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Hiscox Technology, Privacy and Cyber Protection Portfolio

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Please read this Policy carefully with your broker so you understand the insurance that you have purchased. All words and phrases that appear in bold-type (except headings) are defined in the Definitions section of this Policy.

Notice: the Technology Protection Module, Privacy Protection Module, Miscellaneous Professional Protection Module and Multimedia Protection Module are claims made and reported modules. They cover Claims first made against the Insured and reported to Us during the Policy Period.

Notice: the Breach Costs Module, Business Interruption Module, Hacker Damage Module and Cyber Extortion Module cover First Party Events (as defined in the Policy) first discovered by You and reported to Us during the Policy Period.

In consideration of the premium charged and in reliance on the statements made and information provided to **Us**, including but not limited to the statements made and information provided in and with the Application, which is made a part of this Policy, as well as subject to the **Policy Limit**, the **Retention** and all of the terms, conditions, limitations and exclusions of this Policy, **We** and **You** agree as follows with respect to the purchased Coverage Modules, as indicated in the Declarations and attached to this Policy.

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Technology Protection Module
Policy wording

I. Insuring Agreement

Technology Protection Coverage

A. **We** will pay on **Your** behalf covered **Damages** and covered **Claim Expenses** in excess of the **Retention** if the performance of **Business Activities**, including the supply, provision or delivery of **Technology Products**, for others by **You** or by others on **Your** behalf (including **Your** subcontractors, outsourcers or independent contractors) on or after the **Retroactive Date** results in a **Claim** first made against **You** during the **Policy Period** (or any purchased **Optional Extended Reported Period**) and reported pursuant to the terms of the Policy for any actual or alleged:

a. Breach of Contract: meaning, the unintentional breach of a written contract between **You** and **Your Client**, including a written Service Level Agreement forming part of such contract, brought by a **Client**;

b. Negligence: meaning, breach of any duty to use reasonable care, negligent misrepresentation or negligent publication;

c. Breach of Confidentiality: meaning, breach of duty of confidentiality, unauthorized interception or recording of images or sound in violation of any civil anti-wiretap statute, or invasion of privacy, including false light, intrusion upon a person's seclusion or misappropriation of a person's picture, name or voice for commercial gain;

d. Intellectual Property Infringement: meaning, intellectual property infringement (but not any patent infringement or misappropriation of trade secret), including but not limited to copyright infringement (including software copyright infringement), trademark infringement, trademark dilution, trade dress infringement, publicity rights violations, cyber squatting violations, moral rights violations, any act of passing-off or any misappropriation of formats, characters, trade names, character names, titles, plots, musical compositions, voices, slogans, graphic material or artwork;

e. Unfair Practices: meaning, unfair competition, deceptive trade practices or false designation of origin, but only if alleged in connection with a covered **Claim** under d. above;

f. Defamation: meaning, defamation, including but not limited to libel, slander, trade libel, product disparagement or injurious falsehood; or

g. Emotional Distress: meaning, the unintentional infliction of emotional distress, but only if alleged in connection with a covered **Claim** for negligent publication, invasion of privacy or defamation under b., c. and f. above.

Network Security and Privacy Events

B. **We** will pay on **Your** behalf covered **Damages** and covered **Claim Expenses** in excess of the **Retention** if the performance of **Business Activities**, including the supply, provision or delivery of **Technology Products**, for others by **You** or by others on **Your** behalf (including **Your** subcontractors, outsourcers or independent contractors) on or after the **Retroactive Date** results in a **Claim** covered in I.A. arising from negligence by **You** or by others on **Your** behalf (including **Your** subcontractors, outsourcers or independent contractors) that results in:

a. Network Security or Privacy Events: meaning:

1. transmission of malicious software such as a computer virus, worm, logic bomb, Trojan horse;
2. a denial of service attack against a third party;
3. the unauthorized acquisition, access, use, or disclosure of **Personally Identifiable Information** or confidential corporate information that is held or transmitted in any form;
4. prevention of authorized electronic access to any computer system, **Personally Identifiable Information** or confidential corporate information; or
5. damage to any third party digital asset.

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II. Coverage Enhancements

We will also make the following payments, which amounts will reduce the applicable Limit of Liability for this Coverage Module.

Contractual Fees

A. In the event **Your Client** refuses to pay **Your** contractually agreed fees (including any amount **You** are legally liable to pay a subcontractor as of the date **Your Client** first refuses to pay), and **You** satisfy **Us** that:

   a. **You** do not have reasonable grounds to legally compel payment of the amount owed; and

   b. there is written evidence from **Your Client** that they intend to make a **Claim** against **You** that is reasonably likely to result in covered **Damages** greater than the amount that **You** are owed;

   then **We** will pay the amount that **You** are owed in excess of the **Retention** (excluding any amount for **Your** lost profit, mark-up and liability for taxes or its equivalent) if **You** satisfy **Us** that **Our** payment is reasonably likely to fully and finally resolve all known **Claims** and **Potential Claims** by that **Client**.

   If a **Claim** is still subsequently made against **You** following **Our** payment of **Your** outstanding fees, then any resulting **Damages** and **Claim Expenses** from such **Claim** will be reduced by the amount paid by **Us**.

Declaratory Relief

B. In the event that:

   a. a claimant has advised **You**, in writing, that **You** are committing copyright or trademark infringement;

   b. after that claimant has asserted such a written **Claim**, and after **You** have filed a declaratory relief action directly in response to that **Claim**, the claimant files a counterclaim against **You** alleging copyright or trademark infringement; and

   c. the counterclaim is covered under this Policy and pending against **You** while **You** are prosecuting **Your** declaratory relief action;

   then **We** will pay reasonable attorneys' fees in excess of the **Retention** to prosecute **Your** own declaratory relief action.

Contractual Indemnities – Third Party Claims

C. In the event that **You** contractually agree to indemnify **Your Client** for covered **Damages** and/or covered **Claim Expenses** resulting from a **Claim** made against **Your Client** and reported to **Us** during the **Policy Period** (or any purchased **Optional Extended Reported Period**) for any actual or alleged:

   a. infringement of intellectual property (other than patent infringement or trade secret misappropriation) by **You** or others on **Your** behalf; or

   b. breach of duty of confidentiality by **You** or others on **Your** behalf;

   then we will pay on **Your** behalf all such covered **Damages** and covered **Claim Expenses** in excess of the **Retention**.

Contractual Indemnities – Client Breach Costs

D. In the event that **You** contractually agree to indemnify **Your Client** for covered **Computer Forensic Costs**, **Notification Costs**, **Credit or Identity Protection Costs** or **Crisis Management and Public Relations Costs** resulting from a **Breach** occurring on or after the **Retroactive Date** and first discovered by **You** during the **Policy Period** (and reported pursuant to the terms of the Policy), then **We** will pay on **Your** behalf all such covered **Computer Forensic Costs, Notification Costs**, **Credit or Identity Protection Costs** and **Crisis Management and Public Relations Costs**, but only if **You** purchased the Breach Costs Module and only to the extent such costs would have been paid by **Us** under the Breach Costs Module had **You** incurred them.

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Breach Costs Module
Policy wording

I. Insuring Agreement

Breach Costs Coverage

We will pay **Breach Costs** in excess of the **Retention** resulting from a **Breach** occurring on or after the **Retroactive Date** that is first discovered by **You** during the **Policy Period**.

II. Sub limits of Liability

A. Policy Sub-Limits

Notwithstanding anything in the Policy to the contrary, **Our** liability for all **Computer Forensic Costs**, **Notification Costs**, **Credit or Identity Protection Costs** and **Crisis Management and Public Relations Costs** will not exceed the corresponding 'Policy Sub-Limit' amount(s) set forth in Item 4.b. of the Declarations, which amounts will be part of, and not in addition to, the **Policy Limit**.

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Privacy Protection Module
Policy wording

I. Insuring Agreement

Privacy Protection Coverage

We will pay on **Your** behalf covered **Damages** and covered **Claim Expenses** in excess of the **Retention** if the performance of **Your** operations by **You** or by anyone on **Your** behalf (including **Your** subcontractors, outsourcers or independent contractors) on or after the **Retroactive Date** results in a **Claim** first made against **You** during the **Policy Period** (or any purchased **Optional Extended Reported Period**) and reported pursuant to the terms of the Policy for any actual or alleged:

a. Legal Violation: meaning, **Your** violation of any privacy law or consumer data protection law protecting against disclosure of **Personally Identifiable Information** or confidential corporate information;

b. Negligence: meaning, **Your** breach of common law duty with regard to **Personally Identifiable Information** or confidential corporate information;

c. Breach of Contract: meaning, **Your** unintentional breach of a written contract or public facing privacy policy with regard to **Personally Identifiable Information** or confidential corporate information, including **Your** unintentional breach of a written contract with a merchant bank or payment processor to comply with a **PCI Standard** due to **Your** failure to maintain the security or confidentiality of payment card data;

d. Regulatory Action: meaning, any civil regulatory action brought against **You** by a regulator in connection with a. through c. above;

e. Deceptive Trade Practices: meaning, **Your** deceptive trade practices but only when asserted against **You** in conjunction with and based on the same allegations as a covered **Claim** under a. through c. above; or

f. Negligent Network Security: meaning, negligence by **You** or by others on **Your** behalf (including **Your** subcontractors, outsourcers or independent contractors) in securing **Your** computer system which results in:

   1. transmission of malicious software such as a computer virus, worm, logic bomb or Trojan horse;
   2. a denial of service attack against a third party;
   3. the unauthorized acquisition, access, use, or disclosure of **Personally Identifiable Information** or confidential corporate information that is held or transmitted in any form;
   4. prevention of authorized electronic access to any computer system, **Personally Identifiable Information** or confidential corporate information; or
   5. damage to any third party digital asset.

g. Emotional Distress: meaning, the unintentional infliction of emotional distress, but only if alleged in connection with a covered **Claim** under a. through f. above.

II. Sublimits of Liability and Coinsurance

A. Regulatory Action Sub-Limit

The "**Regulatory Action Sub-Limit**" set forth in Item 4.b. of the Declarations is the maximum **We** will pay in the aggregate for all covered **Claim Expenses** and **Damages**, including civil or regulatory fines or penalties that are not compensatory in nature, for all **Claims** covered under Clause I., Insuring Agreement, subparagraph d. of this Privacy Protection Module.

The **Regulatory Action Sub-Limit** is part of, and not in addition to, the **Policy Limit**.

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B. Regulatory Compensatory Sub-Limit

The "**Regulatory Compensatory Sub-Limit**" set forth in Item 4.b. of the Declarations is the maximum **We** will pay in the aggregate for all covered **Damages** that are intended to compensate the individuals or entities to whom the **Personally Identifiable Information** or confidential corporate information relates, for all **Claims** covered under Clause I., Insuring Agreement, subparagraph d. of the Privacy Protection Module.

The **Regulatory Compensatory Sub-Limit** is part of, and not in addition to, the **Policy Limit**.

Regulatory Compensatory Coinsurance

Payment of **Damages** that are compensatory in nature will be subject to a co-insurance of 25%, which amount will be paid by **You**.

C. PCI Fines/Penalties Sub-Limit

The "**PCI Fines/Penalties Sub-Limit**" set forth in Item 4.b. of the Declarations is the maximum **We** will pay in the aggregate for all covered **PCI Fines/Penalties**.

The **PCI Fines/Penalties Sub-Limit** is part of, and not in addition to, the **Policy Limit**.

III. Coverage Enhancements

We will also make the following payments, which amounts will reduce the applicable Limit of Liability for this Coverage Module.

Contractual Indemnities – Third Party Claims

A. In the event that **You** contractually agree to indemnify **Your Client** for covered **Damages** and/or covered **Claim Expenses** resulting from a **Claim** made against **Your Client** and reported to **Us** during the **Policy Period** (or any purchased **Optional Extended Reported Period**) arising out of **Your** actual or alleged:

a. violation of any privacy law or consumer data protection law protecting against disclosure of **Personally Identifiable Information** or confidential corporate information;

b. breach of common law duty with regard to **Personally Identifiable Information** or confidential corporate information; or

c. unintentional breach of a written contract or public facing privacy policy with regard to **Personally Identifiable Information** or confidential corporate information;

then we will pay on **Your** behalf all such covered **Damages** and covered **Claim Expenses** in excess of the **Retention**.

Contractual Indemnities – Client Breach Costs

B. In the event that **You** contractually agree to indemnify **Your Client** for covered **Computer Forensic Costs**, **Notification Costs**, **Credit or Identity Protection Costs** or **Crisis Management and Public Relations Costs** resulting from a **Breach** occurring on or after the **Retroactive Date** and first discovered by **You** during the **Policy Period** (and reported pursuant to the terms of the Policy), then **We** will pay on **Your** behalf all such covered **Computer Forensic Costs**, **Notification Costs**, **Credit or Identity Protection Costs** and **Crisis Management and Public Relations Costs**, but only if **You** purchased the Breach Costs Module and only to the extent such costs would have been paid by **Us** under the Breach Costs Module had **You** incurred them.

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Multimedia Protection Module
Policy wording

I. Insuring Agreement

Multimedia Protection Coverage

We will pay on **Your** behalf covered **Damages** and covered **Claim Expenses** in excess of the **Retention** if **Your Advertising** or **Your Business Activities** on or after the **Retroactive Date** results in a **Claim** first made against **You** during the **Policy Period** (or any purchased **Optional Extended Reported Period**) and reported pursuant to the terms of the Policy for any actual or alleged:

a. Intellectual Property Infringement: meaning, intellectual property infringement, but not any patent infringement or misappropriation of trade secret, including but not limited to copyright infringement, trademark infringement, trademark dilution, trade dress infringement, publicity rights violations, cyber squatting violations, moral rights violations, any act of passing-off or any misappropriation of formats, characters, trade names, character names, titles, plots, musical compositions, voices, slogans, graphic material or artwork;

b. Emotional Distress: meaning, unintentional infliction of emotional distress or outrage based on harm to the character or reputation of any person or entity;

c. Breach of License: breach of a license **You** have acquired to use a third party's trademark and/or copyrighted material, but only to the extent **Your** use inadvertently exceeds limitations expressly set forth in the license regarding the territory, duration, or media in which the material may be used and only if such breach is asserted in conjunction with and based on the same factual allegations as a **Claim** for copyright infringement or trademark infringement;

d. Invasion of Privacy: meaning, false light, intrusion upon a person's seclusion or misappropriation of a person's picture, name, or voice for commercial gain;

e. Defamation: meaning, any form of defamation, including but not limited to libel, slander, trade libel, product disparagement or injurious falsehood;

f. Unfair Practices: meaning, unfair competition, deceptive business practices, or false designation of origin, but only when asserted in conjunction with and based on the same allegations as a **Claim** under a. above; or

g. Negligence: meaning, breach of any duty to use reasonable care, negligent misrepresentation or negligent publication, but only where arising from the substance of any communication, including but not limited to language, data, facts, fiction, music, photographs, images, artistic expression or visual or graphic materials.

II. Coverage Enhancements

We will also make the following payments, which amounts will reduce the applicable Limit of Liability for this Coverage Module.

Declaratory Relief

A. In the event that:

a. a claimant has advised **You**, in writing, that **You** are committing copyright or trademark infringement;

b. after that claimant has asserted such a written **Claim**, and after **You** have filed a declaratory relief action directly in response to that **Claim**, the claimant files a counterclaim against **You** alleging copyright or trademark infringement; and

c. the counterclaim is covered under this Policy and pending against **You** while **You** are prosecuting **Your** declaratory relief action;

then **We** will pay reasonable attorneys' fees in excess of the **Retention** to prosecute **Your** own declaratory relief action.

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Miscellaneous Professional Protection Module
Policy wording

I. Insuring Agreement

Miscellaneous Professional Protection Coverage

We will pay on **Your** behalf covered **Damages** and covered **Claim Expenses** in excess of the **Retention** if the performance of **Business Activities** for others by **You** or by others on **Your** behalf (including **Your** subcontractors, outsourcers or independent contractors) on or after the **Retroactive Date** results in a **Claim** first made against **You** during the **Policy Period** (or any purchased **Optional Extended Reported Period**) and reported pursuant to the terms of the Policy for any actual or alleged negligent act, error, omission or breach of any duty to use reasonable care.

II. Coverage Enhancements

We will also make the following payments, which amounts will reduce the applicable Limit of Liability for this Coverage Module.

Contractual Fees

A. In the event **Your Client** refuses to pay **Your** contractually agreed fees (including any amount **You** are legally liable to pay a subcontractor as of the date **Your Client** first refuses to pay), and **You** satisfy **Us** that:

   a. **You** do not have reasonable grounds to legally compel payment of the amount owed; and

   b. there is written evidence from **Your Client** that they intend to make a **Claim** against **You** that is reasonably likely to result in covered **Damages** greater than the amount that **You** are owed;

   then **We** will pay the amount that **You** are owed in excess of the applicable **Retention** (excluding any amount for **Your** lost profit, mark-up and liability for taxes or its equivalent) if **You** satisfy **Us** that **Our** payment is reasonably likely to fully and finally resolve all known **Claims** and **Potential Claims** by that **Client**.

   If a **Claim** is still subsequently made against **You** following **Our** payment of **Your** outstanding fees, then any resulting **Damages** and **Claim Expenses** from such **Claim** will be reduced by the amount paid by **Us**.

Declaratory Relief

B. In the event that:

   a. a claimant has advised **You**, in writing, that **You** are committing copyright or trademark infringement;

   b. after that claimant has asserted such a written **Claim**, and after **You** have filed a declaratory relief action directly in response to that **Claim**, the claimant files a counterclaim against **You** alleging copyright or trademark infringement; and

   c. the counterclaim is covered under this Policy and pending against **You** while **You** are prosecuting **Your** declaratory relief action;

   then **We** will pay reasonable attorneys' fees in excess of the **Retention** to prosecute **Your** own declaratory relief action.

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Hacker Damage Module
Policy wording

I. Insuring Agreement

Hacker Damage Coverage

We will pay **Hacker Damage Costs** in excess of the **Retention** resulting from a **Hacker Damage Event** that first occurs and is discovered by **You** during the **Policy Period** and reported pursuant to the terms of the Policy.

II. Sub limits of Liability

Notwithstanding anything in the Policy to the contrary, **Our** liability for all **Consulting Costs** will not exceed the corresponding “Policy Sub-Limit” amount(s) set forth in Item 4.b. of the Declarations, which amounts will be part of, and not in addition to, the **Policy Limit**.

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Cyber Business Interruption Module

Policy wording

I. Insuring Agreement

Cyber Business Interruption Coverage

We will pay on **Your** behalf **Business Interruption Costs** resulting from a **Business Interruption Event** in excess of the **Retention** that first occurs and is discovered by **You** during the **Policy Period** and reported pursuant to the terms of the Policy.

However, as a condition precedent to **Our** obligation to pay **Business Interruption Costs**, **You** must take reasonable steps to minimize or avoid the **Business Interruption Event** at **Your** own expense.

II. Sub limits of Liability

Notwithstanding anything in the Policy to the contrary, **Our** liability for all **Consulting Costs** will not exceed the corresponding 'Policy Sub-Limit' amount(s) set forth in Item 4.b. of the Declarations, which amounts will be part of, and not in addition to, the **Policy Limit**.

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Cyber Extortion Module
Policy wording

I. Insuring Agreement

Cyber Extortion Coverage	**We** will pay on **Your** behalf **Cyber Extortion Costs** in excess of the **Retention** resulting from a **Cyber Extortion Event** that is first made against **You** during the **Policy Period** and reported pursuant to the terms of the Policy.

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General Terms and Conditions
Policy wording

I. Defense and Settlement

Defense

A. With respect to the Technology Protection Module, Privacy Protection Module, Miscellaneous Professional Protection Module and Multimedia Protection Module:

1. **We** will have the right and the duty to defend any covered **Claim**, even if such **Claim** is groundless, false or fraudulent.
2. **We** will have the right to appoint defense counsel upon being notified of such **Claim**.

   You may, however, select **Your** own defense counsel from the pre-approved Hiscox Technology Preferred Counsel List without **Our** prior written consent.

   You may also request in writing the right to appoint defense counsel that is not on the pre-approved Hiscox Technology Preferred Counsel List, but whether to grant such request will be at **Our** sole discretion.
3. Notwithstanding paragraph 2., **We** will have no obligation to pay **Claim Expenses** until **You** have satisfied the applicable **Retention**.
4. **Our** duty to defend will terminate upon the exhaustion of the applicable Limit of Liability as set forth in Item 3. or Item 4.a. or 4.b. of the Declarations.

Settlement

B. 1. **We** will have the right to solicit and negotiate settlement of any **Claim** or **First Party Event**.
2. **You** must notify **Us** immediately if **You** receive any settlement demands or offers, but **You** cannot settle any **Claim** or **First Party Event** or assume any obligation without **Our** prior consent.
3. **We** will not, however, enter into a settlement unless **You** and **We** agree, which agreement will not be unreasonably withheld.
4. If **You** refuse to agree to any settlement recommended by **Us**, **Our** liability for such **Claim** or **First Party Event** will not exceed the amount for which such **Claim** or **First Party Event** could have been settled plus **Claim Expenses** incurred up to the date of such refusal.

II. Notice

Notice

A.

Claims

1. **You** must notify **Us** of **Claims** against **You** as soon as practicable once such **Claim** is known to an **Executive**, but in all events no later than: (a) the end of the **Policy Period**; or (b) 30 days after the end of the **Policy Period** for **Claims** made against **You** in the last 30 days of the **Policy Period**.

   Proper notification of **Claims** must be sent in accordance with the notification details set forth on the Declarations.

Potential Claims

You may notify **Us** of **Potential Claims** under this Policy once such **Potential Claim** is known to an **Executive**. If **You** do, such notification must be provided as soon as practicable and within the **Policy Period**, and must, to the full extent possible, identify the particulars of the **Potential Claim**, including identifying the potential claimant(s), the likely basis for alleged liability, the likely demand for relief, and any additional information about the **Potential Claim** that **We** reasonably request. If such a **Potential Claim** notification is made to **Us**, then **We** will treat any **Claim** arising from the same particulars as that notification as if it had first been made against **You** on the date **You** properly notified **Us** of the **Potential Claim**, even if the **Claim** is first made against **You** after the **Policy Period** has expired. Proper notification of **Potential Claims** must be sent in accordance with the notification details set forth on the Declarations.

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First Party Events

2. **You** must promptly notify **Us** of a **First Party Event** once such **First Party Event** is first discovered by **You**, but in any event no later than:

   a. with respect to a **Breach**: (a) the end of the **Policy Period**; or (b) 30 days after the end of the **Policy Period** for **Breaches** first discovered by **You** in the last 30 days of the **Policy Period**;

   b. with respect to **First Party Events** other than a **Breach**: (a) the end of the **Policy Period**; or (b) ten days after the end of the **Policy Period** for **First Party Events** (other than **Breaches**) first discovered by **You** in the last 10 days of the **Policy Period**.

   Proper notification of **First Party Events** must be sent in accordance with the notification details set forth on the Declarations.

   In addition, **You** must also inform, or allow **Us** to inform, the appropriate law enforcement authorities for any **First Party Event** requiring such notification.

Optional Extended Reporting Period

B. 1. If **We** or the **Named Insured** cancel or non-renew this Policy, then the **Named Insured** will have the right to purchase for an additional premium an Optional Extended Reporting Period. Provided, however, the right to purchase an Optional Extended Reporting Period will not apply if:

   a. this Policy is cancelled by **Us** for non-payment of premium;

   b. the total premium for this Policy has not been fully paid; or

   c. **You** have purchased replacement coverage.

2. The Optional Extended Reporting Period will apply only to any **Claims** that:

   a. are first made against **You** and reported to **Us** during such Optional Extended Reporting Period; and

   b. result from **Business Activities** performed on or after the **Retroactive Date** but prior to the effective date of cancellation or non-renewal.

3. The additional premium and effective dates will be set forth in the Purchased Extended Reporting Period Endorsement.

4. Notice of election and full payment of the additional premium for the Optional Extended Reporting Period must be received within 30 days after the effective date of cancellation or non-renewal. In the event the additional premium is not received within the 30 days, any right to purchase the Optional Extended Reporting Period will lapse and no further Optional Extended Reporting Period will be offered.

The Limits of Liability applicable during any purchased Optional Extended Reporting Period will be the remaining available **Policy Limit** under the cancelled or non-renewed Policy. There will be no separate or additional Limit of Liability available for any purchased Optional Extended Reporting Period and the purchase of any Optional Extended Reporting Period will in no way increase the **Policy Limit** or any Policy Sub-Limit.

III. Limits of Liability, Retention and Related Claims

Limit of Liability

A. Regardless of the number of purchased Coverage Modules, the maximum that **We** will be liable to pay for all **Damages**, **Claim Expenses** and **First Party Losses** will be as follows:

1. The **Policy Limit** set forth in Item 3. of the Declarations will be the maximum amount **We** will be liable to pay for all **Damages**, **Claim Expenses** and **First Party Losses** under all purchased Coverage Modules combined, regardless of the number of **Claims** or **First Party Events**.

2. The “Coverage Module Limit of Liability” set forth in Item 4.a. of the Declarations will be the maximum amount **We** will be liable to pay for all **Damages**, **Claim Expenses** and **First**

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Party Losses under each Coverage Module, regardless of the number of **Claims** or **First Party Events** under such Coverage Module.

3. Any Policy Sub-Limit set forth in Item 4.b. of the Declarations and described in any purchased Coverage Module will be part of, and not in addition to, the **Policy Limit**.

Retention

B. 1. **We** will not be responsible for payment of **Damages**, **Claim Expenses** or **First Party Losses** until the **Retention** amount set forth in Item 4.a. has been satisfied and such **Retention** must be paid by **You** and cannot be insured.

Solely with respect to the **Retention** for the Business Interruption Module, if purchased, such **Retention** will not commence until **You** first discover the **Business Interruption Event**.

2. In the event a **Claim** and/or **First Party Event** triggers multiple **Retentions**, only the **Retention** with the highest monetary value will apply.

3. **We** may at **Our** sole discretion advance payment of **Damages**, **Claim Expenses** or **First Party Losses** within the **Retention** amount on **Your** behalf, but **You** will reimburse **Us** for any such amounts as soon as **We** request such reimbursement.

Related Claims/First Party Events

C. For purposes of the applicable **Retention** and **Policy Limit**:

1. all **Claims** arising from **Related Matters** will be considered a single **Claim** made against **You** on the date the first such **Claim** was made;

2. all **First Party Events** arising from **Related Matters** will be considered a single **First Party Event** first discovered by **You** on the date the first such **First Party Event** was discovered by **You**; notwithstanding the foregoing, all **Business Interruption Events** arising from **Related Matters** will each be subject to the **Retention**; and

3. all **Claims** arising from a **First Party Event** will be considered a single **Claim** made against **You** on the date the first such **First Party Event** was discovered by **You**.

IV. Other Matters Affecting Coverage

Cancellation

A. 1. This Policy may be canceled by the **Named Insured** by giving advance written notice to **Us** at the address set forth in Item 8. of the Declarations stating when thereafter such cancellation will be effective.

2. This Policy may be canceled by **Us** by mailing to the **Named Insured** by registered, certified or other first class-mail, at the **Named Insured's** address set forth in Item 1. of the Declarations, written notice stating when the cancellation will be effective, such date not to be less than 60 days thereafter (or 10 days thereafter when cancellation is due to nonpayment of premium).

3. The mailing of such notice will be sufficient proof of notice and this Policy will terminate at the date and hour specified in such notice.

4. If this Policy is canceled by the **Named Insured**, **We** will retain the customary short rate portion of the premium.

5. If this Policy is canceled by **Us**, **We** will retain the pro rata portion of the premium.

6. Payment or tender of any unearned premium by **Us** will not be a condition precedent to the effectiveness of the cancellation, but such payment will be made as soon as practicable.

Insured Duty to Cooperate

B. **You** must provide **Us** with full, timely, and accurate information about all **Claim(s)**, **Potential Claims,** and **First Party Events** that **You** have notified to **Us** under this Policy. If **You**, or anyone on **Your** behalf, try to deceive **Us** by deliberately giving **Us** false information in connection with such a notification, **We** immediately will be relieved of all obligations under this Policy with respect to the notification at issue, including **Our** duty to defend **You**.

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If **We** have accepted notice of any **Claim**, **Potential Claim**, or **First Party Event** under this Policy, then **You** must:

1. give **Us**, or anyone appointed by **Us**, at **Your** expense, all the assistance, cooperation and information which **We** reasonably require under this Policy, and **You** must do anything which **We** reasonably request to avoid, minimize, or resolve any **Claim, Potential Claim**, or **First Party Event**, including paying the **Retention** when requested by **Us**; and
2. notify **Us** as soon as practicable of all settlement offers made by a claimant in connection with such **Claim** or **Potential Claim**.

Changes in Ownership

C. **You** must notify **Us** as soon as practicable if **You** merge with or are acquired by another business. In that event, only coverage under the Technology Protection Module, Privacy Protection Module, Miscellaneous Professional Protection Module and Multimedia Protection Module (if purchased) will continue until the end of the **Policy Period**, and only with respect to **Claims** arising from **Business Activities** performed prior to such merger or acquisition.

Insured Obligation not to Incur Expense or Admit Liability

D. **You** will not, except at **Your** own cost, make any payment, incur any expense, admit any liability or assume any obligation without **Our** prior consent.

Arbitration

E. Any dispute arising out of or relating to this Policy, including but not limited to its construction, application and validity, or any breach thereof, will be resolved only in binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association ('AAA') in effect at the time of the dispute, as amended by this Policy. No award of punitive damages will be made in any such arbitration. Each party will bear its own fees and costs in connection with any such arbitration, but the costs incurred through AAA, including the fees and expenses of the arbitrator, will be shared equally by the parties unless the arbitration award provides otherwise. All arbitration proceedings will be held only in a city where either **You** or **We** have a place of business in the United States, at the election of the party commencing arbitration. The decision of the arbitrator or arbitrators is final and binding and any award may be confirmed and enforced in any court of competent jurisdiction.

Other Insurance

F. Any payment due under this policy is specifically excess of and will not contribute with any other valid and collectible insurance, unless such other insurance is written only as specifically as excess insurance over the **Policy Limit** of this policy.

Subrogation

G. 1. In the event of any payment by **Us** under this Policy, **We** will be subrogated to all of **Your** rights of recovery to such payment.

2. **You** will do everything that may be necessary to secure and preserve such subrogation rights, including but not limited to the execution of any documents necessary to allow **Us** to bring suit in **Your** name.

3. **You** will do nothing to prejudice such subrogation rights without first obtaining **Our** written consent.

4. Any recovery will first be paid to **Us** up to the amount of any **Damages**, **Defense Costs** or **First Party Losses** that **We** have paid. Any remaining amounts will be paid to **You**.

5. Notwithstanding the above, no subrogation will be had against **You**.

Alteration and Assignment

H. No change in, modification of or assignment of any interest under this Policy will be effective unless made by written endorsement to this Policy signed by **Our** authorized representative.

Representations

I. **You** agree that all representations made in connection with the application for this Policy and all materials submitted by **You** or on **Your** behalf in connection with the application to this Policy are true, accurate, and not misleading, and were relied upon by **Us** and were material to **Our** decision to issue this Policy to **You**. If **We** learn that such representations or submitted materials were untrue, inaccurate, or misleading, in any material respect, then **We** are entitled to treat this Policy as if it had never existed.

Bankruptcy or Insolvency

J. **Your** bankruptcy or insolvency will not relieve **Us** of any of **Our** obligations under this Policy.

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Territory

K. Where legally permitted, this Policy will apply to **Business Activities** performed, **Claims** made against **You** and **First Party Events** occurring in the **Geographical Limit**.

Multiple Policies issued by Us

L. Two or more policies may be issued by **Us** to **You**, and these policies may cover **First Party Loss** and/or **Claim(s)** arising from the same matter or **Related Matters**. In such a case, if such **First Party Loss** and/or **Claim(s)** is covered under more than one policy issued by **Us** to **You**, then:

1. all such **First Party Loss** and **Claim(s)** are covered only under the first such policy for which coverage is available; and
2. the **Policy Limit** of the first such Policy for which coverage is available is the maximum **We** will be required to pay in the aggregate for all such **First Party Loss** and **Claim(s)**.

Choice of Law

M. This Policy, including its construction, application and validity, is governed by the laws of the State of New York without reference to that state's choice of law principles.

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Definitions
Policy wording

I. Definitions

Definitions

A. **Advertising** means the online, digital or electronic promotion of the **Named Insured**, any **Subsidiary** or **Your Business Activities** by broadcast, transmission, dissemination, telecast, cablecast, podcast, streaming, publication, republication, or by use of a website or social media.

B. **Breach** means the unauthorized acquisition, access, use, or disclosure of **Personally Identifiable Information**, including but not limited to that resulting from the loss or theft of a device containing such **Personally Identifiable Information**.

C. **Breach Costs** means any of the following reasonable and necessary costs **You** incur with **Our** prior written consent in response to a **Breach** that triggers **Your** notification obligations pursuant to any federal, state, local or foreign statute, rule or regulation or that **You** satisfy **Us** poses a significant risk of financial, reputational or other harm to affected **Data Subjects**:

1. Computer Forensic Costs: costs for computer forensic analysis conducted by outside forensic experts to confirm a **Breach** and to identify the affected **Data Subjects**; as well as outside attorney fees associated with the forensic reports and findings.

2. Notification Costs: the following costs to satisfy **Your** notification obligations:

    1. Legal Notification Costs: legal costs, breach response call center costs and costs to notify a **Data Subject**, a regulator or others (as required); and

    2. Voluntary Notification Costs: costs to voluntarily notify affected **Data Subjects**, but only when **You** satisfy **Us** that the **Breach** poses a significant risk of financial, reputational or other harm to affected **Data Subjects**.

3. Credit or Identity Protection Costs: costs to provide each affected **Data Subject** with one year (or more as required by law) of services to monitor and/or protect such **Data Subject's** credit or identity if required by law or if **You** satisfy **Us** mitigates a significant risk of financial, reputational or other harm to such **Data Subject**.

4. Crisis Management and Public Relations Costs: costs for a public relations or crisis management consultant (and related costs) to: (i) reduce the likelihood of or costs of any **Claim** otherwise covered by this Policy; or (ii) to assist **You** in reestablishing **Your** business reputation.

We will only be responsible to pay such **Breach Costs** for services provided by a firm on the pre-approved Hiscox Preferred Breach Response Providers List.

Prior to a **Breach**, **You** may also request in writing the right to obtain services and incur costs from a firm that is not on the pre-approved Hiscox Preferred Breach Response Providers List, but whether to grant such request will be at **Our** sole discretion.

Breach Costs will not mean, and **We** will have no obligation to pay, any of **Your** own costs, salaries or overhead expenses.

D. **Business Activities** with respect to each module means only those activities set forth in Item 7. of the Declarations as applicable to that module.

E. **Business Interruption Costs** means:

1. Business Interruption Loss Amount: the amount set forth in Item 4.b. of the Declarations for each consecutive hour of the **Business Interruption Event**.

2. Additional Loss Amount: amounts in excess of the "Business Interruption Loss Amount" set forth in Item 4.b. of the Declarations representing the hourly average gross profit **You** have generated in the previous six months, provided that you are able to: (i) provide evidence of such amounts; and (ii) prove to **Us** that **You** reasonably expected more than the "Business Interruption Loss Amount".

3. Extra Expense: the reasonable and necessary expenses **You** incur to mitigate the **Business Interruption Event** that **You** satisfy **Us** are: (i) less than the **Business Interruption Costs** that would have otherwise been incurred; and (ii) in excess of the expenses **You** would have incurred if not for the **Business Interruption Event**.

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4. Consulting Costs: at **Your** request **We** will pay for the following subject to the amount set forth in Item 4.b of the Declarations:

   a. costs for a public relations or crisis management consultant (and related costs) to: (i) reduce the likelihood of or costs of any **Claim** otherwise covered by this Policy; or (ii) to assist **You** in reestablishing **Your** business reputation; or

   b. costs for a computer forensic analysis conducted by outside forensic experts to confirm the identity of the **Hacker**; or

   c. costs for an information security assessment conducted by outside security experts to identify security improvements to prevent a similar **First Party Event**.

F. **Business Interruption Event** means the interruption to or degradation in the availability of **Your** website, intranet, network, computer system, programs, or data resulting in an "income interruption" that lasts in excess of the **Retention** as a direct result of: (i) the activities of a third party that maliciously blocks electronic access to **Your** website, intranet, network, computer system, programs, or data **You** hold electronically; or (ii) a **Hacker**.

   Business Interruption Event will be deemed to end, and **Our** payment related to such **Business Interruption Event** will stop, at the hour after either: (i) the interruption to or degradation in the availability of **Your** website, intranet, network, computer system, programs, or data ceases; or (ii) the "income interruption" ceases.

   For purposes of this definition, "income interruption" means that **Your** gross profit generated on an hourly basis has been reduced to less than 75% of the average hourly gross profit for the 90 day period immediately prior to the impairment or interruption.

G. **Claim** means any written assertion of liability, or any written demand for financial compensation, or injunctive relief made against **You**.

H. **Claim Expenses** means the following that are incurred by **Us** or by **You** with **Our** prior written consent:

   1. all reasonable and necessary fees, costs and expenses (including the fees of attorneys and forensic or other experts) incurred in the investigation, defense and appeal of a **Claim**; and

   2. premiums on appeal bonds, attachment bonds or similar bond. However, **We** will have no obligation to apply for or furnish any such bonds.

   Claim Expenses will not mean and **We** will not be obligated to pay:

   1. overhead costs, general business expenses, salaries or wages incurred by **You**; or

   2. the defense of any criminal investigation, criminal grand jury proceeding, or criminal action.

I. **Client** means any person or entity with whom **You** have entered into a written contract to provide services or deliverables that expressly fall within **Your Business Activities**.

J. **Cyber Extortion Costs** means:

   1. the ransom paid or, if the demand is for goods or services, the fair market value at the time of surrender; and

   2. the reasonable and necessary fees and expenses incurred by a representative appointed by **Us** to provide **You** with assistance;

   provided that **You** can demonstrate to **Us** that the ransom has been surrendered under duress and that before agreeing to its payment **You** have taken all reasonable efforts to determine that the threat is genuine and not a hoax and to ensure that at least one **Executive** has agreed to the ransom's payment.

K. **Cyber Extortion Event** means **Your** receipt, directly or indirectly, of an illegal threat during the **Policy Period** from a third party (other than **You**) to:

   1. damage, destroy or corrupt **Your** website, intranet, network, computer system, any programs **You** use or data **You** hold electronically, including by specifically introducing a computer virus, worm, logic bomb or Trojan horse; or

   2. disseminate, divulge or use any confidential information for which **You** are legally responsible;

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who then demands a ransom for their own benefit as a condition of not carrying out this threat.

However, **Cyber Extortion Event** will not include a fraudulent or criminal act committed by or in collusion with any of **You**, or any person to whom a ransom is entrusted.

L. **Damages** means a monetary judgment or monetary award that **You** are legally obligated to pay (including pre- or post-judgment interest, claimant's attorneys' fees and any award of credit or identity protection services) or a monetary settlement agreed to by **Us** and **You**.

Damages will not mean and **We** will not be obligated to pay:

1. fines, penalties, taxes, sanctions, except under the Privacy Protection Module, if purchased, covered:
   a. civil or regulatory fines or penalties awarded in a "Regulatory Action", if insurable by law; or
   b. **PCI Fines/Penalties**, if insurable by law.
2. any punitive, exemplary, or multiple damages; however, we will pay punitive or exemplary damages to the extent insurable in any applicable jurisdiction that most favors coverage;
3. the return or reduction of fees, commissions, profits, or charges for goods provided or services rendered, except under the Technology Protection Module, if purchased;
4. restitution, disgorgement of profits, or unjust enrichment;
5. the cost of complying with injunctive relief; or
6. amounts **You** agree to indemnify, except to the extent such indemnities are specifically covered under the Technology Protection Module or Privacy Protection Module, if purchased.

M. **Data Subjects** means the natural persons to whom **Personally Identifiable Information** relates.

N. **Effective Control** means:

1. ownership of more than 50% of the issued and outstanding voting securities; or
2. having the right pursuant to written contract, by-laws, charter, operating agreement or similar documents to elect, appoint or designate a majority of the board of directors, management committee members of a partnership or the members of the management board of a limited liability company (or equivalent management structure).

O. **Employee** means an individual performing employment duties on **Your** behalf in the ordinary course of **Your Business Activities** and who is subject to **Your** sole control and direction and to whom **You** supply the instrumentalities and place of work necessary to perform such **Business Activities**, but only while acting in their capacity as **Your Employee**. However, **Employee** will not include any independent contractor.

P. **Executive** means any board member, trustee, director or officer, including but not limited to any executive officer, in-house counsel, risk manager, chief technology officer, chief information officer, and chief privacy officer, of the **Organization**, but only while acting in their capacity as such.

Q. **First Party Event** means a **Breach**, a **Business Interruption Event**, a **Cyber Extortion Event** or a **Hacker Damage Event** under any purchased Coverage Module providing such coverage.

R. **First Party Loss** means **Breach Costs**, **Business Interruption Costs**, **Cyber Extortion Costs** and **Hacker Damage Costs** under any purchased Coverage Module providing such coverage.

S. **Geographical Limit** means the limit stated as the 'geographical limit' as set forth in Item 10. of the Declarations.

T. **Hacker** means anyone, including an **Employee**, who maliciously gains unauthorized access to **Your** website, intranet, network, computer system or data **You** hold electronically via the internet or other external electronic link, solely by circumventing electronically the security systems in place to protect against such unauthorized access. A 'hacker' does not include any **Executive**, or any person who, while on **Your** premises (other than an **Employee** or a third party **You** have expressly permitted to enter the premises), directly gains unauthorized access to any computer system.

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U. **Hacker Damage Costs** means:

1. the reasonable and necessary expenses **You** incur with **Our** prior written consent to replace or repair **Your** website, intranet, network, computer system, programs, or data **You** hold electronically to the same standard and with the same contents before it was damaged, destroyed, altered, corrupted, copied, stolen or misused; or

2. in the event that **Your** website, intranet, network, computer system, programs, or data **You** hold electronically cannot be restored to the same standard and with the same contents before it was damaged, destroyed, altered, corrupted, copied, stolen or misused, **Hacker Damage Costs** will mean the reasonable and necessary expenses **You** incur to make that determination.

Hacker Damage Costs will also mean:

1. Extra Expenses: the reasonable and necessary expenses **You** incur to reduce the **Hacker Damage Event** that **You** satisfy **Us** are: (i) less than the **Hacker Damage Costs** that would have otherwise been incurred; and (ii) in excess of the expenses **You** would have incurred if not for the **Hacker Damage Event**.

2. Consulting Costs: at **Your** request **We** will pay for the following subject to the amount set forth in Item 4.b of the Declarations:

   a. costs for a public relations or crisis management consultant (and related costs) to: (i) reduce the likelihood of or costs of any **Claim** otherwise covered by this Policy**;** or (ii) to assist **You** in reestablishing **Your** business reputation; or

   b. costs for a computer forensic analysis conducted by outside forensic experts to confirm the identity of the **Hacker**; or

   c. costs for an information security assessment conducted by outside security experts to identify security improvements to prevent a similar **First Party Event**.

However, **Hacker Damage Costs** will not mean, and **We** will not be obligated to pay, any amounts to research and/or develop the website, intranet, network, computer system, programs or data, including but not limited to any trade secrets.

V. **Hacker Damage Event** means a **Hacker** either: (i) damaging, destroying, altering, corrupting, or misusing **Your** website, intranet, network, computer system, programs, or data **You** hold electronically; or (ii) copying or stealing any program or data **You** hold electronically.

W. **Named Insured** means the entity set forth in Item 1. of the Declarations.

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

Y. **Payment Card Company Rules** means any payment card company programs, rules, by-laws, policies, procedures, regulations or requirements, including but not limited to VISA's CISP, MasterCard's SDP, Discover Card's DISC and AMEX's DSOP, as amended.

Z. **PCI Standard** means the Payment Card Industry Data Security Standard, as amended.

AA. **PCI Fines/Penalties** means any fine or penalty expressly defined and quantified under the **Payment Card Company Rules** for a violation of a **PCI Standard**; however, **PCI Fines/Penalties** will not mean and **We** will not be obligated to pay:

1. any amounts not expressly defined under the **Payment Card Company Rules** for a violation of a **PCI Standard**;

2. civil penalties;

3. any amounts representing a discretionary fine, whether such amount is assessed against **You** or a merchant bank or payment processor with whom **You** have a written agreement to pay such fines; or

4. any amounts voluntarily agreed to by **You**.

BB. **Personally Identifiable Information** means the following, in any form, that is in **Your** care, custody or control, or in the care, custody or control of any third party for whom **You** are legally liable:

1. non-public individually identifiable information as defined in any federal, state, local or foreign statute, rule or regulation, including but not limited to unsecured protected health

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information as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended, and any rule or regulation promulgated thereunder; or;

2. any: (i) social security number or individual taxpayer identification number; (ii) drivers license number or state identification number; (iii) passport number; or (iv) financial account number or credit or debit card number in combination with any required security code.

CC. **Policy Limit** means the amount set forth in Item 3. of the Declarations.

DD. **Policy Period** means the period of time set forth in Item 2. of the Declarations.

EE. **Potential Claim** means any matter reasonably likely to lead to a **Claim** covered under this Policy.

FF. **Related Matters** means all matters that have as a common nexus any fact, circumstance, situation, event, transaction or cause or series of related facts, circumstances, situations, events, transactions or causes. However, in respect of any **Claim** or **Potential Claim** for any actual or alleged defamation, matters will be deemed related only to the extent the actual or alleged defamatory statements involve or arise from a common set of facts.

GG. **Retention** means the amount set forth in Item 4.a. of the Declarations.

HH. **Retroactive Date** means the date set forth in Item 4.a. of the Declarations.

II. **Subsidiary** means:

1. any entity of which the **Named Insured** has **Effective Control** ("**Controlled Entity**") as of the effective date of the **Policy Period**, either directly or indirectly through one or more **Controlled Entities**;

2. any entity of which the **Named Insured** acquires **Effective Control** during the **Policy Period**, either directly or indirectly through one or more **Controlled Entities**, and whose revenues:

   a. do not exceed 10% of the current annual revenues of the **Named Insured**; or

   b. exceed 10% of the current annual revenues of the **Named Insured**, but only if within 90 days of such acquisition the **Named Insured**:

      i. provides **Us** with written notice of such acquisition and any information **We** require in connection therewith; and

      ii. pays any additional premium and accepts any special terms, conditions, and exclusions in connection therewith.

However, with respect to a **Subsidiary** described in paragraph 2. of this definition, **We** will only cover **Claims** alleging **Business Activities** performed while the **Named Insured** had **Effective Control** of such **Subsidiary**, either directly or indirectly through one or more **Controlled Entities**.

An entity ceases to be a **Subsidiary** once the **Named Insured** no longer has **Effective Control** of such entity, either directly or indirectly through one or more **Controlled Entities**, and this Policy will not respond to **Claims** made against such entity after it ceases to be a **Subsidiary**.

JJ. **Technology Products** means computer or telecommunications hardware, software, firmware, or related electronic equipment.

KK. **We/Us/Our** means **Syndicate(s)** at Lloyd's managed by Hiscox Ltd.

LL. **You/Your/Insured** means the **Organization**, any **Employee** or any **Executive**.

You/Your/Insured will also include any person or entity taking legal control of the **Organization** upon such **Organization's** insolvency or bankruptcy.

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General Exclusions
Policy wording

I. General Exclusions

With respect to all purchased Coverage Modules, this Policy does not apply to and **We** will have no obligation to pay any **Damages**, **Claim Expenses** for any **Claim** or **First Party Loss** for any **First Party Event**:

Conduct Exclusion

A. based upon or arising out of any actual or alleged fraudulent conduct, dishonest conduct, criminal conduct, malicious conduct, conduct committed in reckless disregard of another's rights (but not in respect of any otherwise covered defamation **Claim**), conduct intended to cause harm to another person or business, or any knowing or willful violation of a law, but only if committed by an **Executive** or committed by another whose conduct or violation of the law an **Executive** has ratified or actively condoned;

however, this Exclusion will not apply to any **Claim** unless such conduct or willful violation of law has been established by a final adjudication in any judicial, administrative, or alternative dispute resolution proceeding, or by **Your** own admission in a proceeding or otherwise, at which time **You** will reimburse **Us** for all payments made by **Us** in connection with such conduct or willful violation of the law, and all of **Our** duties in respect of that entire **Claim** will cease.

Intellectual Property Exclusion

B. based upon or arising out of any actual or alleged infringement, use, or disclosure of any intellectual property, including but not limited to copyright infringement, trademark infringement, trademark dilution, trade dress infringement, publicity rights violations, cyber squatting violations, moral rights violations, any act of passing-off or any misappropriation of formats, characters, trade names, character names, titles, plots, musical compositions, voices, slogans, graphic material or artwork;

however, this Exclusion will not apply to the portion of any **Claim** under a Coverage Module **You** have purchased that expressly grants coverage entitled "Intellectual Property Infringement".

Patent/Trade Secret Exclusion

C. based upon or arising out of any actual or alleged infringement, use, misappropriation or disclosure of a patent or a trade secret.

Unfair Competition/Trade Practices Exclusion

D. based upon or arising out of any actual or alleged unfair competition, deceptive trade practices, restraint of trade or antitrust statute, legislation or regulation;

however, this Exclusion will not apply to the portion of any **Claim** under a Coverage Module **You** have purchased that expressly grants coverage entitled "Unfair Practices" or "Deceptive Trade Practices".

Government Investigation/ Enforcement Exclusion

E. based upon or arising out of any actual or alleged governmental investigation or enforcement of any state or federal regulation, including but not limited to any regulation promulgated by the Federal Trade Commission, Federal Communications Commission or the Securities and Exchange Commission or ASCAP, BMI, SESAC, or other similar licensing organization;

however, this Exclusion will not apply to the portion of any **Claim** under the Privacy Protection Module, if purchased, that expressly grants coverage entitled "Regulatory Action".

Securities/Taxation/Fiduciary Exclusion

F. based upon or arising out of any actual or alleged:

1. violation of any federal, state or local securities law, including but not limited to the U.S. Securities Act of 1933 and Securities Exchange Act of 1934, both as amended; or any similar federal, state or common law;
2. violation of any taxation law or regulation(s);
3. breach of any fiduciary duty owed by **You**;

however, this Exclusion will not apply to a **Claim** brought by an **Executive** or an **Employee** that is covered by the Privacy Protection Module, or to a **First Party Event** that is covered by the Breach Costs Module, if purchased.

Racketeering Exclusion

G. based upon or arising out of any actual or alleged collusion, extortion, or threatened violence, violation of racketeering or conspiracy law, including but not limited to violation of the Racketeer Influenced and Corrupt Organizations (RICO) Act and all amendments to this Act or any rules or regulations promulgated under it;

however, this Exclusion will not apply to the Cyber Extortion Module, if purchased.

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Employer Liability Exclusion

H. based upon or arising out of any actual or alleged:

1. liability or breach of any duty or obligation owed by **You** in connection with the operation or administration of any health, pension or employee benefit scheme, plan, trust or fund, including but not limited to violation or alleged violation of any related legislation or regulation such as the Employee Retirement Income Security Act of 1974;

   however, this Exclusion will not apply to a **Claim** brought by an **Executive** or an **Employee** that is covered by the Privacy Protection Module, or **First Party Event** that is covered by the Breach Costs Module, if purchased.

2. liability or breach of any duty or obligation owed by **You** as an employer;

   however, this Exclusion will not apply to a **Claim** brought by an **Executive** or an **Employee** that is covered by the Privacy Protection Module, or **First Party Event** that is covered by the Breach Costs Module, if purchased.

3. harassment, wrongful termination, retaliation or discrimination, including but not limited to adverse or disparate impact;

4. liability or breach of any duty or obligation owed to **You** and/or **Your** shareholders by any of **Your** current or former **Executives**, in their capacity as such.

Chargeback Exclusion

I. based upon or arising out of any actual or alleged chargeback, liability, or fee incurred by **You** or **Your Client** as a result of a merchant service provider, including any credit card company or bank, wholly or partially reversing or preventing a payment transaction;

however, this Exclusion will not apply to the Privacy Protection Module, if purchased.

Insured vs. Insured Exclusion

J. made against **You** by:

1. the **Organization**;
2. any **Executive** or **Employee**;

   however, this Exclusion will not apply to:

   a. a **Claim** brought by an **Executive** or an **Employee** that is covered by the Privacy Protection Module, if purchased;

   b. any otherwise covered **Claim** solely based on **Business Activities** performed when such **Executive** or **Employee** was not working for the **Named Insured** or **Subsidiary**;

3. any entity in which **You** directly or indirectly hold more than a 15% ownership interest, or that **You** directly or indirectly manage, control, or operate, in whole or in part; or
4. any person or entity that directly or indirectly holds more than a 15% ownership interest in **You**, or that directly or indirectly owns, manages, controls, or operates **You**, in whole or in part.

Sweepstakes/Gambling/ Lotteries Exclusion

K. based upon or arising out of any actual or alleged provision of any sweepstakes, gambling activities, or lotteries.

Pending/Prior Litigation/Notice/Event Exclusion

L. based upon or arising out of:

1. any prior or pending litigation, **Claim**, written demand, arbitration, administrative or regulatory proceeding or investigation which was filed or commenced against **You** and of which **You** had notice prior to the first date of the **Policy Period** (or if this Policy is a renewal then prior to the first date of the first policy issued to **You** by **Us** and from which the current Policy forms an unbroken chain of successive policies issued to **You** by **Us**);
2. any actual or alleged matter that prior to the first date of the **Policy Period** (or if this Policy is a renewal then prior to the first date of the first policy issued to **You** by **Us** and from which the current Policy forms an unbroken chain of successive policies issued to **You** by **Us**), **You** knew or reasonably ought to have known would be likely to lead to a **Claim** or **First Party Event**;
3. any **Claim**, **Potential Claim**, or **First Party Event**, which has been the subject of any written notice given under any other policy before the effective date of this Policy; or

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4. the same or **Related Matters** as any **Claim**, **Potential Claim**, or **First Party Event** referenced in 1., 2., or 3. above.

War Exclusion

M. based upon or arising out of any actual or alleged armed struggle, civil unrest or conflict or any nationalization, confiscation, requisition, expropriation, appropriation, seizure or destruction of property by or under the order of any government or public, civil or local authority.

Terrorism Exclusion

N. based upon or arising out of any actual or alleged act or threatened act of terrorism, including but not limited to the use of force or violence, of any person(s) or group(s) of persons whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear;

however, this Exclusion will not apply to the Privacy Protection Module, Breach Costs Module, Business Interruption Module, Cyber Extortion Module, and/or Hacker Damage Module, if purchased, unless such act of terrorism is a Certified Act of Terrorism, as defined in the Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA), as amended.

Pollution Exclusion

O. based upon or arising out of any actual or alleged pollution, contamination or toxic exposure, including but not limited to any pollution, contamination or toxic exposure caused by or arising out of the following: noise, electromagnetic fields, radio waves, nuclear radiation, or radioactive contamination; or the mining, processing, manufacturing, use, testing, ownership, sale or removal of asbestos, asbestos fibers or material containing asbestos; or exposure to asbestos, asbestos fibers or materials containing asbestos; or the provision of instructions, recommendations, notices, warnings supervision or advice given, or which should have been given, in connections with asbestos, asbestos fibers or structures or materials containing asbestos.

Bodily Injury Exclusion

P. based upon or arising out of any actual or alleged bodily injury, including but not limited to death, mental injury, and mental disease;

however, this Exclusion will not apply to the portion of a Coverage Module **You** have purchased that expressly grants coverage entitled “Emotional Distress”.

Property Damage Exclusion

Q. based upon or arising out of any actual or alleged damage to, or destruction or loss of use of any tangible property;

however, this Exclusion will not apply to damage to data, or destruction or loss of use of data.

Infrastructure Interruption Exclusion

R. based upon or arising out of any actual or alleged failure or interruption of service provided by an internet service provider, telecommunications provider, utility provider or other infrastructure provider.

Repair/Replace/Recall Exclusion

S. based upon or arising out of any actual or alleged repair, upgrade, correction, recall, replacement, withdrawal, removal or disposal costs incurred by **You** or others;

however, this Exclusion will not apply to a **Claim** alleging the loss of use of **Technology Products** that is covered by the Technology Protection Module, if purchased.

False Or Misleading Advertising Exclusion

T. based upon or arising out of any actual or alleged false or misleading advertisement;

however, this Exclusion will not apply to the portion of a Coverage Module **You** have purchased that expressly grants coverage for trademark infringement or false designation of origin based on **Your** alleged unauthorized use of another’s trademark.

Spam Exclusion

U. based upon or arising out of any actual or alleged violation of any federal, state, local or foreign statutes, ordinances, regulations or other laws regarding or relating to unsolicited telemarketing, solicitations, emails, faxes, text messages, mobile video messages, or any other communications of any type or nature, including but not limited to any anti-spam or do-not-call statutes.

Collection Of Data Without Knowledge Exclusion

V. based upon or arising out of any actual or alleged collection of **Personally Identifiable Information** by **You** (or others on **Your** behalf) without the knowledge or permission of the

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Data Subject, or use of **Personally Identifiable Information** by **You** (or others on **Your** behalf) in violation of law.

Over-redemption Exclusion

W. based upon or arising out of any actual or alleged price discounts, prizes, awards, money or valuable consideration given in excess of a total contracted or expected amount, including but not limited to over redemption or under redemption of coupons, discounts, awards or prizes.

Fund Transfer Exclusion

X. for any actual or alleged loss, theft or transfer of **Your** funds, monies or securities, or the funds, monies, or securities of others in **Your** care, custody, or control, or in the care, custody or control of any third party for whom **You** are legally liable, including the value of any funds, monies or securities transferred by **You** or others on **Your** behalf.

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Technology Protection Module Exclusions Section

Policy wording

I. Technology Protection Module Exclusions

In addition to Clause I. **General Exclusions** of this Exclusions Section, this Policy does not apply to and **We** will have no obligation to pay any **Damages** or **Claim Expenses** for any **Claim** under the Technology Protection Module:

Insufficient Resources Exclusion

A. based upon or arising out of any actual or alleged:

1. contractual liability where at the time such contract was entered (or amended) **You** were aware or reasonably ought to have been aware that there were not sufficient technical, logistical, or financial resources to perform the contract in accordance with its terms or as otherwise promised, including performing to a standard set forth under a service level agreement.

Exclusivity/Non-compete Exclusion

B. based upon or arising out of any actual or alleged breach of any exclusivity, non-competition, non-solicitation, or other similar commercial terms in **Your** contract with a **Client**.

Third Party Technology Product Defect Exclusion

C. based upon or arising out of any actual or alleged defect in any **Technology Products** that is solely caused by a third party, including but not limited to any third party software supplier, manufacturer or originator;

however, this Exclusion will not apply to: (1) **Claim Expenses We** pay on **Your** behalf to defend such **Claims** but only until (if ever) there is a finding in any legal proceeding (including any arbitration) or any admission that the defect at issue is solely caused by a third party, at which time **Our** duty to defend **You** will end and **You** will reimburse **Us** for all **Claim Expenses** that **We** have paid toward that **Claim**, or (2) any amount **You** satisfy **Us** that **You** are legally able to recover under a written contract.

Ceased Product/Service Exclusion

D. based upon or arising out of any actual or alleged commercial decision to cease providing a particular product or service.

Commercial Dispute Exclusion

E. based upon or arising out of any actual or alleged commercial dispute with **your** business partner or business associate, including but not limited to any reseller, distributor, original equipment manufacturer, third-party sales agent, systems integrator, or joint venturer, but only to the extent such a **Claim** is based upon:

1. a commission or royalty, or any other term upon which such partner or associate is to be compensated in connection with doing business with **You**, or any compensation or remuneration promised or owed by **You** pursuant to those terms; or
2. **Your** decision to cease doing business with such a partner or associate.

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Multimedia Protection Module Exclusions Section

Policy wording

I. Multimedia Protection Module Exclusions

In addition to Clause I. **General Exclusions** of this Exclusions Section, this Policy does not apply to and **We** will have no obligation to pay any **Damages** or **Claim Expenses** for any **Claim** under the Multimedia Protection Module:

Architectural or Product Design Exclusion

A. based upon or arising out of any actual or alleged liability for any product design, industrial design, architectural design, or architectural services.

Contractual Obligation Exclusion

B. based upon or arising out of any actual or alleged contractual obligation owed by **You** or any breach of any written, oral, express or implied contract or warranty;

however, this Exclusion will not apply to any **Claims** arising from **Your** agreement to hold harmless or indemnify a party against losses directly resulting from content supplied to them by **You** but only if such obligation was assumed by **You** prior to any such loss being suffered.

Licensor Payment Exclusion

C. based upon or arising out of any actual or alleged payment owed to a licensor under a license;

however, this Exclusion will not apply to any covered portion(s) of any **Claim** alleging copyright and/or trademark infringement that results in a damage award that is measured by the amount a claimant would have received had **You** paid for a license to use the claimant's infringed work and/or mark.

Technology Services/Products Exclusion

D. based upon or arising out of any actual or alleged liability owed by **You** in connection with software or technology services or products provided by **You** or anyone on **Your** behalf.

Network Security Exclusion

E. based upon or arising out of any actual or alleged failure of computer security, including but not limited to the:

1. transmission of malicious software, including but not limited to a computer virus, worm, logic bomb, Trojan horse;
2. failure to prevent a denial of service attack;
3. failure to prevent authorized access to any computer system, **Personally Identifiable Information** or confidential corporate information held or transmitted in any form;
4. failure to prevent damage to any third party digital asset;

however, this Exclusion will not apply to any unauthorized access to or posting of any online content to **Your** web site that results in a covered **Claim** for defamation, intellectual property infringement, invasion of privacy, outrage, infliction of emotional distress, or negligent publication.

Data Breach Exclusion

F. based upon or arising out of any actual or alleged unauthorized acquisition, access, use, or disclosure of **Personally Identifiable Information** or confidential corporate information that is held or transmitted in any form;

however, this Exclusion will not apply to any otherwise covered **Claim** pursuant to subparagraphs b. and d. of the Insuring Agreement Clause of the Multimedia Protection Module.

Ownership of Content/Material/Services Exclusion

G. based upon or arising out of any actual or alleged disputes with any of **Your** present or former directors, officers, trustees, partners, joint venturers, employees, agents, or independent contractors concerning ownership of or the exercise of rights relating to content, material, or services supplied to **You** by any of them.

Product/Safety/Health Liability Exclusion

H. based upon or arising out of any actual or alleged product liability, safety or health-related liability, or any other liability arising out of the sale, design, manufacture, use or consumption of any products.

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Miscellaneous Professional Protection Module
Exclusions Section
Policy wording

I. Misc. Professional Protection Module Exclusions

In addition to Clause I. **General Exclusions** of this Exclusions Section, this Policy does not apply to and **We** will have no obligation to pay any **Damages** or **Claim Expenses** for any **Claim** under the Miscellaneous Professional Protection Module:

Breach of Contract Exclusion

A. based upon or arising out of any actual or alleged breach of contract;

however, this Exclusion will not apply to liability **You** would have in absence of such contract or agreement.

Assumption of Liability Exclusion

B. based upon or arising out of any actual or alleged liability of others that **You** assume under any contract or agreement.

Warranty/Guarantee Exclusion

C. based upon or arising out of any actual or alleged breach of express warranties or guarantees, including but not limited to any agreements to refund, repurchase, or indemnify any person or entity.

Failure To Maintain Insurance Exclusion

D. based upon or arising out of any actual or alleged failure to procure or maintain adequate insurance or bonds.

Network Security Exclusion

E. based upon or arising out of any actual or alleged failure of computer security, including but not limited to the:

1. transmission of malicious software such as a computer virus, worm, logic bomb, Trojan horse;
2. failure to prevent a denial of service attack;
3. failure to prevent authorized access to any computer system, **Personally Identifiable Information** or confidential corporate information held or transmitted in any form; or
4. failure to prevent damage to any third party digital asset.

Data Breach Exclusion

F. based upon or arising out of any actual or alleged unauthorized acquisition, access, use, or disclosure of **Personally Identifiable Information** or confidential corporate information that is held or transmitted in any form.

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Cyber Extortion Module Exclusions Section

Policy wording

I. Cyber Extortion Module Exclusions

In addition to Clause I. **General Exclusions** of this Exclusions Section, this Policy does not apply to and **We** will have no obligation to pay any **Cyber Extortion Costs** under the Cyber Extortion Module that are due to, or in any way involve:

Theft of Ransom Exclusion	A.	the theft of the ransom with an immediate threat of force or violence unless the ransom has been previously negotiated.
Immediate Surrender of Ransom Exclusion	B.	the surrender of a ransom at the location where the illegal threat and ransom demand was first made, unless brought to such location after receipt of the ransom demand for the sole purpose of paying such ransom demand.
Fraudulent/Criminal Act Exclusion	C.	a fraudulent or criminal act committed by or in collusion with an **Executive** or **Employee**, or any person to whom a ransom is entrusted.

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