent, and subject to the Limit of Liability, exclusions, and other terms and conditions of this Policy. The **Insured** shall seek **Underwriters' consent**, which shall not be unreasonably withheld, prior to appointment of defense counsel.
- b. The Limit of Liability as stated within Item 7 of the Policy Schedule shall be reduced, and may be completely exhausted, by payment of **Defense Costs** or any other amounts covered under the Policy. **Damages**, **Defense Costs**, and any other amounts covered under this Policy shall be applied against the **Retention**.
- c. The **Insured** shall cooperate with **Underwriters** in all investigations. **Underwriters** shall have the right to make any investigation they deem necessary with respect to coverage or otherwise including, but not limited to, any investigation with respect to the **Application** and statements made in the **Application**. The **Insured** shall execute or cause to be executed all papers and render all assistance as requested by **Underwriters**. Part of this assistance may require the **Insured** to assist in providing copies of a **Third Party's** system security and event logs.
- d. With respect to Insuring Agreements H, J and K if purchased, if the **Insured** refuses to consent to any settlement or compromise recommended by **Underwriters** that is acceptable to the claimant and elects to contest the **Claim**, **Underwriters' total liability** for any **Damages**, **Defense Costs**, and other amounts covered under this policy shall not exceed:
  - i. The amount for which the **Claim** could have been settled, less the remaining **Retention**, plus the **Defense Costs** incurred up to the time of such refusal, and
  - ii. Fifty percent (50%) of any **Damages** and **Defense Costs** incurred after the date such settlement or compromise was recommended to the **Insured**. The remaining Fifty percent (50%) of such **Damages** and **Defense Costs**, or other amounts covered under this Policy are to be borne by the **Insured** at the **Insured's** own risk and uninsured under this Policy.

- e. It is further provided that **Underwriters** shall not be obligated to pay any **Damages, Defense Costs** or any other amounts covered under this Policy, or to undertake or continue defense of any suit or proceeding after the applicable Limit of Liability has been exhausted by payment of **Damages, Defense Costs**, or other amounts covered under this Policy and that upon such payment, **Underwriters** shall have the right to withdraw from the further defense thereof by tendering control of said defense to the **Insured**.
- f. Upon **Underwriters'** request, the **Insured** shall assist in making settlements in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Insured** with respect to which insurance is afforded under this Policy; and the **Insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses at the **Insured's** own cost.
- g. Unless specifically provided otherwise in this Policy, the **Insured** shall not admit liability, make any payment, assume any obligation, incur any expense, enter into any settlement, stipulate to any judgment or award, or dispose of any loss or **Claim** without **Underwriters'** written consent. Notwithstanding the foregoing, the prompt public admission of a **Network Security Breach** or **Privacy breach** potentially impacting **Personally identifiable Non-Public Information** of **Employees** or **Third Parties** as required by governmental privacy legislation or credit card association operating requirements will not be considered as an admission of liability requiring **Underwriters'** prior consent; however **Underwriters** are to be informed as soon as practicable of such public admission if such public admission is a circumstance that could lead to a **Claim**.
- h. The **Insured** shall submit for examination under oath by **Underwriters'** representative, if requested, in connection with all matters relating to this Policy.

## Section VIII - Warranties

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By the acceptance of this Policy, each **Insured** warrants that:

1. The statements contained in the **Application** are their agreements and representations and that these shall be deemed material to the risk assumed by **Underwriters**, and that this Policy is issued in reliance upon the truth thereof.

In the event there is any material misrepresentation or non-disclosure of any matter by the **Insured** in the **Application** submitted to **Underwriters**, the knowledge of one **Insured** will not be imputed to any other **Insured**; provided, however, that this Policy will be rendered null and void, relieving the **Underwriters** from all liability under the Policy:

- a. with respect to any **Insured** who committed or knew of such misrepresentation or non-disclosure; and
- b. with respect to the **Insured**, but only if a member of the **Control Group** knew of such misrepresentation or non-disclosure.

The **Application** is deemed incorporated into and made a part of this Policy.

2. Solely in respect of Insuring Agreement E (Cyber Extortion and Ransomware), the **Insured** shall not disclose the existence of this Policy to any **Third Party** without the prior consent of the **Underwriters**.

## Section IX - Miscellaneous Terms and Conditions

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### 1. Notification

- a. If any **Claim** is made against the **Insured** or, in regard to Insuring Agreement E (Cyber Extortion and Ransomware), a **Cyber Extortion Demand** or **Ransomware Demand** is made, it is a condition precedent to coverage under this Policy that the **Insured** notify **Underwriters** in writing as soon as practicable. A **Claim** is deemed to be first made when a member of the **Control Group** first receives notice or becomes aware that such **Claim** or **Cyber Extortion Demand** or **Ransomware Demand** has been made. Notice shall be issued to the person(s) or entity named in Item 14 of the Policy Schedule, together with every demand, notice, summons, or other process received by the **Insured**. Notice of such **Claim** or **Cyber Extortion Demand** or **Ransomware Demand** must be received by **Underwriters** no more than fourteen (14) days after the expiration of the **Policy Period**.
- b. When any loss covered under Section I - First Party Coverages under Insuring Agreements A, B, C, D, F or G is discovered or suspected, it is a condition precedent to coverage under this Policy that the **Insured** notify the **Underwriters** in writing as soon as practicable after a member of the **Control Group** discovers or suspects such loss. Notice shall be issued to person(s) or entity named in Item 14 of the Policy Schedule, together with all available pertinent acts, facts and details regarding the loss or suspected loss. In any event, notice of any of the foregoing must be received by **Underwriters** no more than fourteen (14) days after the expiration of the **Policy Period**.
- c. If during the **Policy Period**, a member of the **Control Group** becomes aware of any acts, facts, or circumstances that could reasonably be a basis for a **Claim**, the **Insured** may give written notice of the following information to **Underwriters** through the person(s) or entity named in item 14 of the Policy Schedule, as soon as practicable during the **Policy Period**: with specific details of the acts, facts, or circumstances that could reasonably be the basis for a **Claim**; possible damages or other amounts potentially covered under this Policy that may result or have resulted from the acts, facts or circumstances; details regarding how the **Insured** first became aware of the acts, facts, or circumstances; and any relevant logs and documentation, which provide further details regarding the acts, facts, or circumstances. Any subsequent **Claim** arising out of such acts, facts or circumstances, which is the subject of the written notice, will be deemed to be a **Claim** made at the time the foregoing written notice was first given to **Underwriters**.
- d. If the **Insured** is unable to provide notification required under the Policy due to a prohibition by any governmental authority, the **Insured** will use its best efforts to provide **Underwriters** with allowable information to put **Underwriters** on notice of a covered or potentially covered matter until such time that details can be legally provided.
- e. Contact with or notification to any **Pre-Approved Providers from the Novae Cyber Response Panel** is not considered and does not constitute notification under the Policy for any purpose hereunder.
- f. It is the sole responsibility of the **Insured** to report any matter to any applicable governmental, regulatory or law enforcement authorities if appropriate.
- g. A **Claim** and/or any loss shall be considered to be reported to **Underwriters** when notice is first given to **Underwriters** through the person(s) or entity named item 14 of the Policy Schedule.

### 2. Extended Reporting Provision

- a. **Automatic Extended Reporting Period**
  - i. If either the **Insured** or **Underwriters** shall cancel or non-renew this Policy, the **Insured** shall have the right following the effective date of such cancellation or non-renewal, to a period of 60 days in which to give written notice to **Underwriters** of: a) any **Claim** first made against

an Insured prior to the end of the Policy Period; b) any Cyber Extortion Demand or Ransomware Demand made under Insuring Agreement E prior to the end of the Policy Period; and/or c) any loss Discovered under Section I - First Party Coverages prior to the end of the Policy Period, provided that any actual or alleged acts, facts or circumstances underlying the Claim, Cyber Extortion Demand or Ransomware Demand or loss occurred prior to the end of the Policy Period, and are otherwise covered by this Policy, and reported to Underwriters during the Automatic Extended Reporting Period.

- ii. The Limits of Liability for the Automatic Extended Reporting Period shall be part of and not in addition to the Limits of Liability for the Policy Period contained in the Policy Schedule under Items 7(a) and 7(b).

**b. Additional Extended Reporting Period**

- i. In the event of cancellation or non-renewal of this insurance by the Insured or Underwriters and solely in the event that the Insureds not insured under any policy providing the type of coverage(s) the Insured had pursuant to this Policy, the Named Insured shall have the right, upon payment of an additional premium, to purchase a 12 month Additional Extended Reporting Period at 100% of the total Policy premium, for Claims first made against the Insured and notified to Underwriters during the Additional Extended Reporting Period, with regard to any acts, facts, and circumstances occurring or committed after the Retroactive Date and before the end of the Policy Period, subject to the conditions set forth herein. In order for the Named Insured to invoke the Additional Extended Reporting Period option, the Named Insured must pay Underwriters the additional premium in full within 30 days of the non-renewal or cancellation.
  - ii. The Limits of Liability for the Additional Extended Reporting Period shall be part of and not in addition to the Limits of Liability for the Policy Period contained in the Policy Schedule under Item 7.
  - iii. The Named Insured's right to the Additional Extended Reporting Period shall not be available where cancellation or non-renewal by Underwriters is due to non-payment of premium or the Insured's failure to pay such amounts in excess of the applicable Limit of Liability or within the amount of the applicable Retention.
  - iv. All notices and premium payments with respect to the Additional Extended Reporting Period shall be directed to Underwriters through the entity named in Item 15 of the Policy Schedule.
  - v. At the commencement of the Additional Extended Reporting Period the entire premium shall be deemed earned; in the event that the Insured terminates the Additional Extended Reporting Period for any reason prior to its natural expiration, Underwriters will not be liable to return any premium paid for the Additional Extended Reporting Period.
3. Calculation of Income Loss and Extra Expense under Insuring Agreement C (Insured's Network Failure - Income Loss and Extra Expense), and Insuring Agreement D (Outsource Service Provider or Cloud Service Provider Failure - Income Loss and Extra Expense) and Calculation of Customer Attrition Loss and Extra Expense under Insuring Agreement F (Customer Attrition).
- a) Calculation of Income Loss and Customer Attrition Loss.

The Insured can make a claim for Income Loss under Insuring Agreements C (Insured's Network Failure - Income Loss and Extra Expense and D (Outsource Service Provider or Cloud Service Provider Failure -Income Loss and Extra Expense), and Customer Attrition Loss (where applicable) under Insuring Agreement F (Customer Attrition) using one of the following only: Method 1, 2 or 3.

### Method 1

Loss of **Gross Profit** calculation - The amount payable as indemnity hereunder shall be:

**Reduction in Sales:** The sum produced by applying the **Rate of Gross Profit** to the amount by which **Sales** during the **Period of Restoration** or the **Customer Attrition Period of Restoration** (where applicable) shall be less than **Standard Sales** as the result of the loss.

This sum will be reduced by any amount saved during the **Period of Restoration** or the **Customer Attrition Period of Restoration** (where applicable) in respect of such charges and expenses payable out of **Gross Profit** as may cease or be reduced as a result of the loss.

Definitions for the purposes of this Policy:

**Fixed Expenses:** All charges and expenses that do not cease or reduce during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable).

**Gross Profit:** The amount produced by adding to the **Net Profit** the amount of **Fixed Expenses**. If there is no net operating profit, the amount of net operating loss will be deducted from the **Fixed Expenses**.

**Net Profit:** The net operating profit (or net operating loss) resulting from the business of the **Insured** after due provision has been made for all **Fixed Expenses** and other expenses, including depreciation, but before the deduction of any taxes on profits.

**Rate of Gross Profit:** The rate of **Gross Profit** earned on sales during the twelve full calendar months immediately before the date of the loss, corresponding with the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable), adjusted for trend, as described in the Trend Clause below, so that the rate of **Gross Profit** reflects the rate of **Gross Profit** that would have been experienced if the **Enumerated Harm(s)** had not occurred.

**Sales:** The money paid or payable to the **Insured** for goods sold and delivered and/or for services rendered in the conduct of its business.

**Standard Sales:** The sales during that period in the twelve months immediately before the date of the loss adjusted for trend as described in the Trend Clause below so that the standard sales reflects the sales that would have been experienced if the **Enumerated Harm(s)** had not occurred.

In arriving at the loss of **Gross Profit** during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable), due consideration will be given to the trend of the **Insured's** business, as described in the Trend Clause below.

### Method 2

Loss of **Gross Earnings** calculation - The amount payable as indemnity hereunder shall be the Actual Loss Sustained arising from:

The **Gross Earnings** and all other earnings derived from the operation of the **Insured's** business that would have been earned during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable) if the **Enumerated Harm(s)** had not occurred, but which was lost, less all charges and expenses as may cease or be reduced during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable).

In arriving at the amount of **Gross Earnings** loss during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable), due consideration will be given to the trend of the **Insured's** Business, as described in the Trend Clause below.

Definitions for the Purposes of this Policy:

**Gross Earnings:**

For manufacturing operations the **Net Sales** value of production less the cost of all raw stock, materials and supplies used in such production; or

For mercantile or non-manufacturing operations: the total **Net Sales** less the cost of merchandise sold, materials and supplies consumed in the operations or services rendered by the **Insured**.

**Net Sales:** Gross sales less discounts, returns, allowances for damage or missing goods, bad debts, and prepaid freights, if any of those items are included in the gross sales figures.

It is hereby understood and agreed that where there is a loss of production, but no materially lower or zero loss of sales, then due account shall be taken when quantifying the loss payable under this Policy.

### Method 3

Net Income Loss calculation - The amount payable as indemnity hereunder shall be:

The **Insured's** net income (profit or loss) before tax that would have been achieved during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable) if the **Enumerated Harm(s)** had not occurred, but which was lost; and

The **Insured's** continuing normal operating expenses including but not limited to payroll, rent and utility bills, which are redundant because of the suspension or deterioration of its business, to the extent that such expenses must continue during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable).

In arriving at the amount of net income (profit or loss) during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable), due consideration will be given to the trend of the **Insured's** Business.

### Alternative Trading Clause (applicable to Methods 1, 2 and 3):

If during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable) goods shall be sold or services shall be rendered through substitute methods, facilities or personnel, the money paid or payable in respect of such sales or services shall be taken into account in arriving at the **Income Loss** and **Customer Attrition Loss** (where applicable) during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable).

### Trend Clause (applicable to Methods 1, 2 and 3):

Adjustments shall be made as may be necessary to provide for the **Insured's** Business trends, variations in or other circumstances affecting the **Insured's** Business either before or after the **Enumerated Harm(s)** occurred, or which would have affected the **Insured's** Business had the **Enumerated Harm(s)** not occurred. It is intended that that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which would have been obtained during the **Period of Restoration** or **Customer Attrition Period of Restoration** (where applicable) but for the **Enumerated Harm(s)**.

### b) Calculation of Extra Expenses:

**Extra Expenses** means the **Insured's** reasonable and necessary extra expenses incurred to:

- i. avoid or minimize the suspension or deterioration in its business, which it would not have incurred if the **Enumerated Harm(s)** had not occurred, including but not limited to: the cost of renting or leasing equipment, expense of moving to temporary premises and the rental expenses of these premises, consultancy fees and third party services, substitute work or production procedures, extra labor costs and expenses for special advertising; and to
- ii. minimize or avoid any **Enumerated Harm(s)** to enable the **Insured's** Business to continue operating; and to
- iii. preserve critical evidence of any criminal or malicious wrongdoing; and to
- iv. discover and determine the nature of the **Enumerated Harm(s)**.

The total expenses incurred under i) and ii) above combined shall not exceed the amount by which the **Insured's Income Loss** or **Customer Attrition Loss** (where applicable) is reduced by such expenses.

**Extra Expenses** do not include any **Breach Costs** or any additional costs to provide credit monitoring and/or identity theft assistance solutions.

#### 4. Claims Preparation Clause

This Policy provides coverage for reasonable and supportable costs incurred by the **Insured** (including the cost of utilizing external consultants) for preparation, presentation, certification and/or verification of any Proof of loss under Insuring Agreements B, C and D. A 50% co-insurance will be applied to this clause, whereby the **Insured** must contribute 50% towards any costs provided for under this clause, with **Underwriters'** maximum liability under this clause capped at USD 50,000 or currency equivalent. Such amount shall be part of and not in addition to the Limits of Liability contained in Item 7.

#### 5. Proof of Loss

The **Insured** shall provide as soon as practicable, but in any event no later than 180 days after a loss is **Discovered**, a Proof of Loss detailing the loss for which it is seeking coverage under the First Party Coverages (Section I) in this Policy, including as may be appropriate:

- i. information and evidence known to the **Insured** of the facts relating to the loss event, threat, or failure, the amount of the loss;
- ii. a description of the incident and any **Data, Programs** and equipment involved;
- iii. identification of involved personnel;
- iv. copies of available system and security logs, and any reports of outside experts and consultants; and
- v. any other information as reasonably requested by **Underwriters'** representatives.

The **Insured** may provide an interim Proof of Loss and request interim payment from **Underwriters** if the loss is incapable of being fully quantified.

#### 6. Subrogation

If any payment is made under this Policy and there is available to **Underwriters** any of the **Insured's** rights of recovery against a **Third Party**, then **Underwriters** shall maintain all such rights of recovery. The **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing to prejudice such rights without **Underwriters'** prior written approval. Any recoveries shall be applied first to subrogation expenses, second to **Damages, Defense Costs**, or any other amount paid by **Underwriters**, and lastly to the **Retention**. Any additional amounts recovered shall be paid to the **Insured**.

#### 7. Other Insurance

Coverage afforded hereunder shall apply only as excess over any valid and collectible insurance or indemnity available to any **Insured**, including any self-insured retention or deductible portion thereof, unless such other insurance is written only as specific excess insurance over the Total Aggregate Limit of Liability or any other applicable Limit of Liability of this Policy, as provided in the Policy Schedule.

#### 8. Loss Mitigation

The **Insured** shall take all reasonable steps to avoid or mitigate and prevent any loss, damages, or any other amounts covered under this Policy and to assist in the defense of all legal actions brought against it by **Third Parties**. Once a loss or potential loss has been discovered or a **Claim** has been made, the **Insured** must take all reasonable steps to prevent further loss, **Damages**, or any other amounts that might be covered under this Policy.

#### 9. Acquisitions, Mergers, Liquidation or Dissolution,

- a. If during the **Policy Period**, the **Named Insured** or any **Subsidiary** acquires any entity whose annual revenues are more than a twenty percent (20%) increase in the **Named Insured's** total

assets, employee count or gross revenue for the four quarterly periods directly preceding the date of acquisition, it shall be deemed a **Subsidiary** under the Policy but only upon the condition that within thirty (30) days of it becoming a **Subsidiary**, the **Named Insured** shall have provided **Underwriters** with full details regarding the new **Subsidiary** and agreed to any additional premium and/or amendment of the provisions of this Policy required by **Underwriters** relating to such new **Subsidiary**, subject to advanced review and acceptance by **Underwriters** of full and complete underwriting information. Coverage is only extended to any **Subsidiary** for any **Claim**, loss, or other notification under this Policy that arises out of acts, errors or omissions first committed or any incident, facts, circumstances, or events first occurring after the entity becomes a **Subsidiary**.

b. Should the **Named Insured** be acquired by, consolidate with, or merge into another entity, enter into liquidation or dissolution, or sell or dispose of substantially all of its assets, this Policy shall respond only with respect to acts, errors or omission first committed or any incident, facts, circumstances, or events first occurring before the date of acquisition, consolidation, merger, sale, liquidation or dissolution. No coverage shall be provided by this Policy for any other **Claim** or loss unless the **Named Insured** provides written notice to **Underwriters** prior to such acquisition, consolidation, merger or sale, the **Named Insured** has agreed to any additional premium and terms of coverage required by **Underwriters** and **Underwriters** have issued an endorsement extending coverage under this Policy.

c. All notices and premium payments made under this Clause 9. shall be directed to **Underwriters** through the entity named in Item 15 of the Policy Schedule.

#### 10. Cancellation

a. This Policy may be cancelled by the **Named Insured** by surrender thereof to **Underwriters** or by mailing to **Underwriters** through the entity named in Item 15 of the Policy Schedule written notice stating when thereafter the cancellation shall be effective. If the **Insured** cancels this insurance prior to any **Claim** or loss being reported, thirty percent (30%) of the premium shall be deemed earned upon inception of this Policy, and the remaining earned premium shall be computed in accordance with the Lloyd's short rate table and procedure.

b. **Underwriters** may cancel this insurance by mailing to the **Named Insured** at the address shown in Item 4 of the Policy Schedule stating when not less than 60 days thereafter such cancellation shall be effective. However, if **Underwriters** cancel this insurance because the **Insured** has failed to pay a premium when due, this insurance may be cancelled by **Underwriters** by mailing a written notice of cancellation to the **Named Insured** at the address shown in Item 4 of the Policy Schedule stating when not less than 10 days thereafter such cancellation shall be effective. Mailing of notice under this paragraph shall be sufficient proof of notice. If **Underwriters** cancel this insurance, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation. Notwithstanding the foregoing, the premium shall be deemed fully earned if any **Claim** or loss is notified to **Underwriters** or discovered by the **Control Group** on or before the date of cancellation.

#### 11. Choice of Law

The interpretation of this Policy and any disputes involving this Policy are governed by the law of the jurisdiction stated in item 11 of the Policy Schedule.

#### 12. Innocent Insured Provision

a. Whenever coverage under this Policy would be excluded, suspended, or lost because of non-compliance with Section IX Clause 1 relating to providing notice of a **Claim** or any loss to **Underwriters**, with respect to which any other **Insured** shall be in default solely because of the failure to give such notice or concealment of such failure by one or more **Insureds**, then such insurance as would otherwise be afforded under this Policy shall cover and be paid with respect to those **Insureds** who did not personally commit, personally participate in committing, or personally acquiesce in such failure to give notice, provided that the **Insured** entitled to the benefit of this provision shall comply with Section IX Clause 1, Notification, promptly after obtaining knowledge of the failure of any other **Insured** to comply therewith. Notwithstanding



the foregoing, the reporting of any such **Claim** or loss must be made during the **Policy Period** or **Extended Reporting Period**, if applicable.

b. Whenever coverage under this Policy would be excluded, suspended, or lost because of Exclusion 13 relating to any deliberate, intentional, malicious, criminal, unlawful, fraudulent, or dishonest act by any **Insured**, then such insurance as would otherwise be afforded under this Policy shall cover and be paid with respect to those **Insureds** who did not personally commit, personally participate in committing, personally acquiesce, or remain passive after having personal knowledge thereof.

#### 13. Fraud

If any **Insured** notifies a **Claim** or loss under this Policy that is fraudulent, as regards amount or otherwise, **Underwriters** may elect (in their sole discretion) to terminate this Policy immediately in its entirety and in which case this Policy shall be of no effect whatsoever and all amounts requested or owed for such **Claim** and/or loss shall be forfeited. Further, in circumstances where **Underwriters** are entitled to avoid this Policy, **Underwriters** may instead elect to give notice to the **Named Insured** that the Policy remains in full force and effect, but no indemnity or any other payment will be made for any **Claim** or loss based upon, directly or indirectly arising out of, or in any way involving the circumstance that entitled **Underwriters** to avoid this Policy.

#### 14. Action against Underwriters

No action shall lie against **Underwriters** unless and until, as a condition precedent thereto, the **Insured** shall have fully complied with all provisions, terms and conditions of this Insurance, and the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment or award against the **Insured** after trial, regulatory proceeding, arbitration or by written agreement of the **Insured**, the claimant and the **Underwriters**. No person or organization shall have the right under this Policy to join **Underwriters** as a party to an action or other proceeding against the **Insured** to determine the **Insured's** liability, nor shall **Underwriters** be impleaded by the **Insured** or the **Insured's** legal representatives. The **Insured's** bankruptcy or insolvency or of the **Insured's** estate shall not relieve the **Underwriters** of their obligations hereunder.

#### 15. Dispute Resolution

- a. The parties shall attempt in good faith to resolve any dispute or controversy arising out of or relating to this Policy or the subject matter hereof promptly by negotiation. If the dispute has not been resolved by negotiation within thirty (30) days of the disputing party's notice, the parties may submit the dispute to non-binding mediation. Unless both parties agree otherwise, any non-binding mediation shall be administered by the American Arbitration Association or JAMS in accordance with their then prevailing Commercial Mediation Rules.
- b. If mediation is unsuccessful in resolving the dispute or controversy by agreement of the parties, either party shall have the right to commence a judicial proceeding, except with regard to the Calculation of **Income Loss** and **Extra Expense** under Insuring Agreement C (**Insured's Network Failure - Income Loss and Extra Expense**), and Insuring Agreement D (**Outsource Service Provider/Cloud Service Provider Failure - Income Loss and Extra Expense**) and Calculation of **Customer Attrition Loss** and **Extra Expense** under Insuring Agreement F (**Customer Attrition**).
- c. With regard to any loss under any of the First Party Insuring Agreements (Section I of the Policy), if the **Insured** has a dispute with **Underwriters** as to the amount sustained, the **Insured** will not be required to first mediate and may elect to demand an appraisal. Once a demand is made, each party will select an appraiser who will separately arrive at the amount of loss sustained. If the **Insured** and **Underwriters** fail to then agree upon the amount, the dispute will be submitted to an impartial appraiser jointly selected by the **Insured** and **Underwriters**. A decision agreed to by two of the three appraisers will be binding on both the **Insured** and **Underwriters**. The **Insured** and **Underwriters** will bear their own costs for the work of the appraiser they each retain and will equally share the costs of the third, impartial appraiser. Any appraisal shall be subject to the terms, conditions and exclusions of this Policy. Unless the parties agree otherwise, any other disputes concerning issues other than valuation will be resolved in accordance with the Dispute Resolution procedure noted above, except with regard to the

Calculation of **Income Loss and Extra Expense** under Insuring Agreement C (**Insured's Network Failure - Income Loss and Extra Expense**), and Insuring Agreement D (**Outsource Service Provider/Cloud Service Provider Failure - Income Loss and Extra Expense**) and Calculation of **Customer Attrition Loss and Extra Expense** under Insuring Agreement F (**Customer Attrition**).

With regard to the Calculation of **Income Loss and Extra Expense** under Insuring Agreement C (**Insured's Network Failure - Income Loss and Extra Expense**), and Insuring Agreement D (**Outsource Service Provider/Cloud Service Provider Failure - Income Loss and Extra Expense**) and Calculation of **Customer Attrition Loss and Extra Expense** under Insuring Agreement F (**Customer Attrition**), unless the parties agree otherwise, any other disputes concerning issues other than valuation will be resolved by binding arbitration before a single arbitrator in a proceeding administered by the American Arbitration Association or JAMS in accordance with their then prevailing Commercial Arbitration Rules.

- d. All applicable statutes of limitations and defenses based upon the passage of time shall be tolled while the procedures specified in Clause 15 (Dispute Resolution) are pending. The parties will take such action, if any, required to effectuate such tolling.

#### 16. Service of Suit

Subject to the provisions of Clause 15, **Underwriters** agree to submit to the jurisdiction of a court of competent jurisdiction within the United States if the **Insured** is located there or for **Insureds** not located in the United States any jurisdiction where the **Insured** is located. Nothing in this clause constitutes or should be understood to constitute a waiver of **Underwriters'** rights to commence an action in a court of competent jurisdiction, to remove an action, or to seek a transfer of a case to another court. It is further agreed that service of process may be made upon **Underwriters'** Representative, as designated in item 17 of the Policy Schedule, and that in any suit instituted against **Underwriters** under this Policy, **Underwriters** will abide by the final decision of such court or of any appellate court in the event of an appeal.

The person(s) or entity designated in item 17 of the Policy Schedule is authorized and directed to accept service of process on each the **Underwriters'** behalf in any suit and/or upon the **Insured's** request to give a written undertaking to the **Insured** that they will enter a general appearance upon the **Underwriters'** behalf in the event such a suit shall be instituted.

Further, with regard to **Insureds** located in the United States only, the following will apply: Pursuant to any statute of any state, territory or district of the United States which makes provision therefor, **Underwriters** designate the Superintendent, Commissioner or Director of insurance or other officer specified for that purpose in the statute, or their successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on the **Insured's** behalf or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

#### 17. Territory

This Policy applies to any acts, insured events, breaches or threats or any other matter detailed under the relevant insuring agreements, no matter where committed, suspected, or alleged to have been committed or wherever occurring anywhere in the world.

#### 18. Authorization

By acceptance of this Policy, each **Insured** agrees that the **Named Insured** shall act on behalf of all **Insureds** for all purposes including the negotiation of the terms of this Policy, payment of or return of premiums, receipt and acceptance of any endorsement issued to form a part of this Policy and giving and receiving notice of cancellation of this Policy.

#### 19. Assignment

The interest hereunder of any **Insured** is not assignable. If the **Insured** shall die or be adjudged incompetent, such insurance shall cover the **Insured's** legal representative as the **Insured** as would be permitted by this Policy.

#### 20. Headings

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

#### 21. Singular Form of a Word

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

#### 22. Entire Agreement

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

#### 23. Complaints Procedure

It is **Underwriters'** aim and goal to provide excellent service to the **Insured**. However, if the **Insured** believes it has any cause for complaint or the **Insured** has any inquiries regarding this Policy, in the first instance the **Insured** should contact its broker or agent who arranged this insurance.

The **Insured** can also contact **Underwriters** directly at: Novae, 21 Lombard Street, London EC3V 9AH

If the **Insured** is not satisfied with the manner in which a complaint has been handled, the **Insured** may ask Lloyd's to review the matter without prejudice to its rights at law. The address is:

Complaints Team  
Lloyd's, One Lime Street  
London EC3M 7HA United Kingdom

Email: [complaints@lloyds.com](mailto:complaints@lloyds.com)  
Telephone: +44 (0) 20 7327 5693  
Fax: +44 (0) 20 7327 5225

# CYBER CONNECT PRE-APPROVED SUPPLIER LIST



## PRIVACY EVENT COUNSEL

### **Baker Hostetler LLP**

**POC:** Ted Kobus, Partner  
tkobus@bakerlaw.com  
45 Rockefeller Plaza, New York, NY 10111-0100  
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**Office:** +1 (212) 271-1504  
**Hotline:** +1 (855) 217-5204

### **Mullen Coughlin**

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www.mullen.law  
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**Hotline:** +1 (844) 445-6097

### **Norton Rose Fulbright US**

**POC:** David Kessler, Partner  
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### **Norton Rose Fulbright UK**

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**Office:** +44 (207) 283-6000

### **Thompson Coburn**

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IL 60603  
www.thompsoncoburn.com  
**Office:** +1 (312) 346-7500  
**Hotline:** +1 (844) 998-2292 (844-99-TCCYBER)

## COMPUTER FORENSICS

### **Navigant US**

**POC:** Darin Bielby, Managing Director  
dbielby@navigant.com  
50 South 16th Street, 33rd floor Philadelphia  
PA 19102  
www.navigant.com  
**Office:** +1 (215) 832-4485  
**Hotline/Email:** incident@navigant.com

### **IDE-Digital Forensics**

**POC:** Todd Hindman, Data Breach Response  
Services & Strategic Alliances  
todd.hindman@idexperts.com  
Center One, 10300 SW Greenburg Road,  
Suite 570, Portland, OR 97223  
www.IDExpertsCorp.com  
**Office:** +1 (512) 712-2270  
**Hotline:** +1 (800) 298-7558

### **Charles River Associates**

**POC:** Andrew Obuchowski, Vice President,  
Forensic Services  
aobuchowski@crai.com  
200 Clarendon Street, Boston, MA 02116-5092  
www.crai.com  
**Office:** +1 (617) 425-3549  
**Hotline:** +1 (866) 272-2923 (866-CRA-CYBER)

## DATA BREACH RESPONSE

### **The Crypsis Group**

**POC:** Rob Driscoll  
investigations@crypsisgroup.com  
rob.driscoll@crypsisgroup.com  
1521 Westbranch Drive, McLean, VA 22102  
www.crypsisgroup.com  
**Office:** +1 (703) 570-4103  
**Hotline:** +1 (855) 875-4631

### **Epiq**

**POC:** Brookes Taney, Vice President,  
Breach Solutions  
btaney@epiqglobal.com  
15112 Zinran Court, Savage, MN 55378  
www.epiqglobal.com  
**Office:** +1 (952) 607-5935  
**Hotline:** +1 (800) 944-1015

### **Experian**

**POC:** Ozzie Fonseca, Senior Director  
Ozzie.Fonseca@experian.com  
475 Anton Blvd, Costa Mesa, CA 92626  
www.Experian.com/DataBreach  
**Office:** +1 (949) 567-3851  
**Hotline/Email:** Ozzie.Fonseca@experian.com

### **AllClearID**

**POC:** Jessica Smith/Allen Burzen  
responseteam@allclearid.com  
Jessica.Smith@allclearid.com  
Allen.Burzen@allclearid.com  
816 Congress Ave, Suite 1800, Austin, TX 78701  
www.allclearid.com/business  
**Office:** +1 (512) 579-2437  
**Hotline:** +1 (877) 441-3009

### **CyberScout**

**POC:** Thomas Spier or Laura Kems  
tspier@cyberscout.com  
lkems@cyberscout.com  
7580 N Dobson Rd, Suite 201, Scottsdale,  
AZ 85256, USA  
www.cyberscout.com  
**Hotline/Email:** +1 (800) 493-0943  
breach@cyberscout.com

## PUBLIC RELATIONS

### Levick

**POC:** Michael Rubin, Megan Gabriel  
MRubin@levick.com  
MGabriel@levick.com  
1900 M Street NW, Washington, DC 20036  
www.levick.com  
**Mobile:** +1 (202) 834-6858, +1 (202) 596-0707  
**Office:** +1 (202) 973-1300

### Edelman

**POC:** Katie Clark, Senior Vice President,  
Crisis & Reputation Risk  
katie.clark@edelman.com  
1075 Peachtree Street NE, Suite 3100, Atlanta,  
GA, 30309  
www.edelman.com  
**Office:** +1 (404) 460-9169

## FORENSIC ACCOUNTING & CLAIMS PREPARATION COSTS

### MDD Forensics

**POC:** Flemming Jensen  
fjensen@mdd.com  
Marlow House 1A Lloyds Avenue, London,  
EC3N 3AA  
www.mdd.com  
**Office:** +44 20 3384 5499

### Flashback Data

4029 S Capital of Texas Hwy Suite 224, Austin,  
TX, 78704  
www.flashbackdata.com  
**US & Canada:** +1 (866) 786-5700  
**Rest of World:** +1 (512) 301-5700

## AXIS CYBER UNIT

21 Lombard Street, London, EC3V 9AH  
**Office:** +44 (0) 20 7050 9000  
cybervents@axiscapital.com  
www.axiscapital.com

### CONTRACT ENDORSEMENT

Unique Market Reference: B0507FI1800274  
Endorsement Reference: 002  
Insured: State of Arkansas and entities as listed

### CONTRACT CHANGES

Notwithstanding anything contained herein to the contrary, this contract is amended as follows:

**EFFECTIVE DATE: 14<sup>th</sup> August 2018**

It is hereby understood and agreed that the following entities are added to the schedule of Insureds:

Arkansas Board of Examiners of Alcoholism & Drug Abuse Councillors  
Arkansas Athletic Training Board  
Arkansas Board of Registration for Foresters  
Arkansas Professional Soil Classifiers  
Arkansas Board of Hearing instrument Dispensers  
Arkansas Board of Podiatric Medicine  
Arkansas State Board of Acupuncture & Related Techniques


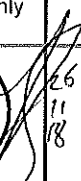
It is furthermore understood and agreed that the addition of these entities is subject to receipt of a satisfactory signed and dated no claims statement within 7 days.

All other terms and conditions remain unchanged.

### CONTRACT ADMINISTRATION AND ADVISORY SECTION

1. N/A

### AGREEMENT

GENERAL UNDERWRITERS AGREEMENT (GUA) Each Underwriter's proportion is several not joint		
Slip Leader Only	Slip Leader and Agreement Parties	All Underwriters
		

Date / Name

Per  
JSS

INITIALS			
SYND/CO			

INITIALS			
SYND/CO			