

beazley

myBeazley



General Terms And Conditions

This Insurance contains some particularly important conditions which You must satisfy or You could lose some or all of Your cover. Because these are particularly important, We want to draw Your attention to them and We will highlight them in bold and capital letters within the Policy.

A. General definitions

A.1 Bodily Injury means any physical injury, sickness, disease or death of any person, including, any mental anguish or emotional distress resulting from such physical injury, sickness or disease.

A.2 Breach Notice Law means any statute or regulation within the territorial limits stated in the Schedule that requires notice to persons whose **Personally Identifiable Information** was accessed or reasonably may have been accessed by an unauthorised person.

A.3 Buildings means the buildings, owned by **Your Organisation** or for which **Your Organisation** is legally responsible and which are specified in the Schedule, forming part of the **Premises** incorporating permanent foundations below ground level including at the **Premises**, Outbuildings, extensions, conveniences, gangways, external hoists and annexes; landlord's fixtures and fittings, and fixed fuel tanks; photovoltaic equipment, including solar panels; fixed glass; walls, gates, fences, car parks, yards, private roads, pavements, and paths; pipes, ducting, cables, wires and associated control equipment up to the public mains;

The land at the **Premises** is not included within this definition.

A.4 Circumstance means any complaint, criticism, situation, problem or act, error or omission which may give rise to a **Claim**, or other **Loss**, costs or payments covered under this Policy.

A.5 Claim means:

- a. any written or oral demand made against **You** for compensation (monetary or otherwise). This includes:
 - i. any legal proceedings, writ or summons or other application of any description whatsoever or cross-claim or counter claim issued against **You**;
 - ii. any other dispute resolution procedure commenced against **You**;
- b. with respect to coverage provided under Cover B.1.1.a (Data Breach) of the Beazley Breach Response Cover only, a demand received by **You** to fulfil **Your Organisation's** contractual obligation to provide notice of an incident (or reasonably suspected incident) described in Cover B.1.1.a (Data Breach) of the Beazley Breach Response Cover, pursuant to a **Breach Notice Law**.

A.6 Claims Expenses means any fees, costs and expenses incurred by **Us**, or by **You** with **Our** prior written consent (such consent not to be unreasonably withheld) in connection with any **Claim** or **Circumstance**.

Claims Expenses does not include:

- a. computer security expert or forensic investigator expenses; or
- b. **Your** salaries, fees, overheads or other charges; or
- c. any expenses or costs incurred by **You** in presenting, quantifying or pursuing a claim against **Us** for indemnity under the Policy unless expressly covered.

A.7 Computers means computers and ancillary equipment, excluding data or information entered by **You** or on **Your** behalf.

A.8 Computer Security means software, computer or network hardware devices, as well as **Your Organisation's** information security policies and procedures, the function or purpose of which is to prevent **Unauthorised Access or Use**, a denial of service attack against **Computer Systems**, infection of **Computer Systems** by malicious code or transmission of malicious code from **Computer Systems**. **Computer Security** includes anti-virus and intrusion detection software, firewalls and electronic systems that provide access control to **Computer Systems** through the use of passwords, biometric (unique identification by biological traits such as fingerprints or DNA) or similar identification of authorised users.

A.9 Computer Systems means computers, any software residing on such computers and associated input and output devices, data storage devices, networking equipment, and back up facilities:

- a. operated by and either owned by or leased to **Your Organisation**; or
- b. systems operated by a third party service provider and used for the purpose of providing hosted computer application services, including cloud services, to **Your Organisation** or for processing, maintaining, hosting or storing **Your Organisation's** electronic data, pursuant to written contract with **Your Organisation** for such services.

A.10 Contents means the contents of **Your Organisation's Premises**, which are owned by **Your Organisation** or for which **Your Organisation** is legally responsible, including without limitation:

- a. computers and ancillary equipment, including software;
- b. goods held in trust, stock and samples;
- c. works of art including fine art or precious metals;
- d. tenants' improvements, decorations, fixtures and fittings and general contents including, if attached to the building, external signs, aerials and satellite dishes;
- e. pipes, ducting, cable, wires and associated control equipment within the **Premises** and extending to the public mains; and
- f. fixed glass in windows, doors and fanlights, glass showcases, glass shelves, mirrors and sanitary fixtures and fittings.

Contents does not include **Money**, valuable papers (including but not limited to things like wills, share certificates, securities, insurance policies, medical records, licenses, permits, contracts, plans, deeds, briefs, manuscripts and office records) or other personal belongings of any senior executive officer holders of **Your Organisation**, including, without limitation, board members, executive officers, in-house lawyers, risk managers, chief operating officers, chief technology officers, chief legal officers, chief information officers, chief privacy officers, **Employees** or visitors to the **Premises**.

Contents also include property specifically identified as such in the Schedule.

- A.11 Contents Away from Your Premises** means portable equipment used in connection with **Your Professional Services** and owned by **You** or for which **You** are legally responsible, including **Computers**, mobile phones and electronic equipment.
- A.12 Damages** mean any awards of damages, judgment sums and sums payable towards settlement. The term **Damages** shall not include or mean:
- a. future profits, restitution, reimbursement, restoration, disgorgement of unjust enrichment or profits (the act of giving up something (such as profits illegally obtained) on demand or by legal compulsion) by **You**, or the costs of complying with orders granting injunctive or equitable relief;
 - b. any, fines, taxes or loss of tax benefits, sanctions or penalties;
 - c. punitive or exemplary damages or damages which are a multiple of compensatory damages;
 - d. discounts, coupons, prizes, awards or other incentives offered to **Your** customers or clients;
 - e. costs associated with correcting errors in **Your** work product.
 - f. service credits, which are liquidated damages as a remedy to the breach of a service level agreement to provide **Professional Services** to the extent that they create a liability greater than **Your** liability would be in the absence of the contract.
 - g. fines, costs or other amounts **You** are responsible to pay under a **Merchant Services Agreement**.
- A.13 Earth Movement** means any natural, unnatural or man-made earth movement including but not limited to earthquake, seaquake, volcanic eruption, or subsidence, ground heave or landslip and any ensuing tsunami.
- A.14 Employee** means any person employed by **Your Organisation** including contractors that work exclusively for **You** and any person undertaking study or work experience or a youth training scheme. **Employee** does not include **Your Management**.
- A.15 Flood** means the partial or complete deluge of dry land or property caused by the overflow of inland or tidal waters from the confines of any natural or artificial watercourse.
- A.16 Insured Damage** means, for the purposes of Business Interruption Cover, **Property Damage** occurring during the **Policy Period** to **Buildings** or **Contents** which are within, or on, **Your Premises**, where such **Property Damage** is insured under this Cover and where **We** have paid **You**, or have admitted liability to pay **You**, in respect of such **Property Damage**.
- A.17 Loading and unloading** means the handling of actual, physical or tangible property:
- a. after it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or **Motor Vehicle**;
 - b. while it is in or on an aircraft, watercraft or **Motor Vehicle**; or
 - c. while it is being moved from an aircraft, watercraft or **Motor Vehicle** to the place where it is finally delivered.
- A.18 Loss** means, to the extent covered under any cover, **Penalties** , **PCI Fines**, **Expenses and Costs**, Forensic Defence Costs, expenses incurred in relation to loss of **Documents**, Mitigation Costs, financial loss due to dishonesty of

Employees, Privacy Breach Response Services, criminal defence costs and court attendance costs (under Employers Liability, Public and Products Liability and Directors & Officers Cover), crisis management costs (under Directors & Officers cover), **Tax Investigation Expenses** (under Directors & Officers Cover), regulatory investigation costs (under Directors & Officers Cover), losses for **Property Damage** and **Financial Losses** due to business interruption (under Property Cover).

A.19 Merchant Services Agreement means any agreement between **You** and a financial institution, credit/debit card company, credit/debit card processor or independent service operator enabling **You** to accept credit card, debit card, prepaid card, or other payment cards for payments or donations.

A.20 Money means cash, bank and currency notes, crossed cheques, crossed giro cheques, crossed postal or money orders, crossed bankers' drafts, unused units in postage stamp franking machines, stamped National Insurance cards, National Savings stamps or certificates, Premium Savings Bonds, credit company sales vouchers and VAT purchase invoices all belonging to **Your Organisation**.

A.21 Motor Vehicle means a land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus attached).

A.22 Named Entity means the individual(s), partnership(s), entity(ies) or corporation(s) named in the Schedule.

A.23 Normal Settlement means the downward movement of the ground beneath buildings as a result of the soil being compressed by the weight of the buildings.

A.24 Notification Services means:

- a. notification by first class mail or e-mail to UK residents; and
- b. notification by first class mail or e-mail to individuals residing outside the UK, but only to the extent reasonably practicable.

E-mail notification will be provided in lieu of first class mail to the extent reasonable, practicable and where permitted under the applicable **Breach Notice Law**. **Notification Services** will be provided by a service provider selected by the Underwriters in consultation with **Your Organisation** from the list of service providers made available by the Underwriters.

A.25 Notified Individual means an individual person to whom notice is given or attempted to be given under Section B.2.c (Notification Services) of the Beazley Breach Response Services cover.

A.26 PCI Fines, Expenses and Costs means the direct monetary fines and penalties owed by **Your Organisation** under the terms of a **Merchant Services Agreement**, but only where such fines or penalties result both from **Your Organisation's** actual or alleged noncompliance with published PCI Data Security Standards and from a data breach caused by an incident (or reasonably suspected incident) described in Cover B.1.1.a. (Data Breach) and B.1.1.b. (Computer Security Failure) of the Beazley Breach Response Services; provided, **PCI Fines, Expenses and Costs** shall not include, any charge backs, interchange fees, discount fees, or prospective service fees.

A.27 Penalties means:

- a. any civil fine or money penalty payable to a governmental entity that was

imposed in a **Regulatory Proceeding** by any national, federal, provincial, state, local or other governmental entity of any country (including an institution, agency or other body of the European Union), in such entity's regulatory or official capacity; and

- b. amounts which **You** are legally obligated to deposit in a fund as equitable relief for the payment of consumer claims due to an adverse judgment or settlement of a **Regulatory Proceeding** (including such amounts required to be paid into a "consumer redress fund"); but shall not include payments to charitable organisations or disposition of such funds other than for payment of consumer claims for losses caused by a privacy or security event covered by Cover B.1.1.a. (Data Breach), B.1.1.b. (Computer Security Failure) or B.1.1.c. (Failure to disclose) of the Beazley Breach Response Cover;

but shall not mean (a) costs to remediate or improve **Computer Systems**, (b) costs to establish, implement, maintain, improve or remediate security or privacy practices, procedures, programmes or policies, (c) audit, assessment, compliance or reporting costs, or (d) costs to protect the confidentiality, integrity and/or security of **Personally Identifiable Non-Public Information** from theft, loss or disclosure, even if it is in response to a **Regulatory Proceeding** or investigation.

A.28 Personal Effects mean articles worn, used or carried about the person.

A.29 Personally Identifiable Information means:

- a. medical or health care information concerning the individual;
- b. information concerning the individual that is defined as private personal information under statutes enacted to protect such information in any country, for **Claims** subject to the law of such jurisdiction;
- c. information concerning the individual that is defined as private personal information under a **Breach Notice Law**; or
- d. the individual's:
 - i. governmental identification number including a drivers licence or state or provincial identification number or a social security number;
 - ii. unpublished telephone number; or
 - iii. 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.

Personally Identifiable Information does not include publicly available information that is lawfully made available to the general public from government records.

A.30 Policy Period means the period of time between the inception date shown in the Schedule and the effective date of termination, expiration or cancellation of this Policy.

A.31 Premises means any **Building** occupied by **You** in connection with **Your Organisation's** business and located within the territorial limits stated in the Schedule, together with any other land or structures in the immediate vicinity of the **Building** and which is within the same title as that **Building**.

A.32 Privacy Law means a statute or regulation of any national, federal, provincial, state, local or other governmental entity of any country (including an institution, agency or other body of the European Union) requiring **Your Organisation** to protect the confidentiality and/or security of **Personally Identifiable Information**.

A.33 Privacy Policy means **Your Organisation's** public declaration of its policy for collection, use, disclosure, sharing, dissemination and correction or supplementation of, and access to, **Personally Identifiable Information**.

A.34 Professional Services means those services stated in the Schedule.

A.35 Property Damage means physical damage to, destruction of, or any loss of use of, any actual, physical or tangible property. It does not include loss of electronic data.

A.36 Property in Transit means the actual, physical or tangible property used in connection with **Your Organisation's Premises**, owned by **Your Organisation** or for which **Your Organisation** is legally responsible, including **Computers**:

- a. in transit by road, rail, inland waterway or by person, including **Loading and Unloading** and temporary housing in the course of that transit; or
- b. scheduled short sea "roll-on roll-off" vehicle ferries provided no **Loading and Unloading** of the vehicle is involved.

Fine art objects, **Money** and personal belongings are not included within this definition.

A.37 Proposal Form means all proposal forms, including any attachments, and all other information and materials submitted to **Us** by **You** or on **Your** behalf in connection with the underwriting of this Policy, or prior policies of which this Policy is a renewal.

A.38 Regulatory Proceeding means a request for information, civil investigative demand, or civil proceeding commenced by service of a complaint or similar proceeding brought by or on behalf of any national, federal, provincial, state, local or other governmental entity of any country (including an institution, agency or other body of the European Union), in such entity's regulatory or official capacity in connection with such proceeding.

A.39 Retroactive Date means the date shown in the Schedule.

A.40 Security Breach means:

- a. **Unauthorised Access or Use of Computer Systems**, including **Unauthorised Access or Use** resulting from the theft of a password from a **Computer System** or from **You**;
- b. a denial of service attack against **Computer Systems** or computer systems that are not owned, operated or controlled by **You**. or
- c. infection of **Computer Systems** by malicious code or transmission of malicious code from **Computer Systems**,

whether any of the above is a specifically targeted attack or a generally distributed attack.

A series of continuing **Security Breaches**, related or repeated **Security Breaches**, or multiple **Security Breaches** resulting from a continuing failure of **Computer Security** shall be considered a single **Security Breach** and be deemed to have occurred at the time of the first such **Security Breach**.

A.41 Subsidiary means any corporation, limited liability company or partnership the **Named Entity** has **Management Control** over, but only if the **Named Entity**:

- a. had **Management Control** over such entity on the inception date or such entity was insured under a policy issued by **Us** of which this Policy is a renewal;
- b. acquires **Management Control** after the inception date, provided that revenues of the entity do not exceed twenty (20) per cent of the **Named Entity's** annual revenues for the four quarterly periods directly preceding inception of the **Policy Period**;

provided, that this Policy only provides coverage while the **Named Entity** has **Management Control** over such entity.

For the purposes of this definition, **Management Control** means:

- a. owning, directly or indirectly, more than fifty percent (50%) of the outstanding securities;
- b. having more than 50% of the outstanding voting rights;
- c. having the authority to appoint or remove the majority of the Board of Directors; or
- d. having control of the Board or Directors by contract, the Articles of Association or other agreement.

A.42 Third Party Information means any trade secret, data, design, interpretation, forecast, formula, method, practice, credit or debit card magnetic strip information, process, record, report or other item of information of a third party not insured under this Policy which is not available to the general public and is provided to **You** subject to a mutually executed written confidentiality agreement or which the **Your Organisation** is legally required to maintain in confidence; however, **Third Party Information** shall not include **Personally Identifiable Information**.

A.43 Third Party Premises means any location within the territorial limits set out in the Schedule not owned by **You** and for which **You** are not legally responsible, where **You** have a contract to carry out **Your Professional Services**.

A.44 Unauthorised Access or Use means the gaining of access to or use of **Computer Systems** by an unauthorised person or persons or the use of **Computer Systems** in an unauthorised manner.

A.45 Unauthorised Disclosure means the disclosure of or access to information in a manner that is not authorised by **Your Organisation** and is without knowledge of, consent of any member of the **Your Management**.

A.46 Us/Our/We means the underwriter or underwriters as specified in the Schedule.

A.47 You/Your/Insured means:

- a. The **Named Entity**;
- b. **Subsidiaries**;
- c. **Your Management**, but only with respect to the performance of their duties on behalf of **Your Organisation**;
- d. **Employees** but only with respect to the performance of their duties on behalf of **Your Organisation**;
- e. **Your** lawful spouse, including any natural person qualifying as a domestic partner under the provisions of any applicable law but only to the extent that **You** would otherwise be covered under this policy;
- f. **Your** estate, heirs, executors, administrators, assigns and legal representatives in the event of **Your** death, incapacity, insolvency or bankruptcy, but only to the extent that **You** would otherwise be covered under this Policy.

A.48 Your Management means any principal, partner, corporate officer, director, Manager, general counsel (or most senior legal counsel) or risk manager of the **Insured Organization** and any individual in a substantially similar position.

A.49 Your Organisation means the **Named Entity** and any **Subsidiaries**.

B. What We do not cover

B.1 Prior Knowledge

We will not make any payment for any **Claim, Loss** or cost, arising out of, resulting from, in respect of or related to:

- a. any **Claim** first made against **You** or any **Loss** suffered by **You** prior to the inception date of this Policy.
- b. any **Circumstances** which **Your Management** was aware of or ought reasonably to have been aware of prior to the policy incepting or of which written notice has been given, or ought reasonably to have been given, under any previous policy (whether issued by **Us** or not).
- c. any common or originating source or cause of which **You** were aware prior to the inception of this Policy.

B.2 Other Insurance

We will not make any payment under this Policy unless and until any other insurance including any self insured retention or deductible portion, has been exhausted. This exclusion will not apply if such other insurance is written as specific excess insurance to this insurance.

B.3 Insured Vs. Insured & Related Entity

We will not make any payment under this Policy for a **Claim** made by or on behalf of one or more **Insureds** under this Policy, or by a **Related Entity**, against any other **Insured** or **Insureds** under this Policy unless expressly provided for under one of the covers **You** have purchased.

Related Entity means any entity in which **Your Organisation** has, either directly or indirectly, an ownership interest or voting rights of greater than 15% or which has such an ownership interest of voting rights in **Your Organisation**.

B.4 Excluded Jurisdictions

We will not make any payment for or in respect of any liability which is established by the judgment of a court outside any of the jurisdictions specified under the Jurisdiction Limits Section in the Schedule or by a court applying to the adjudication of a **Claim** the law of a jurisdiction not specified under the Jurisdiction Limits Section in the Schedule; nor will we meet **Claim Expenses** relating to a **Claim** brought before such a court.

Unless expressly provided for under one of the covers **You** have purchased, **We** will not make any payment for or in respect of any **Claim** or **Loss** or cost, for, arising out of, or resulting from:

B.5 Abuse and Molestation

- a. Sexual abuse or injury, molestation, sexual assault, sexual exploitation, child abuse or child neglect;
- b. Wrongful hiring, supervision, investigation or failure to report to the proper authorities in connection with sub-paragraph a. above.

B.6 Antitrust Laws

any actual or alleged antitrust violation, restraint of trade, unfair competition, violation of consumer protection laws, violation of the Competition Act 1998 and/or the Enterprise Act 2002 unless specifically covered elsewhere.

B.7 Bribery, Corruption And Organised Crime Laws

any actual or alleged violation of any bribery, anti corruption or organised crime laws or regulations or any similar laws or regulations of any state, province or other jurisdiction similar to the foregoing, whether such law is statutory, civil, regulatory or common law, including but not limited to the Proceeds of Crime Act 2002.

This exclusion shall not apply to the Directors & Officers cover (if purchased) in respect of any actual or alleged violation of the UK Bribery Act 2010.

B.8 Employment Relationships

- a. any employer-employee relations or policies, any actual or alleged employment practices liability acts or omissions, or refusal to employ any person, or misconduct with respect to employees, whether such **Claim** is brought by an **Employee**, former **Employee**, applicant for employment, a member of **Your Management** or relative of such person;
- b. any actual or alleged violation of any employment related law or regulation, including but not limited to the National Minimum Wage Act 1998, the Working Time Regulations 1998, Employment Rights Act 1996 or/and the Health and Safety at Work Act 1974;
- c. any actual or alleged employment-related discrimination of any kind including but not limited to age, colour, race, sex, creed, national origin, marital status, sexual preference, disability or pregnancy;

B.9 Financial Instruments

any pension, healthcare, welfare, profit sharing, mutual or investment plans, funds or trust, including but not limited to the Pensions Act 2004.

B.10 Fines And Sanctions

- a. fines, prosecution costs or penalties of any kind;
- b. penal, punitive or exemplary or aggravated damages; or criminal sanctions;

B.11 Insolvency/Bankruptcy

Your insolvency or bankruptcy or the insolvency or bankruptcy of any of **Your** subcontractors or suppliers.

B.12 Insured's External Activities

Your activities as a trustee, partner, officer, director or employee of any trust or benefits scheme, charitable organisation, corporation, company or business other than **Your Organisation**, unless expressly provided for under one of the covers **You** have purchased.

B.13 Intentional Acts

- a. any criminal, dishonest, fraudulent, illegal or malicious conduct or any intentional or knowing violation of the law committed by **Your Management**;

However, this exclusion will only apply if and when:

- i. such conduct or intentional violation of the law has been admitted in writing by **Your Management**, or
- ii. such conduct or intentional violation has been established by a judgment or other decision in any judicial, administrative, or alternative dispute resolution proceeding;

at which time **You** shall reimburse **Us** for all payments made by **Us** defending the **Claim** and **We** will not have any further liabilities in relation to this **Claim**.

B.14 Nuclear And Radioactive Contamination

- a. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
- b. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

B.15 Patent/Trade Secret

- a. any actual or alleged infringement of any patent or patent rights or misuse or abuse of any patent;
- b. any actual or alleged use or misappropriation of any ideas or trade secrets, unless expressly provided for under one of the covers **You** have purchased.

B.16 Recall Of Products

the withdrawal or recall of products.

B.17 Royalty Payments

- a. the actual or alleged obligation to make licensing fee or royalty payments, including but not limited to the amount or timeliness of such payments;
- b. or brought by or on behalf of any intellectual property licensing bodies or organisations, including but not limited to the Society of European Stage Authors and Composers, the American Society of Composers, Authors and Publishers or Broadcast Music, Inc;

B.18 Securities Laws

any actual or alleged violation of any securities related law, act, regulation or legislation, including but not limited to the Companies Act 2006, the Financial Services and Markets Acts 2000, or any amendment to the above.

B.19 Toxic Mould, Asbestos, Pollution, Electromagnetic Field

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

We will have no duty or obligation to defend **You** with respect to any **Claim** or governmental or regulatory order, requirement, directive, mandate or decree which either in whole or in part, directly or indirectly arises out of, or results from or in consequence of, or in any way involves

the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind;

- b. asbestos, or any materials containing asbestos in whatever form or quantity;
- c. any electromagnetic field, electromagnetic radiation or electromagnetism;
- d. whether suddenly or over a long period of time seepage, pollution or contamination of any kind, unless specifically covered elsewhere;
- e. the actual, alleged, or threatened discharge, dispersal, release or escape of Pollutants; or any governmental, judicial or regulatory directive or request that **You** or anyone acting under **Your** direction or control test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant including gas, acids, alkalis, chemicals, heat, smoke, vapour, soot, fumes or waste. Waste includes but is not limited to materials to be recycled, reconditioned or reclaimed.

This exclusion does not apply to Employers Liability cover, (if purchased).

B.20 War

war, invasion, riots, 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.

B.21 Aircraft, Motor, Marine And Aviation

the ownership, maintenance, possession, use of or entrustment to others of any aircraft, **Motor Vehicle** or watercraft owned or operated by or rented or loaned to **You**. Use includes operation and **Loading or Unloading**.

C. What You and Your management must do

C.1 Cooperating with Us

The following are **IMPORTANT CONDITIONS** under this Policy. Coverage under this Policy will not be available unless **You** comply with these important conditions:

- a. **You** must cooperate with **Us** in the investigation, defence and settlement of all **Circumstances, Claims and Losses**. **You** must not take any action which in any way increases **Our** exposure under this Policy.
- b. **You** must not admit liability, apologise, incur any expenses and enter into any settlement or dispose of any **Circumstance, Claim or Losses** without **Our** prior written consent.
- c. **You** must make available to **Us** at all reasonable times, and **We** have the right to inspect and copy, all **Your** books, papers and other records and those of **Your** agents or brokers in connection with any **Claim, Circumstance or Loss** notified under this Policy.

D. Defence, settlement and investigation of claims

- D.1** **We** will conduct the defence of any **Claim** first made against **You** during the **Policy Period** (subject to the policy limits, General Conditions, and other terms and conditions of this Policy). **We** will appoint lawyers, experts and other representatives to defend **You** if **We** consider it necessary to do so.
- D.2** In addition, **We** will pay **Your Claims Expenses** incurred with **Our** prior written consent.
- D.3** If **We** recommend any strategy, settlement or compromise that is accepted by the third party claimant and **You** refuse to agree to it and decide to contest the **Claim**, **Our** liability will not exceed the amount for which that **Claim** could have been resolved if our recommendation had been followed or settled, less the applicable excess and the **Claims Expenses** incurred up to the time of **Your** refusal.
- D.4** Where **We** believe that a **Claim** may exceed the Limit of Liability, **We** reserve the right at any time to pay a sum equal to or in excess of the Limit of Liability to **You**. In these circumstances, **We** shall have no further liability under the Policy in relation to the **Claim** whether for **Damages, Claims Expenses** or otherwise.

E. General conditions

E.1 Contract (Right Of Third Parties) Act 1999

The terms and conditions of this Policy will only be enforceable by **You** and **Us**. No one besides **You** and **Us** shall have any rights under the Contract (Rights of Third Parties) Act 1999 to enforce any terms and conditions of this Policy.

E.2 Fraudulent Claims

If **You** make a fraudulent claim under this Policy, **We**:

- a. are not liable for any payment for any **Claim, Damages, Claims Expenses, Loss** or costs: and
- b. may recover from **You** any sums that **We** have paid to **You** in respect of the claim; and
- c. may by notice to **You** treat the Policy as having been terminated with the effect from the date of the fraudulent act.

If **We** exercise our right under General Condition E.2.c above:

- a. **We** shall not be liable to **You** in respect of a relevant event occurring after the date of the fraudulent act. A relevant event is anything that gives rise to **Our** liability under this Policy (such as the occurrence of a loss, the making of a **Claim**, or the notification of a potential **Claim**): and
- b. **We** need not return any of the premium paid.

E.3 Representations Made By You

It is agreed that this Policy is issued in reliance upon the accuracy of the statements contained in the **Proposal Form**.

E.4 Change in Circumstances

Your Management must tell us as soon as reasonably possible of any material change or changes in circumstances during the **Policy Period** that increases the risk covered and/or any material change in the matters declared to **Us**. **We** will not provide any indemnity in respect of liability arising from such material change in the matters declared to **Us** unless **We** have agreed in writing to accept the altered risk.

E.5 Communications with You

Your Management shall be considered **Your** agent and shall act on **Your** behalf with respect to the giving of or receipt of all notices relating to this Policy including the acceptance of any endorsements to this Policy. **Your Management** shall be responsible for the payment of all premiums and the policy excess.

E.6 Cancellation and Renewal

- a. Provided **Your Management** has not notified any **Claims, Losses** or **Circumstances**, **You** may cancel this Policy by giving **Us** 30 days written notice.
- b. **We** may cancel this Policy by giving **Your Management** 30 days written notice. The reasons **We** may cancel include but are not limited to a change in risk where cover can no longer be provided, failure to cooperate with **Us** or threatening or abusive behaviour. However, if the premium due under this Policy has not been paid to **Us** within 30 days of the inception of the **Policy Period** or, where premium is due to be paid in instalments, by the date on which the instalment is due, **We** may cancel this by giving **You** 10 days written notice.
- c. **We** will give **Your Management** a pro-rata refund of the Premium for the remaining portion of the **Policy Period** after the expiry of the notice period for cancellation.
- d. If automatic renewal is available for this contract, the contract will renew automatically as a new contract of insurance on existing terms for a period of one year unless:
 - i. notice of cancellation is sent by recorded delivery and is received from one of the parties at least 30 days prior to the expiration date specified in the Schedule; or
 - ii. there is a material change falling within General Condition E.4.

E.7 Mergers And Acquisitions

a. Newly Acquired Entities

If during the **Policy Period** the **Named Entity** or any **Subsidiary** acquires any entity whose annual revenues are less than twenty per cent (20%) of the **Named Entity's** total annual revenues for the four quarterly periods directly preceding the Inception Date then, subject to the **Policy Period** and all other terms and conditions of this Policy, coverage under this Policy shall be afforded for a period of thirty (30) days, but only for:

- i. any **Claim** that arises out of any act, error or omission, first occurred or committed or incident or event first occurring after the entity becomes so owned;
- ii. business activities previously disclosed to **Us**;

subject always to the entity having had no prior **Claims**.

b. Mergers Or Consolidations

If during the **Policy Period** the **Named Entity** consolidates or merges with or is acquired by another entity, or sells substantially all of its assets to any other entity, then this Policy shall remain in full force and effect, but only with respect to acts or incidents or **Security Breach** that occur prior to the date of the consolidation, merger or acquisition. No coverage shall be provided by this Policy for any other **Claim** or **Loss** unless the **Named Entity** provides written notice to **Us** prior to such consolidation, merger or acquisition, the **Named Entity** has agreed to any additional premium and terms of coverage required by **Us** and **We** have issued an endorsement extending coverage under this Policy.

E.8 Subrogation and Recovery of Loss

In the event of any payment under this Policy, **We** shall be subrogated, which means substituted as if **We** were **You**, such that **We** may exercise all **Your** rights of recovery against any person or organisation, and **You** shall do whatever is reasonable to secure such rights. Any recoveries shall be applied first to recovery expenses, second to **Damages, Losses** and **Claims Expenses** and any other payments or costs covered under this Policy paid by **Us**, and third to any uninsured loss, including the policy excess specified in the Schedule. **We** will pay **You** any additional amounts recovered.

E.9 Policy documentation

By acceptance of this policy **You** agree that this Policy (including the Schedule and Endorsements) forms the entire agreement between **You** and **Us**.

E.10 Bankruptcy

Your bankruptcy or insolvency will not relieve **Us** of **Our** obligations nor deprive **Us** of **Our** rights or defences under this Policy.

E.11 Headings

The descriptions in headings and subheadings of this Policy are solely for convenience and form no part of the terms, conditions, exclusions or covers.

E.12 Choice Of Law And Jurisdiction

This Policy, including any non-contractual disputes arising in respect of it, shall be governed by and construed in accordance with the laws of England and Wales. **We** and **You** have agreed that any legal proceedings between **Us** in connection with this Policy will only take place in the courts of England and Wales.

E.13 Service Of Suit Clause

It is agreed that any summons, notice or process to be served upon **Us** for the purpose of instituting any legal proceedings against **Us** in connection with this Policy may be served upon the nominated persons stated in the Schedule.

E.14 Several Liability Clause

The insurers names hereon bind themselves each for their own part and not for one another. Each insurer's liability under this policy shall not exceed that percentage or amount shown against that insurer's name.

E.15 Complaints Procedure

Unless otherwise specified in a specific cover, if **You** have any questions or concerns about **Your** policy or the handling of a claim you should, in the first instance, contact

Beazley Complaints
Beazley Group
Plantation Place South
60 Great Tower Street
London EC3R 5AD

All correspondence should be addressed to the Beazley Complaints Manager.

Or by telephone - 0207667 0623
Or by email - beazley.complaints@beazley.com

In the event that **You** remain dissatisfied and wish to make a complaint, it may be possible in certain circumstances for **You** to refer the matter to the Complaints team at Lloyd's.

Their address is:

Complaints
Lloyd's
One Lime Street
London EC3M 7HA
Tel No: 020 7327 5693
Fax No: 020 7327 5225
E-mail: complaints@lloyds.com
www.lloyds.com/complaints

Details of Lloyd's complaints procedures are set out in a leaflet "Your Complaint - How We Can Help" available at www.lloyds.com/complaints and are also available from the above address.

If you remain dissatisfied after Lloyd's has considered your complaint, you may have the right to refer your complaint to the Financial Ombudsman Service.

E.16 Compensation

We are covered by the Financial Services Compensation Scheme.

You may be entitled to compensation from the Scheme if **We** are unable to meet **Our** obligations to **You** under this contract. If **You** are entitled to compensation under the Scheme, the level and extent of the compensation would depend on the nature of this contract.

Further information about the Scheme is available from the Financial Services Compensation Scheme, 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU, Telephone: 0800 678 1100 or 020 7741 4100 or on their website: www.fscs.org.uk .

Coverage - Beazley Breach Response

A. Definitions for this cover

A.1 Breach Resolution and Mitigation Services means a credit monitoring product, identity monitoring product or other solution offered to **Notified Individuals**. The product offered to **Notified Individuals** will be selected by **Us** in consultation with the **Your Organisation** and in accordance with the guidance provided under Section F. below.

The product offer will be included in the communication provided pursuant to Cover B.2.c.

A.2 Call Centre Services means the provision of a call centre to answer calls during standard business hours for a period of ninety (90) days following notification (or longer if required by applicable law or regulation) of an incident pursuant to Cover B.2.b (Notified Individuals) under this Cover. Such notification shall include a toll free telephone number that connects to the call centre during standard business hours. Call centre employees will answer questions about the incident from **Notified Individuals** and will provide information required by applicable law or regulation. **Call Centre Services** will include up to 10,000 call per day and will be provided by a service provider selected by **Us** in consultation with **Your Organisation** from the list of service providers provided by **Us** in accordance with Section F. below.

A.3 Computer Expert Services means services provided by:

- a. a computer security expert:
 - i. to determine the existence and cause of any electronic data breach which may require **Your Organisation** to comply with a **Breach Notice Law**; and
 - ii. to determine the extent to which such information was accessed by an unauthorised person or persons, and
 - iii. if such breach is actively in progress on **Your Organisation's Computer Systems**, to assist in containing the existing intrusion on such systems from accessing **Personally Identifiable Information**; and
- b. a PCI Forensic Investigator that is approved by the PCI Security Standards Council and is retained by **Your Organisation** in order to comply with the terms of a **Merchant Services Agreement** to investigate the existence and extent of an actual or suspected compromise of credit card data; and in **Our** discretion, where a computer security expert described in i. above has not been retained for a computer security expert to provide advice and oversight in connection with the investigation conducted by the PCI Forensic Investigator;
- c. a computer security expert to demonstrate **Your** ability to prevent a future electronic data breach as required by a **Merchant Services Agreement**;

Computer Expert Services will be provided by a service provider selected by **Us** in consultation with **Your Organisation** in accordance with Section F. below.

A.4 Legal Services means a legal representative:

- a. to determine the applicability of and actions necessary by **Your Organisation** to comply with a **Breach Notice Law** due to an actual or reasonably suspected theft, loss or **Unauthorised Disclosure of Personally Identifiable Information**;
- b. to advise **Your Organisation** in responding to credit card system operating regulation requirements for any actual or suspected compromise of credit card data that is required to be reported to **Your Organisation's** merchant bank under the terms of a **Merchant Services Agreement**, but this clause does not cover fees incurred in any legal proceeding, arbitration or mediation, or any advice in responding to credit card system operating regulations after any assessment of **PCI Fines, Expenses and Costs**;
- c. to provide necessary legal advice to the **Your Organisation** in responding to actual or suspected theft, loss or **Unauthorised Disclosure of Personally Identifiable Information**; and
- d. to advise **Your Organisation** regarding the notification of relevant entities of an actual or reasonably suspected theft, loss or **Unauthorised Disclosure of Personally Identifiable Information**.

Legal Services will be provided by a service provider selected by **Your Organisation** in consultation with **Us** from the list of service providers provided by **Us** as stated in Section F. below.

A.5 Product means any tangible property (including containers, packaging, labelling or instructions, but explicitly excluding any telecoms or technology hardware or software) which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered, processed, cleaned, renovated or repaired by **You** or on **Your** behalf.

A.6 Public Relations and Crisis Management Expenses shall mean the following costs agreed in advance by **Us** in **Our** reasonable discretion, and which are directly related to mitigating harm to the **Named Entity's** reputation or potential loss covered by the Policy resulting from an incident described in Covers B.1.1.a (Data Breach) or B.1.1.b. (Computer Security Failure) or from a **Public Relations Event**:

- a. costs incurred by a public relations or crisis management consultant;
- b. costs for media purchasing or for printing or mailing materials intended to inform the general public about the incident or event;
- c. for incidents or events in which notification services are not otherwise provided pursuant to Cover B.1.1.a (Data Breach) or B.1.1.b. (Computer Security Failure), costs to provide notifications to affected individuals where such notifications are not required by law ("voluntary notifications"), including notices to non-affected customers of **Your Organisation**;
- d. costs to provide government mandated public notices related to breach events;
- e. costs to provide services to restore healthcare records of **Notified Individuals** whose **Personally Identifiable Information** was compromised as a result of theft, loss or **Unauthorised Disclosure**; and
- f. other costs approved in advance by **Us**.

Public Relations and Crisis Management Expenses must be incurred no later than twelve (12) months following the reporting of such **Claim** or breach event to **Us** and, with respect to Cover B.1.1.a. (Data Breach) and B.1.1.b. (Computer

Security Failure) above, within ninety (90) days following the first publication of such **Claim** or breach event. If voluntary notifications are provided, e-mail notification will be provided in lieu of first class mail to the extent practicable.

A.7 Public Relations Event means the publication or imminent publication in a newspaper (or other general circulation print publication) or on radio, television or a publicly accessible website of a covered **Claim** under this Policy.

B. What We cover

B.1 Information Security & Privacy Liability

1. Coverage

We will indemnify **You** for **Damages** and **Claims Expenses** which **You** are legally obligated to pay because of any **Claim**, including a **Claim** for violation of a **Privacy Law**, first made against **You** during the **Policy Period** and reported in writing to **Us** during the **Policy Period** or as otherwise provided in accordance with the notification provisions in this Cover, for the following acts, errors or omissions or incidents occurring in the course of **Your** business activities stated in the Schedule:

a. Data Breach

theft, loss, or **Unauthorised Disclosure** of **Personally Identifiable Information** or **Third Party Information** that is in the care, custody or control of **Your Organisation**, or a third party for whose theft, loss or **Unauthorised Disclosure** of **Personally Identifiable Information** or **Third Party Information** **Your Organisation** is legally liable, provided such theft, loss or **Unauthorised Disclosure** first takes place on or after the **Retroactive Date** and before the end of the **Policy Period**;

b. Computer Security Failure

one or more of the following acts or incidents that directly result from a failure of **Computer Security** to prevent a **Security Breach**, provided that such act or, incident first takes place on or after the **Retroactive Date** and before the end of the **Policy Period**;

- (a) the alteration, corruption, destruction, deletion, or damage to data stored on **Computer Systems**;
- (b) the failure to prevent transmission of malicious code from **Computer Systems** to computer or network systems that are not owned, operated or controlled by **You**; or
- (c) the participation by **Your Organisation's Computer Systems** in a denial of service attack directed against computer or network systems that are not owned, operated or controlled by **You**.

c. Failure to Disclose

Your Organisation's failure to disclose in a timely way an incident described in 1.a (Data Breach) and 1.b (Computer Security Failure) above in violation of any **Breach Notice Law**; provided such incident giving rise to **Your Organisation's** obligation under a **Breach Notice Law** must first take place on or after the **Retroactive Date** and before the end of the **Policy Period**; or

d. Privacy Policy Failure

Your failure to comply with that part of a **Privacy Policy** that specifically:

- (a) prohibits or restricts **Your Organisation's** disclosure, sharing or selling of a person's **Personally Identifiable Information**;
- (b) requires **Your Organisation** to provide access to **Personally Identifiable Information** or to correct incomplete or inaccurate **Personally Identifiable Information** after a request is made by a person; or
- (c) mandates procedures and requirements to prevent the loss of **Personally Identifiable Information**;

provided the acts, errors or omissions that constitute such failure to comply with a **Privacy Policy** must first take place on or after the **Retroactive Date** and before the end of the **Policy Period**, and **Your Organisation** must, at the time of such acts, errors or omissions, have in force a **Privacy Policy** that addresses those subsections above that are relevant to such **Claim**.

2. Extensions

a. Regulatory Defence and Penalties

We will indemnify **You** for **Claims Expenses** and **Penalties** which **You** are legally obligated to pay because of any **Claim** in the form of a **Regulatory Proceeding**, first made against **You** during the **Policy Period** and reported in writing to **Us** during the **Policy Period** or as otherwise provided in accordance with the notice provisions of this Cover, resulting from a violation of a **Privacy Law** and caused by an incident described in Cover B.1.1.a. (Data Breach), Cover B.1.1.b. (Computer Security Failure) and Cover B.1.1.c. (Failure to Disclose) above that first takes place on or after the **Retroactive Date** and before the end of the **Policy Period** and occur in the course of **Your** business activities stated in the Schedule.

B. What We do not cover, B.10(a) does not apply to the cover provided by this extension.

b. Website Media Content Liability

We will indemnify **You** for **Damages** and **Claims Expenses** which **You** are legally obligated to pay resulting from any **Claim** first made against **You** during the **Policy Period** and reported in writing to **Us** during the **Policy Period** or as otherwise provided in accordance with the notice provisions of this Cover, for one or more of the following acts first committed on or after the **Retroactive Date** and before the end of the **Policy Period** in relation to **Your Organisation's** website media content supporting **Your** business activities stated in the Schedule.

- i. defamation, libel, slander, product disparagement, trade libel, prima facie tort being the infliction of intentional harm, infliction of emotional distress, outrage, outrageous conduct or other tort related to disparagement of harm to the reputation or character of

- any person or organisation, including mental anguish or emotional distress resulting therefrom;
- ii. a violation of the rights of privacy of an individual, including false light, intrusion upon an individual's seclusion and public disclosure of private facts;
- iii. invasion or interference with an individual's right of publicity, including commercial appropriation of name, persona, voice or likeness;
- iv. improper deep-linking meaning the use of hyperlinks or framing within electronic content.

c. PCI Fines, Expenses and Costs

We will indemnify **You** for **PCI Fines, Expenses and Costs** incurred in the course of **Your** business activities stated in the Schedule which **You** shall become legally obligated to pay because of a **Claim** first made against **You** during the **Policy Period** and reported in writing to **Us** during the **Policy Period** or as otherwise provided in the notification provisions in this Cover, subject always to the **PCI Fines, Expenses and Costs** limit specified in the Schedule. **We** shall have no duty to defend any **Claim** or pay **Claims Expenses** with respect to any **Claim** referred to under this Extension.

d. Employee Privacy Breach Cover

Exclusion B.9.a (Employment Relationships) and B.3 (Insured vs Insured) in the General Conditions is amended to provide cover for any **Claims** brought by current or former **Employees of Yours** for **Claims** that would otherwise be covered under B.1.1.a. (Data Breach), B.1.1.b. (Computer Security Failure), and B.1.1.c. (Failure to Disclose) above.

e. Forensic Defence Costs

We will pay reasonable forensic costs and expenses of a computer security expert incurred defending a **Claim** covered under this Cover arising from a **Security Breach**, subject always to the forensic defence costs sub limit set out in the Schedule.

B.2 Privacy Breach Response Services

We will facilitate the provision of and pay on **Your** behalf **Privacy Breach Response Services** to **Your Organisation**, as set out below, because of any of the incidents (or reasonably suspected incident) described in Cover B.1.1.a (Data Breach) and Cover B.1.1.b (Computer Security Failure) above occurring in the course of **Your** business activities stated in the Schedule and that first takes place on or after the **Retroactive Date** and before the end of the **Policy Period** and is discovered by **You** and is reported to **Us** during the **Policy Period** or as otherwise provided in accordance with the notification provisions in this Cover.

Privacy Breach Response Services means the following:

- a. **Computer Expert Services;**
- b. **Legal Services;**
- c. **Notification Services** to provide notification to:

- i. individuals who are required to be notified by the **Insured Organization** under the applicable **Breach Notice Law**; or
 - ii. in **Our** discretion, individuals affected by an incident in which their **Personally Identifiable Information** has been subject to theft, loss or **Unauthorized Disclosure** in a manner which compromises the security or privacy of such individual by posing a significant risk of financial, reputational or other harm to the individual;
- d. **Call Centre Services**;
 - e. **Breach Resolution and Mitigation Services**; and
 - f. **Public Relations and Crisis Management Expenses**.

Privacy Breach Response Services also includes assistance from the BBR Services Team and access to educational and loss control information at no charge.

Privacy Breach Response Services and the conditions applicable thereto are set forth more fully in Section F. below (Conditions Applicable to **Privacy Breach Response Services**).

Privacy Breach Response Services will only be provided in excess of the applicable excess, shall not exceed the **Privacy Breach Response Limit** of Coverage set out in the Schedule and shall not include any internal salary or overhead expenses of **Your Organisation**.

C. What We do not cover

We will not make any payment for or in respect of any **Claim** or **Loss** arising out of, or resulting from:

C.1 Employment Relationships

any employer-employee relations, policies, practices, employee practices liability acts or omissions, as per the terms of Exclusion B.9.a in the General Conditions, save that this exclusion shall not apply to the providing of **Privacy Breach Response Services** involving current or former **Employees** of **Your Organisation**.

C.2 Collection, Acquisition or Retention of Personally Identifiable Information

- a. the actual or alleged unlawful collection, acquisition or retention of **Personally Identifiable Information** or other personal information by, on behalf of, or with the consent or cooperation of **Your Organisation**; or the failure to comply with a legal requirement to provide individuals with the ability to assent to or withhold assent (e.g. opt-in or opt-out) from the collection, disclosure or use of **Personally Identifiable Information**; provided, that this exclusion shall not apply to the actual or alleged unlawful collection, acquisition or retention of **Personally Identifiable Information** by a third party committed without the knowledge of **Your Organisation**; or
- b. the distribution of unsolicited email, direct mail, or facsimiles, wire tapping, eavesdropping, audio or video recording, or telemarketing, if such distribution, wire tapping or recording is done by or on behalf of **Your Organisation**;

C.3 Trading Losses

any trading funds, money or securities losses or liabilities incurred by **You** including, without limitation, loss of any client account and/or custom, loss of any negotiable or non-negotiable instructions or contracts representing money or property, the monetary value of any transactions or electronic fund transfers by **You** or on **Your** behalf which is lost, diminished, or damaged during transfer from, into or between accounts.

C.4 Bodily Injury And Property Damage

Bodily Injury or **Property Damage**;

C.5 Media

- a. any statement **You** knew, or ought reasonably to have known, was defamatory at the time of publication.
- b. any over redemption or under redemption of coupons, discounts, awards or prizes from advertisements, promotions, contests or other games of chance.
- c. the distribution, exhibition, performance, publication, display or broadcasting of content or material in:
 - i. broadcasts, by or on behalf of, or with **Your** permission or direction, including but not limited to, television, motion picture, cable, satellite television and radio broadcasts;
 - ii. publications, by or on behalf of, or with **Your** permission or direction, including, but not limited to, newspaper, newsletter, magazine, book and other literary form, monograph, brochure, directory, screen play, film script, playwright and video publications, and including content displayed on an Internet site; or
 - iii. advertising by **You** or on **Your** behalf;

provided however this exclusion does not apply to the publication, distribution or display of **Your Organisation's Privacy Policy**;

C.6 Contractual liability exclusion

Any contractual liability except:

- a. only with respect to the coverage provided pursuant to Cover B.1.1.a (Data Breach), to any obligation **Your Organisation** to maintain the confidentiality or security of **Personally Identifiable Information** or of **Third Party Information**;
- b. to **Computer Expert Services** or **Legal Services** covered under Cover B.2.;
- c. to **PCI Fines, Expenses and Costs** covered under Extension B.1.2.c.; or
- d. to the extent **You** are liable in the absence of a contract or agreement.

C.7 Natural events

fire, **Flood**, earthquake, volcanic eruption, explosion, lighting, wind, hail, tidal wave, landslide, or other act of nature.

C.8 Land or Building

the ownership, possession, or use of any land or building.

C.9 Other Insurance

- a. the supply, manufacture or maintenance of **Your Products**.
- b. any liability or breach of duty or obligation owed by any of **Your** Directors, officers, trustees or board members while acting in that capacity.

C.10 Retroactive Date

any act, error, omission, incident or event or any related or continuing acts, errors, omissions, incidents or events where the first such act, error, omission, incident or event was committed or occurred prior to the **Retroactive Date**.

C.11 Workmanship

Bodily Injury and **Property Damage** caused by any physical workmanship in manufacture, fabrication, construction, erection, installation, assembly, alteration, servicing, remediation, repair, demolition or disassembly (including material, parts or equipment furnished in connection therewith) by **You**.

C.12 Territorial and jurisdictional limits

- a. In relation to Cover B.1 (Information Security & Privacy Liability):
 - i. any business activities outside the territories specified under the Territorial Limits Section in the Schedule;
 - ii. any **Claims** brought outside the jurisdictions specified under the Jurisdictional Limits Section in the Schedule.
- b. In relation to Cover B.2 (Privacy Breach Response Services) any services outside the territories specified under the Territorial Limits Section in the Schedule.

C.13 Unencrypted Mobile Devices

unencrypted mobile devices.

D. Limits of liability and excess

D.1 Information Security & Privacy Liability

- a. **We** will pay up to the overall limit of liability shown in the Schedule, subject to any sub-limit that might be applicable.

All sub limits of liability shown in the Schedule and all extensions of cover are part of and not in addition to the overall Limit of Liability shown in the Schedule unless specifically agreed otherwise.

- b. **You** must pay any relevant excess shown in the Schedule. The excess will apply separately to each **Claim** and/or **Loss** as applicable.
- c. Where more than one **Claim** or **Loss** notified under this Cover arises from or is connected with the same original source or cause, all such **Claims** or **Losses** shall be deemed to be one **Claim** or **Loss** under this Cover and only

one limit of liability and only one excess will be payable for all those **Claims** or **Losses**.

- d. Clarification of how **Claims Expenses** will be dealt with can be found in the Schedule.

D.2 Beazley Breach Response Services

- a. **We** will pay up to the limits of costs and **Notified Individuals** shown in the Schedule. All sub limits shown in the Schedule are part of and not in addition to the limits shown in the Schedule unless specifically agreed otherwise.
- b. **We** will not be obligated to facilitate the provision of, nor to pay on **Your** behalf the cost of any **Notification Services, Call Centre Services** or **Breach Solutions and Mitigation Services** after the number of **Notified Individuals** under Cover B.2.c (**Notification Services**) above reaches an aggregate of the number of **Notified Individuals** stated in the Schedule. If the total number of individuals to be notified under the Policy exceeds the number of **Notified Individuals** stated in the Schedule, **You** shall be responsible for providing notification and credit monitoring services to such additional individuals in accordance with Section D.2.c. below.
- c. If the total number of notifications made pursuant to Cover B.2.c (**Notification Services**) aggregates to more than the number of notifications stated in the Schedule, **Your Organisation** will be responsible for paying for **Privacy Breach Response Services** with respect to any excess notifications, and such costs will not be covered by the Policy. If an incident involves notifications made pursuant to Cover B.2.c (**Notification Services**) both within the notification limit stated in the Schedule and in excess of such limit, all excess notifications will be provided by the same service provider that provides **Notification Services** covered under the Policy, and the costs will be allocated between **Us** and **Your Organisation** pro rata based on the number of covered and non-covered notifications.
- d. In the event that a service provider nominated or appointed by **Us** is unable to or does not provide **Privacy Breach Response Services, We** will make reasonable efforts to procure similar services from other sources. In such event, the maximum **We** will pay for the costs of procuring and providing all **Privacy Breach Response Services** under Cover B.2 including substitute products and services shall be an amount equal to £10 multiplied by the number of **Notified Individuals** shown in the Schedule under the **Privacy Breach Response Services** Aggregate Limit. In the event there is a change of law, regulation or enforcement that prevents **Us** or **Our** service providers from providing all or part of the **Privacy Breach Response Services, We** will make reasonable efforts to substitute other services but, if this is not possible, **We** shall not be obligated to provide such services.
- e. To the extent that costs to provide **Privacy Breach Response Services** are covered pursuant to a **Claim** described General Definition A.5.b (Claim), such costs shall be covered solely under Cover B.1.1.a (Data Breach) and not under Cover B.2. or any other Cover in this Policy.
- f. **You** must pay any relevant excess shown in the Schedule. The excess applies separately to each incident, event, or related incidents or events, giving rise to an obligation to facilitate the provision of and pay on **Your** behalf the cost of **Privacy Breach Response Services**.

- i. **Notification Services, Call Centre Services, and Breach Resolution and Mitigation Services** will only be provided for each incident, event or related incidents or events, requiring notification to at least the number of individuals stated in the Schedule. For incidents involving notification to fewer individuals there shall be no coverage for any such services under Cover B.2.
- ii. For all **Computer Expert Services, Legal Services and Public Relations and Crisis Management Services**, the excess stated in the Schedule apply separately to each incident, event or related incidents or events, giving rise to an obligation to provide such services; and the Each Incident excess shall be satisfied by monetary payments by the **Named Insured** for such services.

E. What You and Your management must do

The following is an **IMPORTANT CONDITION** under this Policy. Coverage under this Policy will not be available unless **You** comply with this important condition:

E.1 Notification of Claims, Circumstances and Losses

- a. **Your Management** must give **Us** written notification as soon as reasonably possible of:
 - i. any **Claim** first made against **You** during the **Policy Period**;
 - ii. any **Circumstance** which **You** first become aware of during the **Policy Period**;
 - iii. any **Loss** which **You** suffer during the **Policy Period**.
- b. **Your Management** must provide such notification to **Us** no later than the end of the **Policy Period** or no later than 30 days after the end of the **Policy Period** if agreed by **Us**.
- c. **Your Management's** written notification of a **Claim** must indicate all the specific details of the **Claim**, together with every demand, notice, summons or other process received by **You**.
- d. For a valid notification of a **Circumstance** to be given, **You** must provide the following information:
 - i. the specific details of the negligent act, error or omission, incident, loss of documents, or breach of contract that could likely form the basis of a **Claim**;
 - ii. the injury or damage which may result or has resulted from the **Circumstance**; and
 - iii. the facts by which **You** first became aware of the act, error or omission, incident, loss of documents, or breach of contract.
- e. Any subsequent **Claim** made against **You** arising out of the same facts and matters, or the same originating cause, as a **Claim** first made, or a **Circumstance** firstly duly notified (as above), within the **Policy Period** will be considered to have been made on the date that said earlier **Claim** was first made, or on which the relevant **Circumstance** was first notified, whichever was the earlier.

E.2 Privacy Breach Response Services

- a. **You** must report an incident (or reasonably suspected incident) described in Cover B.1.1.a. (Data Breach) or B.1.1.b. (Computer Security Failure) as soon as practicable during the **Policy Period** after discovery by **You**.
- b. Notwithstanding the foregoing, if the **Named Entity** reasonably believes that the **Privacy Breach Response Services** provided as a result of such incident or suspected incident are not likely to meet or exceed the excess, then reporting of such incident or suspected incident under this Clause is at the **Named Entity's** option, but unless such incident or suspected incident is reported in accordance with the first paragraph of this Clause, there shall be no coverage for **Privacy Breach Response Services** in connection with such incident or suspected incident.

F. Conditions applicable to privacy breach response services

The availability of any coverage under this Cover for **Privacy Breach Response Services** (called the "Services" in this Clause) is subject to the following conditions.

In the event of an incident (or reasonably suspected incident) covered by under Cover B.2, **We** will provide **Your Organisation** (referred to as "you" in this Clause) with the coverage afforded by this **Policy** assistance [with the Services and] with the investigation and notification process as soon as you notify **Us** of an incident or reasonably suspected incident (an "Incident"). After notifying **Us** of an Incident, you will be contacted by a member of **Our** Breach Response Services Group. **Our** team will provide you with information to help you respond to the event, assist you in engaging service providers, answer questions you may have about the process, and provide you with assistance throughout the breach response process.

F.1 The Services provided under this Cover have been developed to expedite the investigation and notification process and help ensure that **Your** response to a covered Incident will comply with legal requirements and will be performed economically and efficiently. It is therefore important that in the event of an Incident, you follow the programme's requirements stated below, as well as any further procedures described in the *Service Provider List* provided with this Policy, and that you communicate with **Us** so that **We** can assist you with handling the Incident and with the Services. You must also assist **Us** and cooperate with **Us** and any third parties involved in providing the Services. In addition to the requirements stated below, such assistance and cooperation shall include, without limitation, responding to requests and inquiries in a timely manner and entering into third party contracts required for provision of the Services.

The *Service Provider List* lists the approved providers of the Services along with additional information and procedures about the **Privacy Breach Response Services** provided under the Cover, and the *Service Provider List* may be updated from time to time. Because the *Service Provider List* is subject to change at any time, the information, procedures and service provider lists applicable to a specific Incident covered under the Cover will be those in the then current *Service Provider List*, which you can request from **Us** at the time of an Incident.

F.2 After notifying **Us** of an Incident, you will be contacted by a member of **Our** dedicated Breach Response Services team. **Our** team will provide you with information to help you respond to the Incident, assist you in engaging service providers, answer questions you may have about the process, and provide you with assistance throughout the breach response process.

F.3 If the costs of **Computer Expert Services** is covered under B.2.a. above, **You** must select such expert, in consultation with **Our** Breach Response Services Group,

from the programme's list of approved computer security experts included in the *Service Provider List* provided with this Cover, which list may be updated by **Us** from time to time. The computer security expert will require access to information, files and systems and you must comply with the expert's requests and cooperate with the expert's investigation. Reports or findings of the expert will be made available to you, **Us** and any legal representative that is retained to provide advice to you with regard to the Incident.

F.4 If the costs of **Legal Services** are covered under B.2.b. above, such legal representative shall be selected by you in consultation with **Our** Breach Response Services Group from the programme's list of approved legal representatives included in the *Service Provider List* provided with this Policy, which list may be updated by **Us** from time to time. The legal representative will represent you in determining the applicability of, and the actions necessary to comply with, **Breach Notice Laws** in connection with the Incident and to advise regarding credit card system operating regulation requirements under definition A.4.b above if applicable.

F.5 If notification to individuals in connection with an Incident is covered under Cover B.2.c. above, such notice will be accomplished through a mailing, email, or other method if allowed by statute and if it is more economical to do so (though **We** will not provide notice by publication unless you and **We** agree or it is specifically required by law), and will be performed by a service provider selected by **Us** from the programme's list of approved breach notification service providers included in the *Service Provider List* provided with this Policy, which list may be updated by **Us** from time to time. For notification of individuals residing outside of the European Union or the United States, notice will be accomplished via first class mail to the extent reasonably practicable. The selected breach notification service provider will work with you to provide the required notifications. As part of this process, you will need to provide the following information:

- a. A notification letter must be prepared. **Our** Breach Response Services Group will be able to provide you with templates and assist you with the preparation process. Final form and content of the notification letter is to be prepared in consultation with a legal representative and approved by **Us**. It is important for this letter to be prepared without delay and for you to promptly provide sign off for the final proof of the letter provided to you for review prior to copying and mailing. The notification letter will be in black and white on two sided paper.
- b. You will provide the list of names and addresses of the persons to be notified to the notification service provider in a spreadsheet or other agreed format as specified by the breach notification service provider. Any returned mail will be collected and provided to you at **Your** request, but the Services do not include any further tracing of individuals whose letter was returned by the post office. Mailing of notification letters will be staggered if needed to take into account call centre resources.

Our staff will assist you with the notification process, but it is important that you timely respond to requests, approve letter drafts and provide address lists and other information as required to provide the Services. It will be **Your** responsibility to pay any costs caused by **Your** delay in providing information or approvals necessary to provide the Services, mistakes in information you provide, changes to the letter after approval, or any other failure to follow the

notification procedure if it increases the cost of providing the Services in connection with an Incident.

- F.6** If **Call Centre Services** are offered under this Cover, such services shall be performed by a service provider selected by **Us** who will work with you to provide the **Call Centre Services** as described above.
- F.7** If **Breach Resolution and Mitigation Services** is offered under this Cover such products shall be provided by a service provider selected by **Us**.
- F.8** In the event that one or more Incidents covered by the Policy aggregate to more than the number of notifications stated in the Schedule notifications, you will be responsible for paying for **Privacy Breach Response Services** with respect to the excess notifications, and such costs will not be covered by the Policy. In the event of an Incident involving notifications both within the notification limit stated in the Schedule and in excess of the notification limit stated in the Schedule you agree that notification to all individuals to be notified will be provided by **Our** breach notification service provider, and the costs will be allocated between **Us** pro-rata based on the number of covered and non-covered notifications. The non-covered notifications will be selected randomly from the list of persons to be notified, and you agree to be responsible for any costs incurred in connection with non-covered notifications, including but not limited to the costs of any credit monitoring product and **Call Centre Services** that may be offered in the non-covered notifications.

Beazley Solutions Limited is a service company that is part of the Beazley group of companies. Unless otherwise specified in a specific cover, Beazley Solutions Limited has authority, under unique market reference B6012BSUK to enter into contracts of insurance on behalf of the Lloyd's underwriting members of Lloyd's syndicates 623 and 2623 which are managed by Beazley Furlonge Limited. Beazley Solutions Limited is an appointed representative of Beazley Furlonge Limited which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the UK (ref 204896) in its capacity as insurer.

Matthew Davis

Signed on behalf of **Beazley Solutions Ltd** acting on behalf of:

Beazley Syndicate 2623/623 at Lloyd's

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First Party Computer Security Coverage Endorsement

This endorsement modifies the Beazley Breach Response Cover and shall be read as if incorporated within it:

My Beazley

It is understood and agreed that, for the purposes of this endorsement only:

- Section B.1.2. **Extensions** is amended with the addition of the following extensions:

- **Cyber Extortion**

We will indemnify **You** for **Cyber Extortion Loss** incurred by **Your Organisation** as a direct result of an **Extortion Threat** first made against **Your Organisation** during the **Policy Period** by a person, other than **Your Management, Your Organisation's Employees**, contractors, outsourcers, or any person in collusion with any of the foregoing. Coverage under this extension is subject to the applicable conditions and reporting requirements, including those stated in Clause C below, Obligations In The Event of an Extortion Threat.

The maximum amount payable for the **Policy Period** in respect of this extension a) (Cyber Extortion) shall not exceed £100,000 in the aggregate.

Excess will be £500 each **Extortion Threat**.

- **First Party Data Protection**

We will indemnify **You** for **Data Protection Loss** incurred by **Your Organisation** as a direct result of:

1. alteration, corruption, destruction, deletion or damage to a **Data Asset**, or
2. inability to access a **Data Asset**,

that first takes place during the **Policy Period** and is directly caused by a failure of **Computer Security** to prevent a **Security Breach**; provided that such **Security Breach** must take place on or after the **Retroactive Date** and before the end of the **Policy Period**.

Excess will be £500 each **Security Breach**

- **First Party Network Business Interruption**

We will indemnify **You** for **Business Interruption Loss** incurred by **Your Organisation** during the **Period of Restoration** or the **Extended Interruption Period** (if applicable) as a direct result of the actual and necessary interruption or suspension of **Computer Systems** that first takes place during the **Policy Period** and is directly caused by a failure of **Computer Security** to prevent a **Security Breach**; provided that such **Security Breach** must first take place on or after the **Retroactive Date** and before the end of the **Policy Period**.

Excess for each **Security Breach** under this extension will be:

- Income Loss: £500
- Extra Expense: £500
- **Waiting Period:** 12h

The maximum amount payable for the **Policy Period** in respect of both extensions b. (First Party Data Protection) and c. (First Party Network Business Interruption) of this endorsement shall not exceed £100,000 in the aggregate.

In relation to extension c. (First Party Network Business Interruption) of this endorsement, the following sublimits of liability apply:

- **Hourly sublimit:** £10,000
- **Dependent Business Interruption sublimit:** £0
- **Forensic Expense sublimit:** Same amount as the amount stated in the Schedule for Legal and Forensic Services covered under B.2.a. This sublimit is part of and not in addition to this Legal and Forensic Services sublimit covered under B.2.a.

● **Exclusions applicable to coverage given under the extensions of this endorsement.**

We will not make any payment for or in respect of any **Loss** covered under extensions a, b and c above, for, arising out of, or resulting from:

- any criminal, dishonest, fraudulent, or malicious act, error or omission, any **Security Breach, Extortion Threat**, or intentional or knowing violation of the law, if committed by any member of **Your Management** or any person in participation or collusion with any member of **Your Management**;
- in relation to extensions b. (First Party Data Protection) and c. (First Party Network Business Interruption) of this endorsement:
 - any failure or malfunction of electrical or telecommunications infrastructure or services, provided that this exclusion shall not apply to any otherwise covered **Claim** or **Loss** arising out of failure of **Computer Security** to prevent a **Security Breach** that was solely caused by a failure or malfunction of telecommunications infrastructure or services under **Your Organisation's** direct operational control;
 - fire, flood, earthquake, volcanic eruption, explosion, lighting, wind, hail, tidal wave, landslide, act of God or other physical event; or
 - any satellite failures;
- in relation to extensions a. (Cyber Extortion) of this endorsement:
 - any threat to physically harm or kidnap any person; or

- any threat to harm, take, or transfer property other than any **Data Asset**, even if such threat is made in conjunction with a threat to a **Data Asset** or by carrying out such threat to, harm, theft, or transfer, a **Data Asset** may be damaged, corrupted, altered, taken, disseminated or transferred;
- any seizure, nationalisation, confiscation, or destruction of **Computer Systems** or **Data Assets** by order of any governmental or public authority.
- **Definitions applicable to coverage given under this endorsement**

- **Business Interruption Loss** means the total of:
 - **Income Loss** and **Extra Expense** during the **Period of Restoration**; and
 - **Extended Income Loss** if the **Income Loss** during the **Period of Restoration** is in excess of the applicable excess.

Provided that **Business Interruption Loss** shall not mean any of the following: loss arising out of any liability to any third party for whatever reason; legal costs or legal expenses of any type; loss incurred as a result of unfavorable business conditions, loss of market or any other consequential loss; or costs or expenses **Your Organisation** incurs to identify and remove software program errors or vulnerabilities.

All **Business Interruption Loss** resulting from multiple covered interruptions or suspensions of **Computer Systems** that arise out of the same or a continuing **Security Breach**, from related or repeated **Security Breaches**, or from multiple **Security Breaches** resulting from a failure of **Computer Security** shall be deemed to be a single **Business Interruption Loss**; provided, however, that a separate **Waiting Period** shall apply to each **Period of Restoration**.

- **Cyber Extortion Loss** means:
 - any **Extortion Payment** that has been made under duress by or on behalf of **Your Organisation** with **Our** prior written consent, but solely to prevent or terminate an **Extortion Threat** and in an amount that does not exceed the covered **Damages** and **Claims Expenses** that would have been incurred had the **Extortion Payment** not been paid;
 - an otherwise covered **Extortion Payment** that is lost in transit by actual destruction, disappearance or wrongful abstraction while being conveyed by any person authorised by or on behalf of **Your Organisation** to make such conveyance; and
 - fees and expenses paid by or on behalf of **Your Organisation** for security consultants retained with Underwriter's prior written approval, but solely to prevent or terminate an **Extortion Threat**.
- **Computer Security** for the purpose of coverage given under this endorsement, also means **Your Organisation's** written information security policies and procedures, the function or purpose of which is to prevent **Unauthorised Access or Use**, a denial of service attack against **Computer Systems**, infection of **Computer Systems** by malicious code or transmission of malicious code from **Computer Systems**.

- **Computer Systems** for the purpose of coverage given under extension c. (First Party Network Business Interruption) of this endorsement also means computers and associated input and output devices, data storage devices, networking equipment and back up facilities operated by a third party service provider and used for the purpose of providing hosted computer application services to **Your Organisation** or for processing, maintaining, hosting or storing **Your Organisation's** electronic data, pursuant to written contract with **Your Organisation** for such services, provided such coverage is subject to the sublimit of liability stated above in respect of both extensions b. (First Party Data Protection) and c. (First Party Network Business Interruption) of this endorsement.

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

- **Data Protection Loss** means:
 - with respect to any **Data Asset** that is altered, corrupted, destroyed, deleted or damaged the actual, reasonable and necessary costs and expenses incurred by **Your Organisation** to restore a **Data Asset** from back-ups or from originals or to gather, assemble and recollect such **Data Asset** from other sources to the level or condition in which it existed immediately prior to its alteration, corruption, destruction, deletion or damage; or

 - with respect to any **Data Asset** that **Your Organisation** is unable to access, the lesser of the actual, reasonable and necessary costs and expenses incurred by **Your Organisation** to:
 - (a) regain access to such **Data Asset**; or

 - (b) restore such **Data Asset** from back-ups or originals or gather, assemble and recollect such **Data Asset** from other sources, to the level or condition in which it existed immediately prior to **Your Organisation's** inability to access it;

Provided that if such **Data Asset** cannot reasonably be accessed, restored, gathered, assembled or recollected, then **Data Protection Loss** means the actual, reasonable and necessary costs and expenses incurred by **Your Organisation** to reach this determination.

Provided further that **Data Protection Loss** shall not exceed, and shall not mean, any amount in excess of the amount by which the net profit before income taxes of **Your Organisation** would have decreased had **Your Organisation** failed to restore, gather, assemble or recollect as set forth in subparagraphs f.i and f.ii above.

A **Data Protection Loss** will be deemed to occur at the time such alteration, corruption, destruction, deletion or damage to or inability to access a **Data Asset** is first discovered by **You**. All **Data Protection Loss** that arises out of the same or a continuing **Security Breach**, from related or repeated **Security Breaches**, or from multiple **Security Breaches** resulting from a failure of **Computer Security** shall be deemed to be a single **Data Protection Loss**.

Data Protection Loss shall not mean:

1. costs or expenses incurred by **Your Organisation** to identify or remediate software program errors or vulnerabilities or update, replace, restore, gather, assemble, reproduce, recollect or enhance a **Data Asset** or **Computer Systems** to a level beyond that which existed prior to the alteration, corruption, destruction, deletion or damage of such **Data Asset**;
 2. costs or expenses to research or develop any **Data Asset**, including but not limited to trade secrets or other proprietary information;
 3. the monetary value of profits, royalties, or lost market share related to a **Data Asset**, including but not limited to trade secrets or other proprietary information or any other amount pertaining to the value of the **Data Asset**;
 4. loss arising out of any liability to any third party for whatever reason; or
 5. legal costs or legal expenses of any type.
- **Dependent Business** means any third party service provider that provides hosted computer application services to **Your Organisation** or processes, maintains, hosts or stores **Your Organisation's** electronic data, pursuant to written contract with **Your Organisation** for such services.
 - **Extended Income Loss** means the Income Loss during the **Extended Interruption Period**.
 - **Extended Interruption Period** means the period of time that:
 1. begins on the date and time that the **Period of Restoration** ends; and
 2. terminates on the date and time **You** restore, or would have restored if **You** had exercised due diligence and dispatch, the net profit before income taxes that would have been earned by **You** directly through its business operations had the actual and necessary interruption or suspension of **Computer Systems** not occurred;

provided that in no event shall the **Extended Interruption Period** mean more than or exceed thirty (30) days.

- **Extortion Payment** means cash, marketable goods or services demanded to prevent or terminate an **Extortion Threat**.
- **Extortion Threat** means a threat to breach **Computer Security** in order to:
 1. alter, destroy, damage, delete or corrupt any **Data Asset**;
 2. prevent access to **Computer Systems** or a **Data Asset**, including a denial of service attack or encrypting a **Data Asset** and withholding the decryption key for such **Data Asset**;
 3. perpetrate a theft or misuse of a **Data Asset** on **Computer Systems** through external access;
 4. introduce malicious code into **Computer Systems** or to third party computers and systems from **Computer Systems**; or

5. interrupt or suspend **Computer Systems**;

unless an **Extortion Payment** is received from or on behalf of **Your Organisation**.

Multiple related or continuing **Extortion Threats** shall be considered a single **Extortion Threat** for purposes of this Policy and shall be deemed to have occurred at the time of the first such **Extortion Threat**.

- **Extra Expense** means:

1. reasonable and necessary expenses that are incurred by **Your Organisation** during the **Period of Restoration** to minimize, reduce or avoid an **Income Loss**, provided:
 - (a) that such expenses are over and above those **Your Organisation** would have incurred had no interruption or suspension of the **Computer Systems** occurred; and
 - (b) do not exceed the amount by which the **Income Loss** in excess of the excess and covered under this Policy is thereby reduced; and
2. **Forensic Expenses**;

provided that **Extra Expense** shall not mean expenses incurred **You** to update, upgrade, enhance or replace **Computer Systems** to a level beyond that which existed prior to the actual and necessary interruption or suspension of **Computer Systems**; or the costs and expenses incurred by **Your Organisation** to restore, reproduce, or regain access to any **Data Asset** that was altered, corrupted, destroyed, deleted, damaged or rendered inaccessible as a result of the failure of **Computer Security** to prevent a **Security Breach**.

- **Forensic Expenses** means reasonable and necessary expenses incurred by **Your Organisation** to investigate the source or cause of the failure of **Computer Security** to prevent a **Security Breach**.

- **Income Loss** means:

1. the net profit before income taxes that **Your Organisation** is prevented from earning through its business operations or the net loss before income taxes that **Your Organisation** is unable to avoid through its business operations as a direct result of the actual and necessary interruption or suspension of **Computer Systems**; and
2. fixed operating expenses incurred by **Your Organisation** (including payroll), but only to the extent that a. such operating expenses must necessarily continue during the **Period of Restoration** (or **Extended Interruption Period**, if applicable); and b. such expenses would have been incurred by **Your Organisation** had such interruption or suspension not occurred.

Income Loss shall be reduced to the extent **You** or **Dependent Business** (if applicable) is able, with reasonable dispatch and due diligence, to reduce or limit such interruption or suspension of **Computer Systems** or conduct its business operations by other means.

In determining **Income Loss**, due consideration shall be given to the prior experience

of **Your Organisation's** business operations before the beginning of the **Period of Restoration** and to the probable business operations **Your Organisation** could have performed had no actual and necessary interruption or suspension occurred as result of a failure of **Computer Security** to prevent a **Security Breach**.

Income Loss will be calculated on an hourly basis based on **Your Organisation's** net profit (or loss) and fixed operating expenses as set forth above.

- **Loss** for the purposes of coverage given under this endorsement also means **Cyber Extortion Loss, Business Interruption Loss** and **Data Protection Loss**.
- **Period of Restoration** means the time period that:
 1. begins on the specific date and time that the actual and necessary interruption or suspension of **Computer Systems** first occurred; and
 2. ends on the specific date and time that the actual and necessary interruption or suspension of **Computer Systems** ends, or would have ended had **You** or **Dependent Business** (if applicable) acted with due diligence and dispatch;

provided that in no event shall the **Period of Restoration** mean more than or exceed thirty (30) days; and provided further that restoration of **Computer Systems** will not end the **Period of Restoration** if such systems are actually and necessarily interrupted or suspended again within one hour of such restoration due to the same cause as the original interruption or suspension.

- **Waiting Period** means the period of time beginning when the **Period of Restoration** begins and expiring after the elapse of the number of hours stated above. A **Waiting Period** shall apply to each **Period of Restoration**.
- Section E.1 **What You and Your management must do** is amended with the addition of the following in relation to coverage provided under this endorsement:
 - With respect to extension a of this endorsement (Cyber Extortion) in the event of an **Extortion Threat** to which this Policy applies, **Your Management** shall notify **Us** immediately upon receipt of any **Extortion Threat**, and shall thereafter also provide written notice by telecopy, email or express mail within five (5) days following the **Extortion Threat**.
 - With respect to extension b of this endorsement (First Party Data Protection) **Your Management** must forward to **Us** written notice by express mail, email or telecopy immediately upon discovery of alteration, corruption, destruction, deletion or damage to or inability to access a **Data Asset** to which this Insurance applies; provided that all covered **Data Protection Loss** must be discovered and reported (in accordance with Clause A below., Proof of Loss and Appraisal) to **Us** no later than six (6) months after the end of the **Policy Period**.
 - With respect to extension c of this endorsement (First Party Network Business Interruption) **Your Management** shall forward immediately to **Us** written notice of the interruption or suspension of **Computer Systems** to which this Insurance applies in

the form of a telecopy, email or express mail. Such notice must be provided during the **Policy Period**, or no later than ten (10) days after the end of the **Policy Period** for interruptions or suspensions occurring within ten (10) days of the end of the **Policy Period**; provided, all covered **Business Interruption Loss** must be reported to **Us** (in accordance with Clause A below., Proof of Loss and Appraisal) no later than six (6) months after the end of the **Policy Period**.

- **Specific clauses applicable to extensions under this endorsement.**

- **Proof and Appraisal of Loss**

- **Proof of Loss.** With respect to both extensions b. (First Party Data Protection) and c. (First Party Network Business Interruption) of this endorsement, before coverage will apply, **You** must:

- a. prepare and submit to **Us** a written and detailed proof of loss sworn by one of **Your** officer within ninety (90) days after **You** discover a **Data Protection Loss** or **Your Organisation** sustains a **Business Interruption Loss** (as applicable), but in no event later than six (6) months following the end of the **Policy Period** (unless such period has been extended by **Our** written consent). Such proof of loss shall include a narrative with full particulars of such **Data Protection Loss** or **Business Interruption Loss**, including, the time, place and cause of the **Data Protection Loss** or **Business Interruption Loss**, a detailed calculation of any **Data Protection Loss** or **Business Interruption Loss**, **Your Organisation's** interest and the interest of all others in the property, the sound value thereof and the amount of **Data Protection Loss** or **Business Interruption Loss** or damage thereto and all other insurance thereon; and
- b. upon **Our** request, submit to an examination under oath and provide copies of the underlying documents, data and materials that reasonably relate to or are part of the basis of the claim for such **Data Protection Loss** or **Business Interruption Loss**.

The costs and expenses of preparing and submitting a proof of loss, and establishing or proving **Data Protection Loss**, **Business Interruption Loss** or any other **Loss** under this Policy shall be **Your** obligation, and are not covered under this Policy.

- **Appraisal of Loss.** If **You** and **Us** do not agree on the amount of a **Loss**, each party shall select and pay an appraiser or other qualified expert (the "Appraiser") to state the amount of the loss or reasonable expenses, and the Appraisers shall choose an umpire. If the Appraisers cannot agree on an umpire, **You** or **Us** may request a judge of a court having jurisdiction to make the selection. Each Appraiser shall submit the amount of the **Loss** or reasonable expenses to the umpire, and agreement by the umpire and at least one of the Appraisers as to the amount of a **Loss** shall be binding on all **Insureds** and **Us**. **You** and **Us** will equally share the costs of the umpire and any other costs other than the cost of the Appraisers. This provision shall govern only the appraisal of the amount of a **Loss**, and shall not control the determination of whether such **Loss** is otherwise covered by the Policy. **We** will still retain and do not waive their rights to deny coverage or enforce any obligation under this Policy.

- **Recovered Property**

If **You** or **Us** recover any property, money or **Data Assets** after a loss payment is made, the party making the recovery must give prompt notice of the recovery to the other party. If the recovered property is money or other funds, the recovery shall be applied first to any costs incurred by **Us** in recovering the property, second to loss payments made by **Us**, and third to any excess payment made by **You**. If property other than money or funds is recovered, then **You** may keep the recovered property and return the loss payment, plus the any costs of recovery incurred by **Us**, or keep the loss payment less the costs of recovery incurred by **Us** and transfer all rights in the property to **Us**.

- **Obligations In The Event Of An Extortion Threat**

- **Your Duty of Confidentiality**

You must use its best efforts at all times to ensure that knowledge regarding the existence of this insurance for **Cyber Extortion Loss** afforded by this Policy is kept confidential. **We** may terminate the insurance provided by this policy for **Cyber Extortion Loss** upon ten (10) days written notice to **You** if the existence of insurance for **Cyber Extortion Loss** provided by this Policy becomes public knowledge or is revealed to a person making an **Extortion Threat** through no fault of **Us**.

- **Your Organisation's Obligation to Investigate Extortion Threat and Avoid or Limit Extortion Payment**

Prior to the payment of any **Extortion Payment**, **Your Organisation** shall make every reasonable effort to determine that the **Extortion Threat** is not a hoax, or otherwise not credible. **Your Organisation** shall take all steps reasonable and practical to avoid or limit the payment of an **Extortion Payment**.

- **IMPORTANT CONDITION**

The following are **IMPORTANT CONDITIONS** under this Policy. Coverage under this Policy will not be available unless **You** comply with these important conditions:

- a. **Your Obligation to Demonstrate Duress**

Your Organisation must be able to demonstrate that the **Extortion Payment** was surrendered under duress.

- b. **Notification of Police**

Your Organisation shall allow **Us** or our representative to notify the police or other responsible law enforcement authorities of any **Extortion Threat**.

All other terms and conditions of this Policy remain unchanged.

Matthew Davis

Signed on behalf of **Beazley Solutions Ltd**
acting on behalf of:

Beazley Syndicate 2623/623 at Lloyd's

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