

IMPORTANT NOTICE:

- 1. The insurance policy that you have purchased is being issued by an insurer that is not licensed by the State of California. These companies are called “nonadmitted” or “surplus line” insurers.**
- 2. The insurer is not subject to the financial solvency regulation and enforcement that apply to California licensed insurers.**
- 3. The insurer does not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.**
- 4. The insurer should be licensed either as a foreign insurer in another state in the United States or as a non-United States (alien) insurer. You should ask questions of your insurance agent, broker, or “surplus line” broker or contact the California Department of Insurance at the toll-free number 1-800-927-4357 or internet website www.insurance.ca.gov. Ask whether or not the insurer is licensed as a foreign or non-United States (alien) insurer and for additional information about the insurer. You may also visit the NAIC’s internet website at www.naic.org. The NAIC—the National Association of Insurance Commissioners—is the regulatory support organization created and governed by the chief insurance regulators in the United States.**
- 5. Foreign insurers should be licensed by a state in the United States and you may contact that state’s department of insurance to obtain more information about that insurer. You can find a link to each state from this NAIC internet website: https://naic.org/state_web_map.htm.**
- 6. For non-United States (alien) insurers, the insurer should be licensed by a country outside of the United States and should be on**

the NAIC's International Insurers Department (IID) listing of approved nonadmitted non-United States insurers. Ask your agent, broker, or "surplus line" broker to obtain more information about that insurer.

7. California maintains a "List of Approved Surplus Line Insurers (LASLI)." Ask your agent or broker if the insurer is on that list, or view that list at the internet website of the California Department of Insurance: www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm.

8. If you, as the applicant, required that the insurance policy you have purchased be effective immediately, either because existing coverage was going to lapse within two business days or because you were required to have coverage within two business days, and you did not receive this disclosure form and a request for your signature until after coverage became effective, you have the right to cancel this policy within five days of receiving this disclosure. If you cancel coverage, the premium will be prorated and any broker's fee charged for this insurance will be returned to you.



TOKIO MARINE
HCC

HOUSTON CASUALTY COMPANY

ADMINISTRATIVE OFFICES: 13403 NORTHWEST FREEWAY, HOUSTON, TEXAS 77040

CYBER LIABILITY MASTER POLICY DECLARATIONS

1. **Policyholder:** Medical Insurance Exchange of California
2. **Address:** 6250 Claremont Avenue
Oakland, CA 94618
3. **Master Policy Number:** H26ECH24321-00 **Renewal of:** H25ECH23804-00
4. **Master Policy Period:** Effective Date: January 1, 2026 to Expiration Date: January 1, 2027
(12:01 a.m. Local Time at the Address of the **Policyholder** stated in Item 2 above)
5. **Retroactive Date:** See Evidence of Coverage
6. **Knowledge Date:** See Evidence of Coverage
7. **Premium:** TBD (plus any applicable surplus lines taxes and fees)
3% California State Tax - TBD
0.18% California Stamping Fee - TBD

8. **Limits of Liability:**

The Limits of Liability shown in 8.A. and 8.B. below apply separately to each Named Insured.

A. **Limits per Insuring Agreement:**

Third Party Liability Insuring Agreements
(Claims Made and Reported Coverage)

	Each Claim	Aggregate
Multimedia Liability Coverage	\$50,000	\$50,000
Security and Privacy Liability Coverage	\$50,000	\$50,000
Privacy Regulatory Defense and Penalties Coverage	\$50,000	\$50,000
PCI DSS Liability Coverage	\$50,000	\$50,000

First Party Insuring Agreements
(Event Discovered and Reported Coverage)

	Each Claim	Aggregate
Breach Event Costs Coverage	\$50,000	\$50,000
BrandGuard® Coverage	\$50,000	\$50,000
System Failure Coverage	\$50,000	\$50,000
Cyber Extortion Coverage	\$50,000	\$50,000
Cyber Crime Coverage		
A. Financial Fraud Sublimit	\$5,000	\$5,000
B. Telecommunications and Utilities Fraud Sublimit	\$5,000	\$5,000
C. Phishing Fraud Sublimits		
1. Your Phishing Fraud Loss Sublimit	\$5,000	\$5,000



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CYBER LIABILITY MASTER POLICY DECLARATIONS

2. Client Phishing Fraud Loss Sublimit	\$5,000	\$5,000
3. Phishing Fraud Aggregate Sublimit (C.1. & C.2. combined)		\$5,000
Cyber Crime Aggregate Limit (A., B., & C. combined)		\$5,000
Reward Expenses Coverage	\$5,000	\$5,000

B. Annual Aggregate Limit per Named Insured: \$50,000

C. Master Policy Annual Aggregate Limit: \$5,000,000

9. Deductibles, Waiting Periods, Periods of Indemnity and Period of Restoration:

Multimedia Liability Coverage Deductible	None
Security and Privacy Liability Coverage Deductible	None
Privacy Regulatory Defense and Penalties Coverage Deductible	None
PCI DSS Liability Coverage Deductible	None
Breach Event Costs Coverage Deductible	None
BrandGuard® Coverage	
Waiting Period:	2 weeks
Period of Indemnity:	6 months
System Failure Coverage	
A. Data Recovery Deductible	None
B. Non-Physical Business Interruption	
Waiting Period:	8 hours
Period of Restoration:	6 months
Cyber Extortion Coverage Deductible	None
Cyber Crime Coverage Deductible	None
Reward Expenses Coverage Deductible	None

10. How to Report a Claim:

Report any **Claim** or potential **Claim** to:

Tokio Marine HCC Cyber & Professional Lines Group
Claims Department
16501 Ventura Blvd., Suite 200
Encino, CA 91436
Claims Telephone Number: 888-627-8995
Claims Email Address: cpl.claims@tmhcc.com



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HOUSTON CASUALTY COMPANY

ADMINISTRATIVE OFFICES: 13403 NORTHWEST FREEWAY, HOUSTON, TEXAS 77040

CYBER LIABILITY MASTER POLICY DECLARATIONS

Schedule of Endorsements

It is hereby agreed that the following endorsements are attached to and are made a part of this Policy at the time of issue:

- | | | |
|----|----------|--|
| 1. | NGP 1078 | Nuclear Incident Exclusion |
| 2. | NGP 1076 | Policyholder Disclosure Notice of Terrorism Coverage |

SPECIMEN

HOUSTON CASUALTY COMPANY

Cyber Liability Insurance Master Policy

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Cyber Liability Insurance Master Policy

THE THIRD PARTY LIABILITY INSURING AGREEMENTS OF THIS POLICY ARE WRITTEN ON A CLAIMS MADE AND REPORTED BASIS, MEANING COVERAGE APPLIES ONLY TO CLAIMS FIRST MADE AGAINST AN INSURED DURING THE COVERAGE PERIOD (OR DURING THE OPTIONAL EXTENDED REPORTING PERIOD, IF APPLICABLE) AND REPORTED TO THE COMPANY PURSUANT TO THE TERMS AND CONDITIONS OF THIS POLICY. THE FIRST PARTY INSURING AGREEMENTS PROVIDE FIRST PARTY COVERAGE ON AN EVENT DISCOVERED AND REPORTED BASIS, UNLESS STATED OTHERWISE IN THIS POLICY. THE LIMITS OF LIABILITY FOR THE THIRD PARTY LIABILITY INSURING AGREEMENTS INCLUDE DEFENSE COSTS. PLEASE REVIEW THIS POLICY CAREFULLY WITH YOUR INSURANCE BROKER OR ADVISOR.

In consideration of the payment of the premium, in reliance upon all statements made and information furnished by the **Policyholder** to the Company, and subject to all terms, conditions, limitations and exclusions of this Policy, the Company agrees with the **Policyholder** as follows:

The Company shall mean the insurance carrier set forth in the Declarations of this Policy.

I. INSURING AGREEMENTS

(A) THIRD PARTY LIABILITY INSURING AGREEMENTS

(1) Multimedia Liability Coverage

Subject to the applicable Deductible and Limit of Liability, the Company shall pay **Damages**, including liability **Assumed Under Contract**, and related **Defense Costs**, that an **Insured** becomes legally obligated to pay as a result of a **Claim** for an actual or alleged **Multimedia Wrongful Act**, provided always that: (a) the **Claim** is first made against the **Insured** during the **Coverage Period** or the Optional Extended Reporting Period, if applicable; (b) the **Claim** is reported to the Company in writing pursuant to Section **XII.(A)** of this Policy; (c) no **Executive** had knowledge of any circumstance, dispute, situation or incident giving rise to the **Claim** prior to **Inception**; and (d) the **Multimedia Wrongful Act** is committed on or after the applicable Retroactive Date set forth in the **Evidence of Coverage**.

(2) Security and Privacy Liability Coverage

Subject to the applicable Deductible and Limit of Liability, the Company shall pay **Damages**, including liability **Assumed Under Contract**, and related **Defense Costs**, that an **Insured** becomes legally obligated to pay as a result of a **Claim** for an actual or alleged **Security and Privacy Wrongful Act**, provided always that: (a) the **Claim** is first made against the **Insured** during the **Coverage Period** or the Optional Extended Reporting Period, if applicable; (b) the **Claim** is reported to the Company in writing pursuant to Section **XII.(A)** of this Policy; (c) no **Executive** had knowledge of any circumstance, dispute, situation or incident giving rise to the **Claim** prior to **Inception**; and (d) the **Security and Privacy Wrongful Act** is committed on or after the applicable Retroactive Date set forth in the **Evidence of Coverage**.

(3) Privacy Regulatory Defense and Penalties Coverage

Subject to the applicable Deductible and Limit of Liability, the Company shall pay a **Regulatory Compensatory Award** or **Regulatory Fines and Penalties**, and related **Defense Costs**, that an **Insured** becomes legally obligated to pay as a result of a **Privacy Regulatory Proceeding** instituted against the **Insured** because of a **Security Breach** or **Privacy Breach**, provided always that: (a) the **Privacy Regulatory Proceeding** is instituted against the **Insured** during the **Coverage Period** or the Optional Extended Reporting Period, if applicable; (b) the **Privacy Regulatory Proceeding** is reported to the Company in writing pursuant to Section **XII.(A)** of this Policy; (c) no **Executive** had knowledge of any circumstance, dispute, situation or incident giving rise to the **Privacy Regulatory Proceeding** prior to **Inception**; and (d) the **Security Breach** or **Privacy Breach** occurs on or after the applicable Retroactive Date set forth in the **Evidence of Coverage**.

(4) PCI DSS Liability Coverage

Subject to the applicable Deductible and Limit of Liability, the Company shall pay **PCI DSS Fines and Assessments**, and related **Defense Costs**, that an **Insured** becomes legally obligated to pay because of a **PCI DSS Demand** resulting from a **Security Breach** or **Privacy Breach**, provided always that: (a) the **PCI DSS Demand** is first made against the **Insured** during the **Coverage Period** or the Optional Extended Reporting Period, if applicable; (b) the **PCI DSS Demand** is reported to the Company in writing pursuant to Section **XII.(A)** of this Policy; (c) no **Executive** had knowledge of any circumstance, dispute, situation or incident giving rise to the **PCI DSS Demand** prior to **Inception**; and (d) the **Security Breach** or **Privacy Breach** occurs on or after the applicable Retroactive Date set forth in the **Evidence of Coverage**.

(B) FIRST PARTY INSURING AGREEMENTS

(1) **Breach Event Costs Coverage**

Subject to the applicable Deductible and Limit of Liability, the Company shall pay **Privacy Breach Response Costs, Notification Expenses and Breach Support and Credit Monitoring Expenses** that **You** incur because of an **Adverse Media Report, Security Breach or Privacy Breach**, provided always that: (a) the **Adverse Media Report, Security Breach or Privacy Breach** is first discovered by an **Executive** during the **Coverage Period** or the Optional Extended Reporting Period, if applicable; and (b) the **Adverse Media Report, Security Breach or Privacy Breach** is reported to the Company in writing pursuant to Section **XII.(A)** of this Policy.

(2) **BrandGuard® Coverage**

Subject to the applicable **Waiting Period** and Limit of Liability, the Company shall pay provable and ascertainable **Brand Loss** that **You** sustain during the **Period of Indemnity** as a direct result of an **Adverse Media Report or Notification** of a **Security Breach or Privacy Breach**, provided always that: (a) the **Security Breach or Privacy Breach** is first discovered by an **Executive** during the **Coverage Period** or the Optional Extended Reporting Period, if applicable; (b) the **Security Breach or Privacy Breach** is reported to the Company in writing pursuant to Section **XII.(B)** of this Policy; and (c) **You** provide clear evidence that the **Brand Loss** is directly attributable to the **Adverse Media Report or Notification**.

(3) **System Failure Coverage**

(a) **Data Recovery**

(i) Subject to the applicable Deductible and Limit of Liability, the Company shall pay **Digital Assets Loss and Special Expenses** that **You** incur because of damage, alteration, corruption, distortion, theft, misuse or destruction of **Digital Assets** resulting from a **System Failure**, provided always that: (a) the **System Failure** is first discovered by an **Executive** during the **Coverage Period** or the Optional Extended Reporting Period, if applicable; (b) the **System Failure** is reported to the Company in writing pursuant to Section **XII.(A)** of this Policy; and (c) **You** provide clear evidence that the **Digital Assets Loss and Special Expenses** directly result from the **System Failure**.

(ii) The Company shall pay **Digital Assets Loss and Special Expenses** for up to twelve (12) months following an **Executive's** discovery of the **System Failure**, unless specified otherwise by endorsement to this Policy.

(b) **Non-Physical Business Interruption**

Subject to the applicable **Waiting Period** and Limit of Liability, the Company shall pay **Income Loss, Interruption Expenses and Special Expenses** that **You** incur during the **Period of Restoration** because of a **System Failure**, provided always that: (a) the **System Failure** is first discovered by an **Executive** during the **Coverage Period** or the Optional Extended Reporting Period, if applicable; (b) the **System Failure** is reported to the Company in writing pursuant to Section **XII.(A)** of this Policy; and (c) **You** provide clear evidence that the **Income Loss, Interruption Expenses and Special Expenses** directly result from the **System Failure**.

(4) **Cyber Extortion Coverage**

(a) Subject to the applicable Deductible and Limit of Liability, the Company shall pay **Cyber Extortion Expenses and Cyber Extortion Monies** that **You** pay as a direct result of a **Cyber Extortion Threat**, provided always that: (a) the **Cyber Extortion Threat** is first discovered by an **Executive** during the **Coverage Period** or the Optional Extended Reporting Period, if applicable; and (b) the **Cyber Extortion Threat** is reported to the Company in writing pursuant to Section **XII.(A)** of this Policy.

(b) The Company shall not be obligated to pay **Cyber Extortion Expenses or Cyber Extortion Monies** for which the Company has not given **Approval**. Every **Insured** must make every reasonable effort to notify local law enforcement authorities and the Federal Bureau of Investigation or equivalent foreign agency before surrendering any **Cyber Extortion Monies** in response to a **Cyber Extortion Threat**.

(5) **Cyber Crime Coverage**

(a) **Financial Fraud**

Subject to the applicable Deductible and Limit of Liability, the Company shall pay **Financial Fraud Loss** that **You** sustain because of **Financial Fraud**, provided always that: (a) the **Financial Fraud** is first discovered by an **Executive** during the **Coverage Period** or the Optional Extended Reporting Period, if applicable; (b) the **Financial Fraud** is reported to the Company in writing pursuant to Section **XII.(A)** of this Policy; and (c) **You** provide written confirmation to the Company that **Your** bank or credit card company has refused to reverse or prevent a payment transaction or to indemnify or reimburse **You** for the **Financial Fraud Loss**.

(b) **Telecommunications and Utilities Fraud**

Subject to the applicable Deductible and Limit of Liability, the Company shall pay:

- (i) **Telecommunications Fraud Loss** that **You** sustain because of **Telecommunications Fraud**; or
- (ii) **Utilities Fraud Loss** that **You** sustain because of **Utilities Fraud**;

provided always that: (a) the **Telecommunications Fraud** or **Utilities Fraud** is first discovered by an **Executive** during the **Coverage Period** or the Optional Extended Reporting Period, if applicable; (b) the **Telecommunications Fraud** or **Utilities Fraud** is reported to the Company in writing pursuant to Section **XII.(A)** of this Policy; and c) **You** provide clear evidence that the **Telecommunications Fraud Loss** directly results from the **Telecommunications Fraud** or that the **Utilities Fraud Loss** directly results from the **Utilities Fraud**.

(c) **Phishing Fraud**

Subject to the applicable Deductible and Limit of Liability, the Company shall pay:

- (i) **Your Phishing Fraud Loss** that **You** sustain because of **Phishing Fraud**, provided always that: (a) the **Phishing Fraud** is first discovered by an **Executive** during the **Coverage Period** or the Optional Extended Reporting Period, if applicable; and (b) the **Phishing Fraud** is reported to the Company in writing pursuant to Section **XII.(A)** of this Policy; and
- (ii) **Client Phishing Fraud Loss** that **You** sustain because of **Client Phishing Fraud**, provided always that: (a) the **Client Phishing Fraud** directly results from a **Hacking Attack**; (b) the **Client Phishing Fraud** is first discovered by an **Executive** during the **Coverage Period** or the Optional Extended Reporting Period, if applicable; and (c) the **Client Phishing Fraud** is reported to the Company in writing pursuant to Section **XII.(A)** of this Policy.

(6) **Reward Expenses Coverage**

Subject to the applicable Deductible and Limit of Liability, the Company shall pay **Reward Expenses** that **You** incur with **Approval**, provided always that an **Executive** submits a written request for indemnification of **Reward Expenses** to the Company pursuant to Section **XII.(A)** of this Policy.

II. **DEFENSE, SETTLEMENT AND INVESTIGATION OF CLAIMS**

(A) **Defense Provisions as to Sections I.(A)(1) through I.(A)(4)**

- (1) The Company has the right and duty to defend any **Claim** under any Third Party Liability Insuring Agreement of this Policy, even if the allegations of the **Claim** are groundless, false or fraudulent, including the right to appoint an attorney to defend any such **Claim**. However, if a **Claim** is brought and maintained against an **Insured** in a foreign jurisdiction where the Company is not permitted to defend such **Claim**, then the obligation to defend shall reside solely with an **Insured**, and the Company shall reimburse **Defense Costs** incurred by an **Insured**. A reasonable and good faith defense by an **Insured** shall be a condition precedent to such reimbursement.
- (2) The Company's payment of **Defense Costs** or any other amounts reduces, and may completely exhaust, the Limit of Liability available to pay **Damages**, where applicable, under this Policy.
- (3) The Company's duty to defend any **Claim**, or pay any **Damages**, **Defense Costs** or other amounts, shall cease upon exhaustion of the applicable Limit of Liability. Upon exhaustion of the applicable Limit of Liability, the Company will have the right to withdraw from the defense of a **Claim** by tendering control to the **Named Insured**.

(B) **Consent to Settlement Provisions as to Sections I.(A)(1) through I.(A)(4)**

- (1) No **Insured** shall pay any **Damages**, **Defense Costs**, **Regulatory Compensatory Award**, **Regulatory Fines and Penalties** or **PCI DSS Fines and Assessments**, or settle or offer to settle any **Claim**, assume any contractual obligation, admit liability, make any payment, or confess or otherwise consent to any judgment without **Approval**. The Company shall not be liable for any **Damages**, **Defense Costs**, **Regulatory Compensatory Award**, **Regulatory Fines and Penalties**, **PCI DSS Fines and Assessments**, settlement, judgment, assumed obligation, admitted liability or payment to which the Company has not given **Approval**.
- (2) The Company will not settle any **Claim** or pay any **Damages**, **Regulatory Compensatory Award**, **Regulatory Fines and Penalties** or **PCI DSS Fines and Assessments** without an **Insured's** consent.
- (3) If an **Insured** refuses to consent to any settlement or compromise recommended by the Company that is acceptable to the claimant, and such **Insured** elects to contest the **Claim** or continue any legal proceedings in connection with such **Claim**, the Company's liability for such **Claim** shall not exceed:
 - (a) the amount for which the **Claim** could have been settled, less the remaining Deductible, plus **Defense Costs** incurred up to the date such **Insured** withheld consent to such settlement, plus
 - (b) seventy percent (70%) of any **Defense Costs** and **Damages**, **Regulatory Compensatory Award**, **Regulatory Fines and Penalties** or **PCI DSS Fines and Assessments**, whichever applies, incurred after the date such **Insured** withheld consent to such settlement or compromise, subject always to all other terms and conditions of this Policy, including, but not limited to, the applicable Deductible and the Limit of Liability.

The remaining thirty percent (30%) of **Defense Costs** and **Damages, Regulatory Compensatory Award, Regulatory Fines and Penalties** or **PCI DSS Fines and Assessments** referenced in paragraph (3)(b) above shall be the sole responsibility of the **Insured**.

- (4) Section II.(B)(3) above will not apply to any settlement where the total incurred **Defense Costs** and **Damages, Regulatory Compensatory Award, Regulatory Fines and Penalties** or **PCI DSS Fines and Assessments**, whichever applies, do not exceed the applicable Deductible.

(C) Choice of Counsel (Applicable to All Insuring Agreements)

- (1) The Company may consider an **Insured's** choice of counsel to defend any **Claim**, or to advise and consult on the appropriate course of action with respect to any **First Party Insured Event**, but the final decision on selection of counsel rests with the Company. No **Insured** shall appoint counsel without **Approval**.
- (2) The Company will have no obligation to pay **Defense Costs, Initial Breach Consultation Costs** or any other legal expenses incurred by an **Insured** before the notice of **Claim** is received by the Company, or incurred without **Approval**.

(D) Investigation (Applicable to All Insuring Agreements)

The Company has the right to make any investigation it deems necessary including, without limitation, any investigation with respect to the statements made and information furnished by the **Policyholder** in connection with the underwriting of this Policy, or coverage for any **Claim**.

III. LIMITS OF LIABILITY

The Limits of Liability shown on the Declarations of this Policy apply separately to each **Named Insured**, subject to the Master Policy Annual Aggregate Limit and the provisions set forth below. All other persons, entities or organizations qualifying as **Insureds** under this Policy shall share in the Limits of Liability of the **Named Insured**.

(A) Limits Per Insuring Agreement

The Limits Per Insuring Agreement shown on a **Named Insured's Evidence of Coverage** are the maximum the Company shall pay on behalf of such **Named Insured** under each Insuring Agreement of this Policy for each **Claim**, and in the aggregate for all **Claims**, first made during the **Coverage Period** and the Optional Extended Reporting Period, if applicable, regardless of the number of **Claims** or claimants. The Limits Per Insuring Agreement set forth on a **Named Insured's Evidence of Coverage** include **Defense Costs**, where applicable. If any Limit Per Insuring Agreement is exhausted, the Company's obligations under that Insuring Agreement shall cease.

(B) Annual Aggregate Limit per Named Insured

- (1) The Annual Aggregate Limit shown on a **Named Insured's Evidence of Coverage** is the maximum the Company shall pay on behalf of such **Named Insured** under this Policy for all **Claims** first made during the **Coverage Period**, including **Defense Costs**, regardless of the number of Insuring Agreements that apply. If a **Named Insured's** Annual Aggregate Limit is exhausted, the Company's obligations under this Policy with respect to such **Named Insured** shall cease.
- (2) The Limit of Liability for any Optional Extended Reporting Period, if applicable, will be part of, and not in addition to, the Limits of Liability shown on a **Named Insured's Evidence of Coverage**. The existence of any Optional Extended Reporting Period will not increase or reinstate any Limit of Liability.

(C) Master Policy Annual Aggregate Limit

The Master Policy Annual Aggregate Limit shown in Item 8.C. of the Declarations of this Policy is the maximum the Company shall pay under this Policy for all **Insureds** combined, regardless of the number of **Claims**, claimants, **Insureds** or Insuring Agreements. All payments made under this Policy will reduce, and may completely exhaust, such Master Policy Annual Aggregate Limit. If the Master Policy Annual Aggregate Limit is exhausted by payment of covered amounts, including **Defense Costs**, all individual Annual Aggregate Limits will be deemed to be exhausted; there will be no further separate individual limit available to any **Named Insured**; and the Company's obligations under this Policy with respect to all **Insureds** shall cease.

(D) Related Claims

- (1) All **Related Claims** will be treated as follows:
- (a) **Related Claims** will be considered to be a single **Claim**, regardless of the number of claimants, **Insureds** or applicable Insuring Agreements;
- (b) **Related Claims** will be considered to have been first made on the date the earliest of the **Related Claims** is first made and will be considered to be first reported to the Company on the date the earliest of the **Related Claims** is reported to the Company;

- (c) **Related Claims** will be subject to the applicable Limit of Liability of the Policy in effect when the earliest of the **Related Claims** is first made; and
 - (d) only one Deductible will apply.
- (2) If multiple Insuring Agreements of this Policy apply to any **Claim**, the Company's total maximum Limit of Liability under this Policy for such **Claim** shall be the applicable Annual Aggregate Limit. However, the Company will never pay more under any one Insuring Agreement than the applicable Limit Per Insuring Agreement shown on a **Named Insured's Evidence of Coverage**. The Company has the sole discretion to allocate amounts paid, if any, against the appropriate Limit of Liability.

IV. **DEDUCTIBLE AND WAITING PERIOD**

(A) **Deductible Per Insuring Agreement**

- (1) The Deductible amount for each Insuring Agreement, as shown on a **Named Insured's Evidence of Coverage**, applies separately to each **Claim**. The Limit of Liability shall not be reduced by the amount of any Deductible.
- (2) If more than one Insuring Agreement applies to a **Claim**, only the single highest Deductible will apply to such **Claim**.
- (3) An **Insured's** payment of the applicable Deductible is a condition precedent to payment by the Company of any amounts under this Policy, and the Company shall only be liable for the amount that exceeds the Deductible, up to the applicable Limit of Liability.
- (4) An **Insured** must make direct payments within the Deductible to the appropriate parties designated by the Company.

(B) **Waiting Period**

The **Waiting Periods** shown on a **Named Insured's Evidence of Coverage** apply solely to Section I.(B)(2) BrandGuard® Coverage and Section I.(B)(3)(b) System Failure Coverage: Non-Physical Business Interruption. The **Waiting Period** applies to each **Period of Restoration** and **Period of Indemnity**.

V. **TERRITORIAL LIMITS**

This Policy applies to **Claims** brought or maintained, **Wrongful Acts** committed and **First Party Insured Events** taking place anywhere in the world. However, any provision in this Policy pertaining to coverage for **Claims** brought or maintained, **Wrongful Acts** committed, or **First Party Insured Events** taking place anywhere outside the United States of America, or its territories or possessions shall apply only where legally permissible.

VI. **DEFINITIONS**

As used in this Policy:

- (1) **"Acquiring Bank"** means a bank or financial institution that accepts credit or debit card payments, including stored value cards and pre-paid cards, for goods or services on behalf of a merchant, including processing and crediting those payments to a merchant's account.
- (2) **"Act of Cyber Terrorism"** means the premeditated use of disruptive activities, or the threat to use disruptive activities, against a **Computer System**, including any associated network and **Data** stored thereon, with the intention to cause harm, to further social, ideological, religious, political, or similar objectives, or to intimidate any person in furtherance of such objectives; provided that such activities are not committed by, or at the express direction of, a sovereign state or a government simultaneously engaged in **War** or a **Cyber Operation** carried out as part of any **War**.
- (3) **"Adverse Media Report"** means a report or communication of an actual or potential **Security Breach** or **Privacy Breach** which (a) has been publicized through any media channel, including, but not limited to, television, **Print Media**, radio, electronic networks, the internet or electronic mail, and (b) threatens material damage to **Your Reputation** or **Your** brand.
- (4) **"Application Program"** means any computer software program that performs a particular function or task within the **Computer Operating System** for the end-user, including, but not limited to, database programs, web browsers, enterprise software, word processors, graphics software and media players.
- (5) **"Approval"** means the advance written agreement or consent by the Company, which will not be unreasonably withheld.
- (6) **"Assumed Under Contract"** means liability for **Damages** resulting from a **Multimedia Wrongful Act**, **Security Breach** or **Privacy Breach**, where such liability has been assumed by an **Insured** in the form of a written hold harmless or indemnity agreement, but only if such agreement was executed before the **Multimedia Wrongful Act**, **Security Breach** or **Privacy Breach** occurred.

- (7) **“Bodily Injury”** means physical injury, sickness, disease or death sustained by any person and, where resulting from such physical injury only, mental anguish, mental injury, shock, humiliation or emotional distress.
- (8) **“BPO Service Provider”** means any **Third Party** that provides business process outsourcing services for **Your** benefit under a written contract with **You**, including, but not limited to, call center services, fulfillment services and logistical support.
- (9) **“Brand Loss”** means **Your** net profit, as could have reasonably been projected immediately prior to **Notification**, or in the event of an **Adverse Media Report**, immediately prior to the publication of the **Adverse Media Report**, but which has been lost during the **Period of Indemnity** as a direct result of such **Adverse Media Report** or **Notification**. **Brand Loss** will be determined in accordance with the provisions of Section **XIII.(A)** of this Policy.
- (10) **“Breach Support and Credit Monitoring Expenses”** means reasonable and necessary expenses that **You** incur on **Your** behalf, or on behalf of a party for whom **You** are **Vicariously Liable**, to provide support activity to parties affected by a **Privacy Breach**, including the cost to set up and operate a call center and to provide a maximum of twenty-four (24) months of credit, identity or healthcare record monitoring services, fraud alert services, identity theft assistance services and credit or identity repair and restoration services. **Breach Support and Credit Monitoring Expenses** must be incurred with **Approval**.
- (11) **“Card Association”** means Visa International, MasterCard, Discover, JCB, American Express and any similar credit or debit card association that is a participating organization of the Payment Card Industry Security Standards Council.
- (12) **“Claim”** means:
- (a) with respect to Multimedia Liability Coverage and Security and Privacy Liability Coverage only:
 - i. a written demand made against an **Insured** for **Damages** or non-monetary relief;
 - ii. a written request received by an **Insured** to toll or waive a statute of limitations relating to legal proceedings against the **Insured**; or
 - iii. the service of a civil lawsuit or the institution of arbitration or other alternative dispute resolution proceedings against an **Insured** seeking **Damages**, a temporary restraining order or a preliminary or permanent injunction;
 - (b) with respect to Privacy Regulatory Defense and Penalties Coverage only, a **Privacy Regulatory Proceeding**;
 - (c) with respect to PCI DSS Liability Coverage only, a **PCI DSS Demand**;
 - (d) with respect to Breach Event Costs Coverage only, written notice from an **Executive** to the Company of an **Adverse Media Report**, **Security Breach** or **Privacy Breach**;
 - (e) with respect to BrandGuard® Coverage only, written notice from an **Executive** to the Company of a **Security Breach** or **Privacy Breach**;
 - (f) with respect to System Failure Coverage only, written notice from an **Executive** to the Company of a **System Failure**;
 - (g) with respect to Cyber Extortion Coverage only, written notice from an **Executive** to the Company of a **Cyber Extortion Threat**;
 - (h) with respect to Cyber Crime Coverage: Financial Fraud only, written notice from an **Executive** to the Company of **Financial Fraud**;
 - (i) with respect to Cyber Crime Coverage: Telecommunications and Utilities Fraud only, written notice from an **Executive** to the Company of **Telecommunications Fraud** or **Utilities Fraud**;
 - (j) with respect to Cyber Crime Coverage: Phishing Fraud only, written notice from an **Executive** to the Company of **Phishing Fraud** or **Client Phishing Fraud**; and
 - (k) with respect to Reward Expenses Coverage only, a written request by an **Executive** to the Company for indemnification of **Reward Expenses**.

A **Claim** under Multimedia Liability Coverage or Security and Privacy Liability Coverage shall not include a **Privacy Regulatory Proceeding**, **PCI DSS Demand** or **TCPA Claim**.

A **Claim** under any Third Party Liability Insuring Agreement of this Policy will be deemed to have been first made against an **Insured** when any **Insured** first receives written notice of such **Claim**.

A **Claim** under any First Party Insuring Agreement of this Policy will be deemed to have been first made when the Company first receives written notice of such **Claim**.

- (13) **“Client Account”** means a bank account held or maintained by **Your** client or **Your** customer, from which **You**, as an authorized user, may deposit, withdraw, transfer or disburse **Money**.
- (14) **“Client Phishing Fraud”** means the malicious use of intentionally misleading telephone calls, emails, texts, instant messages or other electronic communications or malicious websites to fraudulently induce **Your** client, customer or

vendor to transfer, pay or deliver **Money, Securities or Other Property** to an unintended party by impersonating an **Insured**.

(15) **"Client Phishing Fraud Loss"** means:

- (a) **Your** loss of **Money, Securities or Other Property** which **Your** client, customer or vendor intended to transfer, pay or deliver to **You**, but which was transferred, paid or delivered to an unintended party due to **Client Phishing Fraud**; and
- (b) the cost of reimbursing **Your** client, customer or vendor for their direct loss of **Money, Securities or Other Property** due to **Client Phishing Fraud**, provided such reimbursement is made by **You** with **Approval**.

(16) **"Cloud Provider"** means any **Third Party** that provides computing resources to **You** that are delivered as a service over a network or the internet (commonly known as "cloud computing"), including Software as a Service, Platform as a Service and Infrastructure as a Service.

(17) **"Computer Operating System"** means **Computer System** software that manages or administers computer hardware, software resources, or provides common services to run an **Application Program**. **Computer Operating System** does not include an **Application Program**.

(18) **"Computer System"** means an interconnected electronic, wireless, web or similar system, including all computer hardware and software, used to process and store **Data** or information in an analogue, digital, electronic or wireless format, including, but not limited to, computer programs, **Data**, operating systems, firmware, servers, media libraries, associated input and output devices, mobile devices, devices that are connected to and controlled by the internet (also known as "smart devices"), networking equipment, websites, extranets, off-line storage facilities (to the extent they hold **Data**) and electronic backup equipment.

(19) **"Coverage Period"**, with respect to each **Named Insured**, means the period beginning on the effective date of the **Named Insured's** coverage under this Policy, as set forth in such **Named Insured's Evidence of Coverage**, and ending on the earlier of:

- (a) the natural expiration of the **Named Insured's** coverage under this Policy, as set forth in such **Named Insured's Evidence of Coverage**;
- (b) the effective date of cancellation or termination of this Policy, or
- (c) the effective date of cancellation or termination of the **Named Insured's** coverage under this Policy.

No **Coverage Period** shall begin before the effective date of the **Master Policy Period**.

Coverage Period specifically excludes any Optional Extended Reporting Period issued to a **Named Insured**.

(20) **"Cryptojacking"** means the intentional, unauthorized and malicious use of or access to an **Insured Computer System** to mine for digital currency.

(21) **"Cyber Extortion Expenses"** means reasonable and necessary costs and expenses, other than **Cyber Extortion Monies**, that **You** incur with **Approval** as a direct result of a **Cyber Extortion Threat**, including the cost to retain or hire a **Third Party** specializing in IT security to determine the validity and severity of a **Cyber Extortion Threat**.

(22) **"Cyber Extortion Monies"** means **Money**, digital currency of any kind, including bitcoin, or **Other Property** that **You** pay with **Approval** to any person or group reasonably believed to be responsible for a **Cyber Extortion Threat**, to prevent or terminate such **Cyber Extortion Threat**.

(23) **"Cyber Extortion Threat"** means a credible threat or series of related credible threats, including a demand for **Cyber Extortion Monies**, which is directed at **You** to:

- (a) steal, alter, release, reveal, divulge, disseminate, destroy, publicly disclose or misuse **Private Information** taken from an **Insured** through unauthorized access to, or unauthorized use of, an **Insured Computer System**;
- (b) infect an **Insured Computer System** with malicious code or ransomware;
- (c) corrupt, damage or destroy an **Insured Computer System**;
- (d) restrict or hinder access to an **Insured Computer System**, including the threat of a **Denial of Service Attack**;
- (e) perpetrate or carry out a **Phishing Attack**;
- (f) steal, alter, release, reveal, divulge, disseminate, destroy, publicly disclose or misuse **Your** confidential or proprietary information, or the **Personally Identifiable Information** of an **Insured**; or
- (g) damage **Your Reputation** or **Your** brand by posting false or misleading comments about **You** or **Your** organization on social media websites or platforms.

A series of continuing **Cyber Extortion Threats**, related or repeated **Cyber Extortion Threats**, or multiple **Cyber Extortion Threats** resulting from the same attack, event or incident will be considered a single **Cyber Extortion Threat** and will be considered to have occurred at the time the first of such **Cyber Extortion Threats** occurred.

- (24) **“Cyber Operation”** means the use of a **Computer System** by, at the direction, or under the control of a sovereign state to disrupt, deny, degrade, manipulate or destroy information in a **Computer System** of or in another sovereign state.
- (25) **“Damages”** means:
- (a) a monetary judgment, award or settlement;
 - (b) awarded attorneys’ fees and costs;
 - (c) prejudgment and post-judgment interest awarded against an **Insured** on that part of any judgment paid or to be paid by the Company; and
 - (d) liquidated, punitive, exemplary or multiplied **Damages** to the extent insurable under the law pursuant to which this Policy is construed.
- Damages** does not include any **Insured’s** future profits or royalties, restitution or disgorgement of any **Insured’s** profits; the costs to comply with orders granting injunctive or non-monetary relief, including specific performance, or any agreement to provide such relief; loss of any **Insured’s** fees or profits, the return or offset of any **Insured’s** fees or charges, or any **Insured’s** commissions or royalties provided or contracted to be provided; taxes, fines, penalties or sanctions; contractual liquidated **Damages** that exceed the amount for which the **Insured** would have been liable in the absence of the liquidated **Damages** agreement; any amount which an **Insured** is not financially or legally obligated to pay; disgorgement of any remuneration or financial advantage to which an **Insured** was not legally entitled; settlements negotiated without **Approval**; monetary judgments, awards, settlements or any other amounts which are uninsurable under the law pursuant to which this Policy is construed, or any legal fees and costs awarded pursuant to such judgments, awards or settlements; or **PCI DSS Fines and Assessments**.
- (26) **“Data”** means any machine-readable information, including, but not limited to, ready-for-use programs, applications, account information, customer information, health and medical information or other electronic information, irrespective of the way it is used and rendered.
- (27) **“Defense Costs”** means reasonable and necessary fees incurred with **Approval** and charged by an attorney(s) designated by the Company to defend a **Claim**; and all other reasonable and necessary fees, costs and expenses resulting from the defense and appeal of a **Claim**, if incurred by the Company or by an **Insured** with **Approval**. **Defense Costs** does not include any wages or salaries of an **Insured**, or fees, overhead or other charges incurred by or paid to any **Insured** for any time spent in cooperating in the investigation or defense of a **Claim** or a potential **Claim**.
- (28) **“Denial of Service Attack”** means an event caused by unauthorized or unexpected interference or a malicious attack, which is intended by the perpetrator to overwhelm the capacity of a **Computer System** by sending an excessive volume of **Data** to such **Computer System** to prevent access to such **Computer System**.
- (29) **“Dependent System Failure”** means any outage, interruption, failure, slow down, suspension or degradation of service of any **Service Provider Computer System**, however caused.
- (30) **“Digital Assets”** means **Data** and computer programs that exist in an **Insured Computer System**. **Digital Assets** does not include computer hardware.
- (31) **“Digital Assets Loss”** means reasonable and necessary expenses and costs that **You** incur to replace, recreate or restore **Digital Assets** to the same state and with the same contents immediately before the **Digital Assets** were damaged, destroyed, altered, misused or stolen, including research costs incurred in recreating **Digital Assets**, expenses for materials and machine time, and amounts representing **Employee** work time to replace, recreate or restore **Digital Assets**, which will be determined on a predefined billable hour or per-hour basis as based upon **Your** schedule of **Employee** billable hours. **Digital Assets Loss** will be determined in accordance with Section XIII.(B) of this Policy.
- (32) **“Employee”** means any individual whose labor or service is engaged by and directed by **You**, including volunteers, interns, and part-time, seasonal, temporary or leased workers. **Employee** does not include any **Executive** or independent contractor.
- (33) **“Escrow Account”** means a bank account held or maintained by **You** on behalf of **Your** client or customer.
- (34) **“Essential Service”** means any service that is essential for the proper operation and maintenance of vital functions of a sovereign state, including, but not limited to, financial services (including services related to financial institutions and associated financial market infrastructure), health services, utility services, emergency services, and/or services that are essential for the proper operation of the food, energy and/or transportation sector.
- (35) **“Evidence of Coverage”** means the Cyber Liability Master Policy Certificate of Insurance that a **Named Insured** holds, which evidences such **Named Insured’s** coverage under this Policy.
- (36) **“Executive”** means any owner or president of the **Named Insured** or **Subsidiary**, or any of the **Named Insured’s** or **Subsidiary’s** directors or officers, including any executive officer, risk manager, managing director, general counsel or other in-house lawyer, or any person holding a functionally equivalent position.

- (37) **“Financial Account”** means **Your Account**, any **Client Account** and any **Escrow Account**.
- (38) **“Financial Fraud”** means:
- (a) an intentional, unauthorized and fraudulent written, electronic or telephonic instruction transmitted to a financial institution, directing such institution to debit, transfer, withdraw or disburse **Money** or **Securities** from a **Financial Account**, which instruction purports to have been transmitted by **You** or an **Executive** or **Employee**, but was in fact fraudulently transmitted by a **Third Party** without **Your** knowledge or consent; or
 - (b) the theft of **Money** or **Securities** from a **Financial Account** or **Your** corporate credit cards as a result of a **Hacking Attack**.
- (39) **“Financial Fraud Loss”** means:
- (a) the loss of **Your Money** or **Securities** resulting from **Financial Fraud**; and
 - (b) the loss of **Money** or **Securities** that **You** sustain to reimburse **Your** client or customer for the theft of their **Money** or **Securities** as a direct result of **Financial Fraud**, provided such reimbursement is made with **Approval**.
- (40) **“First Party Insured Event”** means:
- (a) with respect to Breach Event Costs Coverage only, an **Adverse Media Report**, **Security Breach** or **Privacy Breach**;
 - (b) with respect to BrandGuard® Coverage only, a **Security Breach** or **Privacy Breach**;
 - (c) with respect to System Failure Coverage only, a **System Failure**;
 - (d) with respect to Cyber Extortion Coverage only, a **Cyber Extortion Threat**;
 - (e) with respect to Cyber Crime Coverage: Financial Fraud only, a **Financial Fraud**;
 - (f) with respect to Cyber Crime Coverage: Telecommunications and Utilities Fraud only, a **Telecommunications Fraud** or **Utilities Fraud**;
 - (g) with respect to Cyber Crime Coverage: Phishing Fraud only, a **Phishing Fraud** or **Client Phishing Fraud**; and
 - (h) with respect to Reward Expenses Coverage only, a **Security Breach**, **Privacy Breach**, **Phishing Attack**, **System Failure**, **Cyber Extortion Threat**, **Financial Fraud**, **Telecommunications Fraud**, **Utilities Fraud**, **Phishing Fraud** or **Client Phishing Fraud**.
- (41) **“Hacking Attack”** means any of the following directed at or enacted upon an **Insured Computer System**:
- (a) unauthorized access to, or unauthorized use of, an **Insured Computer System**, including any such unauthorized access or unauthorized use resulting from the theft of a password from an **Insured Computer System** or from an **Insured**;
 - (b) a **Denial of Service Attack** against an **Insured Computer System**;
 - (c) infection of an **Insured Computer System** by malicious code, or the transmission of malicious code from an **Insured Computer System**; or
 - (d) an **Act of Cyber Terrorism**.
- (42) **“Healthcare Provider”** means:
- (a) any licensed physician who provides medical services on **Your** behalf; and
 - (b) any licensed acupuncturist who provides acupuncture services on **Your** behalf.
- (43) **“Impacted State”** means a sovereign state where a **Cyber Operation** has had a major detrimental impact on:
- (a) the functioning of that sovereign state due to disruption of the availability, integrity or delivery of an **Essential Service** in that sovereign state; and/or
 - (b) the security or defense of that sovereign state.
- (44) **“Inception”** means the earlier of:
- (a) the effective date of a **Named Insured’s** coverage under this Master Policy, as shown on such **Named Insured’s Evidence of Coverage**; or
 - (b) a **Named Insured’s** original effective date of Cyber Liability Insurance, which the **Named Insured** obtained as a member of the **Policyholder** or MIEC Mutual Risk Retention Group, and of which this Master Policy is a direct and continuous renewal.
- (45) **“Income Loss”** means the net profit loss that **You** sustain during the **Period of Restoration** as a direct result of a **System Failure**. **Income Loss** will be determined in accordance with the provisions of Section **XIII.(C)** of this Policy.
- (46) **“Informant”** means any person who provides information regarding an illegal act committed by another person which causes a **First Party Insured Event**, solely in return for **Money** that **You** pay or promise to pay.

Informant does not include:

- (a) any person who commits an illegal act which causes a **First Party Insured Event**, whether acting alone or in collusion with others;
- (b) any **Insured**;
- (c) any **Insured's** auditors, whether internal or external;
- (d) any person or firm hired or retained to investigate a **First Party Insured Event**; or
- (e) any person responsible for the supervision or management of a party described in paragraphs (a) through (d) above.

(47) **"Initial Breach Consultation Costs"** means reasonable and necessary legal fees that **You** incur on **Your** behalf, or on behalf of a party for whom **You** are **Vicariously Liable**, to retain qualified legal counsel to provide **You** with initial advice regarding the appropriate response to an actual or suspected **Privacy Breach** or **Security Breach**. **Initial Breach Consultation Costs** will not be subject to a Deductible if **You** retain counsel pre-approved by the Company.

(48) **"Insured"** means:

- (a) the **Named Insured**;
- (b) any **Subsidiary** of the **Named Insured**, but only with respect to **Wrongful Acts** or **First Party Insured Events** that occur while a **Subsidiary** is under the **Named Insured's Managerial Control**;
- (c) any past, present or future **Executive**, trustee, court-appointed receiver, **Healthcare Provider** or **Employee** of the **Named Insured** or **Subsidiary**, but only while acting solely within the scope of his or her duties as such;
- (d) if the **Named Insured** or **Subsidiary** is a partnership, limited liability partnership or limited liability company, any general or managing partner, principal, stockholder or owner thereof, but only while acting solely within the scope of his or her duties as such;
- (e) any agent or independent contractor of the **Named Insured** or **Subsidiary**, but only while acting on behalf of, at the direction of, and under the supervision of the **Named Insured** or **Subsidiary**; and
- (f) any person or legal entity the **Named Insured** is required by written contract to provide such coverage as is afforded by this Policy, but only for the acts of a party described in paragraphs (a) through (e) above, and only if the written contract is executed prior to the date any **Wrongful Act** or **First Party Insured Event** occurs.

Insured does not include the **Policyholder** or MIEC Mutual Risk Retention Group; no coverage is afforded under this Policy to the **Policyholder** or MIEC Mutual Risk Retention Group.

(49) **"Insured Computer System"** means:

- (a) a **Computer System** that is owned and operated by **You**, or that is leased to **You** and operated by **You**; and any **Insured Telecommunications System**; and
- (b) in addition to paragraph (a) above, with respect to Security and Privacy Liability Coverage, Privacy Regulatory Defense and Penalties Coverage, PCI DSS Liability Coverage, Breach Event Costs Coverage and Cyber Extortion Coverage only, **Insured Computer System** also includes a **Computer System** operated by a **BPO Service Provider** or an **Outsourced IT Service Provider**, which is used to provide services to **You**, or for processing, maintaining, hosting or storing **Data** for **You**, pursuant to a written contract with **You** to provide such services.

(50) **"Insured Telecommunications System"** means any telephone or fax network or system that is owned, rented, leased, licensed or borrowed by **You** and under **Your** direct operational control.

(51) **"Interruption Expenses"** means reasonable and necessary expenses, excluding **Special Expenses**, incurred by **You** to avoid or minimize the suspension of **Your** business as a result of a **System Failure**, which **You** would not have incurred in the absence of such **System Failure**, including, but not limited to, the use of rented/leased external equipment, substitution of other work or production procedures, use of **Third Party** services or additional staff expenditures or labor costs. The amount of **Interruption Expenses** recoverable shall not exceed the amount by which the covered **Income Loss** is reduced by such incurred expenses.

(52) **"Managerial Control"** means:

- (a) ownership interests representing more than fifty percent (50%) of the voting, appointment or designation power for the selection of:
 - i. a majority of the board of directors or trustees, if the entity is a corporation;
 - ii. the management committee members, if the entity is a joint venture; or
 - iii. the members of the management board, if the entity is a limited liability company.

- (b) having the right, pursuant to a written contract, or the by-laws, charter, operating agreement or similar organizational documents, to elect, appoint or designate:
 - i. a majority of the board of directors or trustees, if the entity is a corporation;
 - ii. the management committee members, if the entity is a joint venture; or
 - iii. the members of the management board, if the entity is a limited liability company.
 - (c) possessing at least fifty percent (50%) ownership interest of a joint venture entity and solely controlling the management and operations of such joint venture entity, pursuant to a written joint venture agreement;
 - (d) being the exclusive sponsor, if the entity is a charitable trust or foundation; or
 - (e) being the only general partner of an entity.
- (53) **“Master Policy Period”** means the period from the effective date to the expiration date of this Policy, as set forth in Item 4 of the Declarations, or any earlier termination or cancellation date.
- (54) **“Media Material”** means communicative material of any kind or nature for which **You** are responsible, including, but not limited to, words, pictures, sounds, images, graphics, code and **Data**, regardless of the method or medium of communication of such material or the purpose for which the communication is intended. **Media Material** does not include any **Products**.
- (55) **“Merchant Services Agreement”** means an agreement between **You** and an **Acquiring Bank, Card Association**, brand, network, credit or debit card processor, independent sales organization, gateway or membership service, which enables **You** to accept payment by credit card, debit card or prepaid card.
- (56) **“Money”** means a medium of exchange in current use and authorized or adopted by a domestic or foreign government, including, but not limited to, currency, coins, bank notes, bullion, travelers’ checks, registered checks and **Money** orders held for sale to the public.
- (57) **“Multimedia Wrongful Act”** means any of the following, whether actual or alleged, but only if directly resulting from the dissemination of **Media Material** by an **Insured**:
- (a) any form of defamation or other tort related to the disparagement or harm to the reputation or character of any person or organization, including libel, slander, product disparagement or trade libel, and infliction of emotional distress, mental anguish, outrage or outrageous conduct, if directly resulting from any of the foregoing;
 - (b) invasion, infringement or interference with an individual's right of privacy or publicity, including the torts of false light, intrusion upon seclusion, commercial misappropriation of name, person or likeness, and public disclosure of private facts;
 - (c) plagiarism, piracy or misappropriation of ideas under an implied contract;
 - (d) infringement of copyright, trademark, trade name, trade dress, title, slogan, service mark or service name;
 - (e) domain name infringement or improper deep-linking or framing;
 - (f) negligence in **Media Material**, including a **Claim** alleging harm to any person or entity that acted or failed to act in reliance upon such **Media Material**;
 - (g) false arrest, detention or imprisonment;
 - (h) trespass, wrongful entry or eviction, eavesdropping, or other invasion of the right of private occupancy; or
 - (i) unfair competition, but only when arising out of a peril described in paragraphs (a) through (h) above.
- (58) **“Named Insured”** means any solo healthcare provider (including any acupuncturist) not associated with a medical group, medical group, or healthcare facility who:
- (a) is named on an **Evidence of Coverage** for this Policy;
 - (b) has paid the required premium for this insurance; and
 - (c) holds a current, in force professional liability insurance policy with the **Policyholder** or MIEC Mutual Risk Retention Group.
- (59) **“Notification”** means **Your** written notice to parties affected by a **Security Breach** or **Privacy Breach**, whether such written notice is made by **You** voluntarily or to comply with **Privacy Regulations**.
- (60) **“Notification Expenses”** means reasonable and necessary expenses that **You** incur on **Your** own behalf, or on behalf of a party for whom **You** are **Vicariously Liable**, to provide **Notification** of a **Security Breach** or **Privacy Breach**, including printing costs, mailing and postage expenses, and the costs to engage a **Third Party** to mail **Notification** letters and prepare substitute or website notices.

- (61) **“Operating System Event”** means a single act of exploitation of, or a series of related, repeated or continuing acts of exploitation of, software vulnerabilities in a **Computer Operating System**, including, but not limited to ransomware, wiper malware, computer worms, and computer viruses, the impact of which is of sufficient intensity, scale or effect to cause a major detrimental impact on the functioning of a sovereign state due to disruption of the availability, delivery, or integrity of any **Essential Service** in that sovereign state; provided, however, a major detrimental impact on the functioning of a sovereign state shall not result from an attack, or a related series of attacks, solely impacting **You**. For purposes of this definition, the determination of whether an event constitutes a major detrimental impact on the functioning of a sovereign state will rely upon any available evidence such as information from governments, news media, qualified IT forensics firms, computer experts and claims reported to the Company.
- (62) **“Other Property”** means any tangible property, other than **Money** or **Securities**, which has intrinsic value.
- (63) **“Outsourced IT Service Provider”** means a **Third Party** that provides information technology services to **You**, including but not limited to, hosting, security management, co-location and **Data** storage, under a written contract with **You** to provide such services. **Outsourced IT Service Provider** includes any **Cloud Provider**.
- (64) **“PCI Data Security Standard”** (known as “PCI DSS”) means the Payment Card Industry Security Standards Council Data Security Standard in effect now, or as hereafter amended, which all merchants and processors must follow when storing, processing and transmitting cardholder **Data**.
- (65) **“PCI DSS Demand”** means:
- (a) a written demand for **PCI DSS Fines and Assessments** received by an **Insured** directly or indirectly from or through an **Acquiring Bank**, **Card Association** or payment card processor due to the **Insured’s** non-compliance with the **PCI Data Security Standard**; or
 - (b) a request for information received by an **Insured** from an **Acquiring Bank**, **Card Association** or payment card processor regarding a suspected **Security Breach** or **Privacy Breach**.
- (66) **“PCI DSS Fines and Assessments”** means monetary fines, penalties or assessments, including fraud recoveries, card reissuance costs, operational expenses, mandatory audit costs and compliance case costs, which an **Insured** is legally obligated to pay under the terms of a **Merchant Services Agreement**, but only where such monetary fines, penalties or assessments result from a **Security Breach** or **Privacy Breach**.
- (67) **“Period of Indemnity”** means the period beginning on the earlier of the date of **Notification** or the first **Adverse Media Report**, and ending on the earlier of:
- (a) the date that gross revenues are restored to the level they had been prior to **Notification** or the first **Adverse Media Report**, whichever applies; or
 - (b) the last day of the period set forth in the Declarations of this Policy as the **Period of Indemnity** for BrandGuard® Coverage.
- The **Period of Indemnity** shall not be affected by the expiration of the **Coverage Period** or **Master Policy Period**.
- (68) **“Period of Restoration”** means the period beginning on the date when the **System Failure** began and ending on the earlier of:
- (a) the date when an **Insured Computer System** is restored or could have been repaired or restored with reasonable speed to the same condition, functionality and level of service that existed prior to the **System Failure**, plus a maximum of thirty (30) additional consecutive days after the restoration of an **Insured Computer System** to allow for restoration of **Your** business; or
 - (b) the last day of the period set forth in the Declarations of this Policy as the **Period of Restoration** for System Failure Coverage.
- The **Period of Restoration** shall not be affected by the expiration of the **Coverage Period** or **Master Policy Period**.
- (69) **“Personally Identifiable Information”** means information that can be used to determine, distinguish or trace an individual’s identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual, including, but not limited to, financial account numbers, security codes, personal identification numbers (PINs), credit and debit card numbers, medical or healthcare information, social security numbers, driver’s license numbers, addresses, passwords, and any other non-public information as defined in **Privacy Regulations**.
- (70) **“Phishing Attack”** means the use by a **Third Party** of fraudulent and intentionally misleading telephone calls, emails, texts, instant messages or other electronic communications or malicious websites to impersonate **You**, **Your** brand, **Your** services or **Products** to solicit **Private Information** from an **Executive** or **Employee**.

- (71) **“Phishing Fraud”** means the malicious use of intentionally misleading telephone calls, emails, texts, instant messages or other electronic communications or malicious websites to fraudulently induce an **Insured** to:
- (a) transfer or deliver **Other Property** to an unintended party by impersonating another **Insured** or **Your** client, **Your** customer or **Your** vendor; or
 - (b) transfer or disburse **Money** or **Securities** from a **Financial Account** to an unintended party by impersonating another **Insured** or **Your** client, **Your** customer or **Your** vendor.
- (72) **“Policyholder”** means the entity specified as such in Item 1 of the Declarations.
- (73) **“Print Media”** means newspapers, newsletters, magazines, books and literary works in any form, brochures or other types of publications, and advertising materials including packaging, photographs and digital images.
- (74) **“Privacy Breach”** means any of the following:
- (a) the unauthorized collection, disclosure, use, access, destruction or modification of **Private Information**;
 - (b) the inability to access or failure to provide **Private Information**;
 - (c) the theft or loss of **Private Information**, including the theft or loss of **Private Information** stored on an unsecured **Data** storage or mobile device, including any smartphone, tablet or laptop which is owned by **You** and operated by an **Insured**, or owned and operated by an **Employee** or **Executive** who has agreed in writing to **Your** corporate mobile device acceptable use and security policy (also known as a “Bring Your Own Device” policy);
 - (d) the surrender of **Private Information** in a **Phishing Attack**;
 - (e) failure to implement, maintain or comply with privacy policies and procedures stating **Your** obligations relating to **Private Information**, including but not limited to **Your Privacy Policy**;
 - (f) failure to develop or administer an identity theft prevention program;
 - (g) failure to implement specific security practices with respect to **Private Information**, as required by any statute, rule, regulation or other law;
 - (h) an infringement or violation of any rights to privacy;
 - (i) breach of a person's right of publicity, false light or intrusion upon a person's seclusion;
 - (j) failure to comply with **Privacy Regulations** pertaining to an **Insured's** responsibilities with respect to **Private Information**, but only with respect to an act listed in paragraphs (a) through (h) above; or
 - (k) failure to comply with **Privacy Regulations** prohibiting unfair or deceptive trade practices or consumer fraud pertaining to an **Insured's** responsibilities with respect to **Private Information**, but only with respect to an act listed in paragraphs (a) through (h) above.
- A series of continuing **Privacy Breaches**, related or repeated **Privacy Breaches**, or multiple **Privacy Breaches** resulting from the same event or incident will be considered a single **Privacy Breach** and will be considered to have occurred at the time the first of such **Privacy Breaches** occurred.
- (75) **“Privacy Breach Response Costs”** means:
- (a) **Initial Breach Consultation Costs**;
 - (b) reasonable and necessary **Public Relations Expenses** that **You** incur with **Approval** prior to or following the publication of an **Adverse Media Report** to avert or mitigate any material damage to **Your Reputation** or **Your** brand, which results or reasonably could result from the **Adverse Media Report**;
 - (c) reasonable and necessary legal fees that **You** incur on **Your** own behalf or on behalf of a party for whom **You** are **Vicariously Liable** to:
 - i. determine the scope, cause and extent of an actual or suspected **Privacy Breach** or **Security Breach**;
 - ii. determine the applicability of, and **Your** obligations to comply with, **Privacy Regulations** due to an actual or suspected **Privacy Breach**; and
 - iii. draft a **Notification** letter to be sent to parties affected by a **Privacy Breach**.
 - (d) reasonable and necessary fees and costs that **You** incur on **Your** behalf, or on behalf of a party for whom **You** are **Vicariously Liable**, to retain a qualified IT forensics firm or computer security expert to investigate and identify the source and scope of a **Security Breach** or **Privacy Breach**; and
 - (e) overtime salaries of non-exempt **Employees** assigned to handle inquiries from parties affected by a **Privacy Breach**.
- (76) **“Privacy Regulations”** means federal, state, local or foreign statutes, rules, regulations and other laws in effect now, or as hereafter amended, associated with the confidentiality, access, control, use or protection of **Private Information**, including, but not limited to:
- (a) the Health Insurance Portability and Accountability Act of 1996 (Public Law 104- 191), known as HIPAA, or similar state medical privacy laws;

- (b) the Gramm-Leach-Bliley Act of 1999 (G-L-B), also known as the Financial Services Modernization Act of 1999, including sections concerning security protection and standards for customer records maintained by financial services companies, and the rules and regulations promulgated thereunder;
 - (c) state and federal statutes and regulations regarding the security and privacy of consumer information;
 - (d) governmental privacy protection regulations or laws associated with the control and use of personal information, including but not limited to requirements to post a privacy policy, adopt specific privacy controls or inform customers of an actual or suspected **Privacy Breach**;
 - (e) privacy provisions of consumer protection laws, including the Federal Fair Credit Reporting Act (FCRA) and similar state laws;
 - (f) the Children's Online Privacy Protection Act or similar laws;
 - (g) the EU General Data Protection Regulation or other similar privacy and security statutes, rules, regulations or other laws worldwide;
 - (h) the California Consumer Privacy Act and any rules or regulations promulgated thereunder; and
 - (i) the Health Information Technology for Economic and Clinical Health Act (HITECH ACT), enacted under Title XIII of the American Recovery and Reinvestment Act of 2009 (ARRA) (Pub. L. 111-5), and its implementing regulations, including related or similar state medical privacy laws.
- (77) **"Privacy Regulatory Proceeding"** means a civil or administrative proceeding, regulatory action, request for information or investigation instituted against an **Insured** by a **Regulatory Authority** because of a **Security Breach** or **Privacy Breach**. **Privacy Regulatory Proceeding** does not include a **PCI DSS Demand**.
- (78) **"Private Information"** means proprietary or confidential information owned by a **Third Party** that is in the care, custody or control of an **Insured**, or is used by an **Insured** with the consent of such **Third Party**, and **Personally Identifiable Information**.
- (79) **"Products"** means any tangible goods or devices that are manufactured, produced, processed, prepared, assembled, packaged, labeled, sold, handled or distributed by **You**, by others trading under **Your** name, or by a person or organization whose business or assets have been acquired by **You**; and containers, materials, parts or equipment furnished in connection with such goods or devices.
- (80) **"Programming Error"** means an error which occurs during the development or encoding of a computer program, software or application and which would, when in operation, result in a malfunction or incorrect operation of a **Computer System**.
- (81) **"Property Damage"** means physical injury to, or impairment, destruction or corruption of, any tangible property, including the loss of use thereof. **Data** is not considered tangible property.
- (82) **"Public Relations Expenses"** means expenses that **You** incur to retain or hire a **Third Party** public relations consultant or public relations firm to protect or restore **Your Reputation**, which is damaged or reasonably could be damaged by an **Adverse Media Report**.
- (83) **"Regulatory Authority"** means a federal, state, local or foreign governmental agency or regulatory authority responsible for investigating and enforcing **Privacy Regulations**, including an authorized Data Protection Authority under the EU General Data Protection Regulation.
- (84) **"Regulatory Compensatory Award"** means a sum of **Money** which an **Insured** is legally obligated to pay as a **Regulatory Authority's** award or fund for parties affected by a **Privacy Breach**, due to an adverse judgment or settlement arising out of a **Privacy Regulatory Proceeding**, including consumer redress funds. **Regulatory Compensatory Award** does not include any criminal fines or penalties of any nature whatsoever.
- (85) **"Regulatory Fines and Penalties"** means civil fines or penalties imposed by a **Regulatory Authority** against an **Insured** as a result of a **Privacy Regulatory Proceeding**. **Regulatory Fines and Penalties** does not include any amounts deemed uninsurable under the law pursuant to which this Policy is construed, criminal fines or penalties of any nature or **PCI DSS Fines and Assessments**.
- (86) **"Related Claims"** means:
- (a) two or more **Claims** made against, or involving, any one **Insured**, which have as a common nexus any fact, circumstance, situation, event or cause, or a series of causally connected facts, circumstances, situations, events or causes;

- (b) two or more **Claims** made against, or involving, any one **Insured**, which arise from the same or continuing **Wrongful Act** or **First Party Insured Event**; or
 - (c) a single **Claim** made against, or involving, multiple **Insureds** who are insured under one **Evidence of Coverage**.
- (87) **“Reward Expenses”** means the reasonable amount that **You** pay with **Approval** to an **Informant** for information not otherwise available which leads to the arrest and conviction of any person who commits an illegal act that causes a **First Party Insured Event**.
- (88) **“Securities”** means negotiable or non-negotiable instruments or contracts representing **Money** or **Other Property**. **Securities** does not include **Money**.
- (89) **“Security and Privacy Wrongful Act”** means any of the following, but only if actually or allegedly committed by an **Insured**:
- (a) the failure to prevent or hinder a **Security Breach** or **Privacy Breach**;
 - (b) the failure to timely disclose a **Security Breach** or **Privacy Breach** affecting **Private Information**;
 - (c) the failure to dispose of **Private Information** within the required period in violation of **Privacy Regulations**;
 - (d) the failure to prevent the transmission of malicious code or computer virus from an **Insured Computer System** to the **Computer System** of a **Third Party**;
 - (e) a **Privacy Breach**;
 - (f) the failure to prevent or hinder participation by an **Insured Computer System** in a **Denial of Service Attack** directed against the internet site or **Computer System** of a **Third Party**; or
 - (g) infliction of emotional distress or mental anguish, but only if directly resulting from a peril described in paragraphs (a) through (f) above.
- (90) **“Security Breach”** means any of the following, whether a specifically targeted attack or a generally distributed attack:
- (a) a **Hacking Attack**; or
 - (b) the theft or loss of an unsecured **Data** storage or mobile device containing **Private Information**, including any smartphone, tablet or laptop which is owned by **You** and operated by an **Insured**, or owned and operated by an **Employee** or **Executive** who has agreed in writing to **Your** corporate mobile device acceptable use and security policy (also known as a “Bring Your Own Device” policy).
- A series of continuing **Security Breaches**, related or repeated **Security Breaches**, or multiple **Security Breaches** resulting from a continuing attack, event, incident or failure of computer security will be considered a single **Security Breach** and will be considered to have occurred at the time the first of such **Security Breaches** occurred.
- (91) **“Service Provider Computer System”** means a **Computer System** that is owned or leased by, and under the direct operational control of, an **Outsourced IT Service Provider** or **BPO Service Provider**.
- (92) **“Special Expenses”** means reasonable and necessary costs and expenses that **You** incur to:
- (a) prevent, preserve, minimize, or mitigate any further damage to **Digital Assets**, including the reasonable and necessary fees and expenses of specialists, outside consultants or forensic experts;
 - (b) preserve critical evidence of any criminal or malicious wrongdoing;
 - (c) purchase replacement licenses for computer programs because the copy protection system or access control software was damaged or destroyed by a **System Failure**; or
 - (d) notify affected parties of a **System Failure**.
- (93) **“Subsidiary”** means any entity in which the **Named Insured**, either directly or indirectly, through one or more of its **Subsidiaries**:
- (a) had **Managerial Control** before the Effective Date of this Policy and was insured under a policy issued by the Company, of which this Policy is a direct and continuous renewal;
 - (b) had **Managerial Control** as of the Effective Date of this Policy; or
 - (c) acquires **Managerial Control** after the Effective Date of this Policy.
- (94) **“System Failure”** means an unplanned outage, interruption, failure, suspension or degradation of service of an **Insured Computer System**, including, but not limited to, any such outage, interruption, failure, suspension or degradation of service caused directly by a **Hacking Attack**, **Voluntary Shutdown**, administrative error or **Programming Error**. **System Failure** does not include any **Dependent System Failure**.

- (95) **“Telecommunications Fraud”** means the intentional, unauthorized and fraudulent gaining of access to outgoing telephone service through infiltration and manipulation of an **Insured Telecommunications System**.
- (96) **“Telecommunications Fraud Loss”** means the charges that **You** incur for unauthorized calls directly resulting from **Telecommunications Fraud**.
- (97) **“Third Party”** means any entity, company, organization or person who does not qualify as an **Insured** under this Policy. However, **Third Party** does not include the **Policyholder** or MIEC Mutual Risk Retention Group.
- (98) **“Unauthorized Trading”** means trading, which at the time of the trade, exceeds permitted financial limits or is outside of permitted product lines.
- (99) **“Utilities Fraud”** means the intentional, unauthorized and fraudulent use of or access to an **Insured Computer System** as a direct result of a **Hacking Attack**, including **Cryptojacking**, which results in the fraudulent use of electricity, water, natural gas, oil, internet access, mobile **Data**, cable or satellite services, sewage, **Cloud Provider** services or other utilities, services or resources.
- (100) **“Utilities Fraud Loss”** means the overage charges or increased expenses that **You** incur as a direct result of **Utilities Fraud**, provided that (a) such overage charges or increased expenses are charged to **You** in a periodic billing statement by the provider of the utility, service or resource, pursuant to a written contract or agreement executed between **You** and such provider before the **Utilities Fraud** occurred; and (b) such overage charges or increased expenses are not charged at a flat fee which does not scale with the rate of use of the utility, service or resource. In determining the amount of **Utilities Fraud Loss** payable, due consideration will be given to **Your** prior utility expenses and the probable utility expenses **You** would have incurred had no **Utilities Fraud** occurred.
- (101) **“Vicariously Liable”** means **Your** legal responsibility for the liability of others, including legal responsibility **You** assume in a contract. The existence of vicarious liability will not create or confer any rights or duties under this Policy to any **Third Party**, other than as provided in this Definition.
- (102) **“Voluntary Shutdown”** means an intentional and discretionary total or partial shutdown of an **Insured Computer System** based upon an **Executive’s** reasonable belief that such total or partial shutdown is necessary to mitigate, minimize or avoid the economic impact of a **Hacking Attack** on **Your** business.
- (103) **“Waiting Period”** means the amount of time, as set forth in the Declarations of this Policy, that must elapse before any loss or expenses may be payable under BrandGuard® Coverage or System Failure Coverage: Non-Physical Business Interruption. The **Waiting Period** applies to each **Period of Restoration** and **Period of Indemnity**.
- (104) **“War”** means any war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, or confiscation, nationalization, requisition or destruction of or damage to property by or under the order of any government or public or local authority, or any action taken by a government authority to hinder, control, prevent, suppress or defend against any of the aforementioned actions.
- (105) **“Wrongful Act”** means:
- (a) with respect to Multimedia Liability Coverage only, a **Multimedia Wrongful Act**;
 - (b) with respect to Security and Privacy Liability Coverage only, a **Security and Privacy Wrongful Act**; and
 - (c) with respect to Privacy Regulatory Defense and Penalties Coverage and PCI DSS Liability Coverage only, a **Security Breach** or **Privacy Breach**.
- (106) **“You”** and **“Your”** means any **Named Insured**.
- (107) **“Your Account”** means a business account maintained by **You** at a financial institution from which **You**, or any **Insured** authorized by **You**, may request the transfer, payment or delivery of **Money** or **Securities**.
- (108) **“Your Phishing Fraud Loss”** means:
- (a) the loss of **Money**, **Securities** or **Other Property** that **You** sustain due to **Phishing Fraud**;
 - (b) the loss of **Money** or **Securities** that **You** sustain to reimburse **Your** client or customer for the loss of their **Money** or **Securities** as a direct result of **Phishing Fraud**, provided such reimbursement is made with **Approval**; and
 - (c) expenses that **You** incur with **Approval** to create and issue a specific press release or to establish a specific website to advise **Your** customers and prospective customers of **Phishing Fraud**.

- (109) **“Your Privacy Policy”** means **Your** published policies provided to **Employees** or **Third Parties** that govern the collection, use, disclosure, correction, dissemination, confidentiality, integrity, accuracy or availability of **Private Information**.
- (110) **“Your Reputation”** means the estimation of trust that customers or clients have in doing business with **You** or in purchasing **Your** services or **Products**.

VII. EXCLUSIONS AS TO THE ENTIRE POLICY

This Policy does not apply to any **Claim**:

- (A) made by or on behalf of an **Insured** against another **Insured**. However, this Exclusion does not apply to:
- (1) a **Claim** under Security and Privacy Liability Coverage which is brought by any past, present or future **Employee** against **You**; or
 - (2) a **Claim** under Multimedia Liability Coverage or Security and Privacy Liability Coverage which is brought by a person or entity qualifying as an **Insured** under Section VI.(48)(f) against another **Insured**.
- (B) based upon, arising from or in any way involving any of the following committed by an **Insured**, whether acting alone or in collusion with other persons:
- (1) a willful, intentional, deliberate, malicious, fraudulent, dishonest or criminal act or omission;
 - (2) any intentional violation of law; or
 - (3) the gaining of any profit or advantage to which an **Insured** is not legally entitled.
- However, the Company may pay **Defense Costs** incurred in connection with the defense of any conduct described in this Exclusion until such time as there is a final, non-appealable adjudication in a judicial, administrative or alternative dispute proceeding, or by an **Insured's** own admission in a proceeding or otherwise. The Company will have the right to recover **Defense Costs** incurred in defending any such **Claim** from any **Insured** found to have committed the conduct described in this Exclusion.
- Notwithstanding the foregoing, this Exclusion does not apply to any **Insured** who did not commit, participate in or have prior knowledge of any conduct to which this Exclusion would otherwise apply.
- (C) for **Bodily Injury** or **Property Damage**.
- (D) based upon, arising from or in any way involving any of the following, regardless of any other cause or event that contributes concurrently or in any sequence to the **Claim**:
- (1) electrical or mechanical failures or interruption, including electrical disturbance, spike, brownout or blackout;
 - (2) any regional, countrywide or global outage, failure, disruption or reduction in supply of any utility service or infrastructure, including electricity, gas, water, telephone, cable, internet, satellite or telecommunications, or any failure, outage, disruption, degradation or termination of any critical part of such service or infrastructure; or
 - (3) the cessation of **Your** business activities due to a shutdown by order of any public authority for whatever reason.
- (E) based upon, arising from or in any way involving the actual or alleged inaccurate, inadequate or incomplete description of the price of goods, **Products** or services.
- (F) based upon, arising from or in any way involving the violation of any economic or trade sanctions by the United States government, including, but not limited to, sanctions administered and enforced by the United States Treasury Department's Office of Foreign Assets Control (OFAC). However, this Exclusion does not apply to a **Security Breach** originating from any country where the United States of America has imposed economic or trade sanctions.
- (G) based upon, arising from or in any way involving any breach of any express, implied, actual or constructive contract, warranty, guarantee or promise. However, this Exclusion does not apply to:
- (1) any liability or obligation an **Insured** would have had in the absence of such contract, warranty, guarantee or promise;
 - (2) an actual or alleged breach of **Your Privacy Policy**;
 - (3) an actual or alleged breach of an express, implied, actual or constructive contract, warranty, guarantee or promise to protect **Private Information**;
 - (4) a **Claim** under Security and Privacy Liability Coverage for an unintentional breach by an **Insured** of the provisions of a confidentiality or non-disclosure agreement relating to the confidentiality of **Private Information**; or
 - (5) a **Claim** under PCI DSS Liability Coverage for an unintentional breach of the provisions of a **Merchant Services Agreement** relating to compliance with the **PCI DSS Standard**.

- (H) based upon, arising from or in any way involving any liability assumed by any **Insured** under a contract or agreement. However, this Exclusion does not apply to:
- (1) any liability an **Insured** would have had in the absence of such contract or agreement;
 - (2) a **Claim** under Multimedia Liability Coverage or Security and Privacy Liability Coverage for liability **Assumed Under Contract**; or
 - (3) a **Claim** under PCI DSS Liability Coverage for liability for **PCI DSS Fines and Assessments** assumed by **You** under a **Merchant Services Agreement**.
- (I) based upon, arising from or in any way involving:
- (1) any actual, alleged or threatened presence of pollutants or contamination of any kind, including, but not limited to, asbestos, smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste ("waste" includes materials to be recycled, reconditioned or reclaimed), whether or not such presence results from an **Insured's** activities or the activities of others, or such presence or contamination happened suddenly or gradually, accidentally or intentionally, or expectedly or unexpectedly; or
 - (2) any directive or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, or in any way respond to or assess the effects of pollutants or contamination of any kind.
- (J) based upon, arising from or in any way involving **Income Loss** caused by or resulting from **Unauthorized Trading**.
- (K) based upon, arising from or in any way involving:
- (1) the actual or alleged purchase or sale of **Securities**;
 - (2) the actual or alleged loss of value of any **Securities**;
 - (3) the offer of, or solicitation of an offer, to purchase or sell **Securities**; or
 - (4) the violation of any **Securities** law including, but not limited to, the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934 or the Sarbanes-Oxley Act of 2002, or any regulation promulgated under the foregoing statutes, or any similar federal, state, local or foreign law, including "Blue Sky" laws, whether such law is statutory, regulatory or common law.
- However, Exclusion (K)(4) does not apply to a **Privacy Regulatory Proceeding** or a **Claim** under Security and Privacy Liability Coverage alleging violation of SEC Regulation S-P (17 C.F.R. §248) or similar rules or regulations promulgated under **Securities** laws concerning the security, access or use of a customer's **Private Information** which was obtained in the course of a **Securities** transaction.
- (L) based upon, arising from or in any way involving the actual or alleged government enforcement of any federal, state, local or foreign regulation, including, but not limited to, regulations promulgated by the United States Federal Trade Commission, the Federal Communications Commission or the Securities and Exchange Commission. However, this Exclusion does not apply to a **Privacy Regulatory Proceeding**.
- (M) based upon, arising from or in any way involving:
- (1) any employer-**Employee** relations, policies, practices, acts or omissions;
 - (2) any actual or alleged refusal to employ any person; or
 - (3) any misconduct with respect to **Employees**.
- However, this Exclusion does not apply to a **Claim** under Security and Privacy Liability Coverage, Privacy Regulatory Defense and Penalties Coverage or Breach Event Costs Coverage which is based upon or arising from a breach of the **Personally Identifiable Information** of any **Employee**.
- (N) based upon, arising from or in any way involving any actual or alleged harassment or discrimination including, but not limited to, discrimination based on age, color, race, gender, creed, national origin, marital status, sexual preferences, disability or pregnancy.
- (O) based upon, arising from or in any way involving:
- (1) the violation of any pension, healthcare, welfare, profit sharing, mutual or investment plan, fund or trust; or
 - (2) the violation of any provision of the Employee Retirement Income Security Act of 1974 and its amendments, or the Pension Protection Act of 2006 and its amendments, or any regulation, ruling or order issued pursuant to the foregoing statutes.
- However, Exclusion (O)(2) does not apply to a **Claim** under Security and Privacy Liability Coverage, Privacy Regulatory Defense and Penalties Coverage or Breach Event Costs Coverage which is based upon or arising from a breach of the **Personally Identifiable Information** of any **Employee**.
- (P) for any loss, **Damage**, cost or expense:
- (1) directly or indirectly caused by, resulting from or in connection with any **War**;

- (2) resulting from a **Cyber Operation** carried out as part of any **War**; or
- (3) resulting from a **Cyber Operation** that causes a sovereign state to become an **Impacted State**.

However, this Exclusion does not apply to an **Act of Cyber Terrorism**. Paragraph (3) above shall also not apply to the direct or indirect effect of a **Cyber Operation** on an **Insured Computer System** that is not physically located in an **Impacted State** but is affected by a **Cyber Operation**.

(Q) based upon, arising from or in any way involving:

- (1) any **Insured's** failure to comply with or follow the **PCI Data Security Standard** or any payment card company rules; or
- (2) the implementation or maintenance of, or compliance with, any security measures or standards relating to any payment card **Data** including, but not limited to, any fine or penalty imposed by a payment card company on a merchant bank or payment processor that an **Insured** has paid or agreed to reimburse or indemnify.

However, this Exclusion does not apply to a **PCI DSS Demand**.

(R) based upon, arising from or in any way involving:

- (1) any actual or alleged unfair competition, price fixing, deceptive trade practices or restraint of trade; or
- (2) the violation of any antitrust statute, legislation or regulation.

However, Exclusion **(R)**(1) does not apply to:

- (1) allegations of unfair competition that form a part of a **Claim** under Multimedia Liability Coverage, Security and Privacy Liability Coverage or Privacy Regulatory Defense and Penalties Coverage; or
- (2) allegations of deceptive trade practices that form a part of a **Claim** under Security and Privacy Liability Coverage or Privacy Regulatory Defense and Penalties Coverage.

(S) based upon, arising from or in any way involving any actual or alleged infringement of any patent.

(T) based upon, arising from or in any way involving the misappropriation, theft, copying, display or publication of any trade secret. However, this Exclusion does not apply to a **Claim** under Security and Privacy Liability Coverage for failure to prevent the misappropriation of a trade secret which results from a **Security and Privacy Wrongful Act**.

(U) based upon, arising from or in any way involving the confiscation, commandeering, requisition or destruction of, or damage to, computer hardware by order of a government de jure or de facto, or by any public authority for whatever reason.

(V) based upon, arising from or in any way involving any unsolicited communication of information or advertising by telephone, email, fax, text or any other means prohibited by law, or any actual or alleged violation of the Telephone Consumer Protection Act (47 U.S.C. §227), the Telemarketing and Consumer Fraud and Abuse Prevention Act (15 U.S.C. §§ 6101-6108), or the CAN-SPAM Act (15 U.S.C. §§ 7701-7713), each as amended, or any regulations promulgated under the foregoing statutes, or any similar federal, state, local or foreign law, whether such law is statutory, regulatory or common law, including any anti-spam law or other law concerning the use of telephonic or electronic communications for solicitation purposes, or any allegations of invasion or violation of any rights to privacy derived therefrom.

(W) for any loss, cost, liability or expense caused by, resulting from, or in connection with a **Dependent System Failure**.

VIII. EXCLUSIONS AS TO ALL FIRST PARTY INSURING AGREEMENTS

In addition to the Exclusions under Section **VII.**, the Company will not be liable under any First Party Insuring Agreement of this Policy for:

- (A)** any liability to any **Third Party** for whatever reason, including contractual penalties, **Damages** or legal costs and expenses of any type.
- (B)** sanctions, fines or penalties imposed by law.
- (C)** any **Claim** based upon, arising from or in any way involving fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, force majeure or any other physical event, however caused.
- (D)** business interruption loss or costs or expenses resulting from lost productivity, including the throttling or capping of bandwidth by an internet or mobile **Data** service provider due to **Utilities Fraud**.
- (E)** any **Claim** based upon, arising from or in any way involving an **Operating System Event**.

IX. EXCLUSIONS AS TO BRANDGUARD® COVERAGE

In addition to the Exclusions under Section **VII.**, the Company will not be liable under BrandGuard® Coverage for:

- (A) any loss, cost, liability or expense that **You** incur to protect, restore or re-establish **Your Reputation**, including **Public Relations Expenses**.
- (B) any loss, cost, liability or expense that is insured by any other insurance, except excess insurance.
- (C) any loss, cost, liability or expense incurred because of an **Adverse Media Report** that also affects or refers in similar terms to a general security issue, an industry or **Your** specific competitors without any specific allegations regarding a **Security Breach** or **Privacy Breach** committed by an **Insured**, or by others acting on **Your** behalf, for whom **You** are legally responsible, including **BPO Service Providers** or **Outsourced IT Service Providers**.
- (D) any amounts paid or payable under Breach Event Costs Coverage.

X. EXCLUSIONS AS TO SYSTEM FAILURE COVERAGE

In addition to the Exclusions under Section VII., the Company will not be liable under System Failure Coverage for:

- (A) the cost of restoring, updating or replacing **Digital Assets** to a level beyond that which existed prior to the **System Failure**.
- (B) physical damage to, or the costs to repair or replace, any computer hardware or **Data** center.
- (C) the economic or market value of **Digital Assets**.
- (D) the costs or expenses incurred to identify, patch or remediate any software **Programming Error** or **Computer System** vulnerabilities.
- (E) the cost to upgrade, improve, repair, redesign, reconfigure or maintain an **Insured Computer System** to a level of functionality beyond that which existed prior to the **System Failure**.
- (F) the cost of restoring, replacing or repairing any electronic media.
- (G) the cost to upgrade, improve, repair, redesign, reconfigure or maintain a **Service Provider Computer System**.
- (H) loss of goodwill or harm to **Your Reputation**.

XI. EXCLUSIONS AS TO CYBER CRIME COVERAGE

In addition to the Exclusions under Section VII., the Company will not be liable under Cyber Crime Coverage for:

- (A) any **Claim** based upon, arising from or in any way involving any actual or alleged unauthorized acquisition, access, use or disclosure of **Private Information** that is held or transmitted in any form. However, this Exclusion does not apply to **Financial Fraud** which directly results from the use of **Private Information**.
- (B) any **Claim** based upon, arising from or in any way involving the seizure, confiscation, nationalization, requisition or destruction of an **Insured Telecommunications System** by or under the order of any government or public authority.
- (C) amounts that have been wholly or partially reversed by a credit card company or financial institution.
- (D) loss of **Other Property** arising out of, resulting from or in any way involving the fraudulent or purportedly fraudulent use of a credit or debit card.
- (E) any **Claim** based upon, arising from or in any way involving any fraudulent instruction, if the sender, or any person or organization acting in collusion with the sender, ever had authorized access to **Your** password, PIN or other security code. However, this Exclusion does not apply to **Your Phishing Fraud Loss**.
- (F) any **Claim** based upon, arising from or in any way involving the giving or surrendering of **Money, Securities** or **Other Property** in any exchange for or purchase of goods or services:
 - (1) that are not yet delivered, whether fraudulent or not;
 - (2) that fail to conform to advertised quality or performance; or
 - (3) that fail to conform to the quality or performance expected from the standpoint of the **Insured**.
- (G) any **Claim** based upon, arising from or in any way involving potential income, including interest and dividends, not realized by **You, Your** customers or **Your** clients.

XII. NOTIFICATION

(A) Notice Provisions as to All Insuring Agreements Except BrandGuard® Coverage

With respect to all Insuring Agreements of this Policy except BrandGuard® Coverage, an **Executive** must provide written notice to the Company, through the persons named in the **Evidence of Coverage**, of any **Claim** as soon as practicable

during the **Coverage Period**, but no later than sixty (60) days after expiration of the **Coverage Period**, or during any Optional Extended Reporting Period, if applicable.

(B) Notice Provisions as to BrandGuard® Coverage

With respect to BrandGuard® Coverage, an **Executive** must provide written notice to the Company, through the persons named in the **Evidence of Coverage**, of any **Claim** during the **Period of Indemnity**.

(C) Notice of Potential Claim

If, during the **Coverage Period**, an **Executive** becomes aware of any incident, act, fact or circumstance that could reasonably be a basis for a **Claim** under any Third Party Liability Insuring Agreement of this Policy, and if the **Executive** gives written notice to the Company (through the persons named in the **Evidence of Coverage**) during the **Coverage Period** that describes:

- (1) the specific details of the incident, act, fact or circumstance that could reasonably be the basis for the **Claim**;
- (2) the possible **Damages, Regulatory Fines and Penalties** or other amounts to which this Policy applies that may result or has resulted from the incident, act, fact or circumstance; and
- (3) the details regarding how the **Executive** first became aware of the incident, act, fact or circumstance,

then any **Claim** arising out of such reported incident, act, fact or circumstance will be considered to be a **Claim** first made on the date when the Company first received written notice complying with the above requirements.

XIII. LOSS DETERMINATION

(A) Brand Loss

- (1) The **Brand Loss** payable under BrandGuard® Coverage will be calculated by taking into account:
 - (a) the prior experience of **Your** business preceding the date of the **Adverse Media Report** or **Notification**, whichever applies, and **Your** likely net profit had no **Adverse Media Report** been published or **Notification** occurred;
 - (b) income derived from substitute methods, facilities or personnel **You** use to maintain **Your** revenue stream;
 - (c) **Your** documentation of the trends in **Your** business and variations in or other circumstances affecting **Your** business before or after the **Adverse Media Report** or **Notification**, which would have affected **Your** business had no **Adverse Media Report** been published or **Notification** occurred; and
 - (d) any fixed operating expenses, including ordinary payroll, but only to the extent that such operating expenses must continue during the **Period of Indemnity**.
- (2) For purposes of calculating **Brand Loss**, "net profit" will include the amount of **Money** paid or payable to **You**, including donations, for goods, **Products** or services sold, delivered or rendered in the normal course of **Your** business.

(B) Digital Assets Loss

Digital Assets Loss under System Failure Coverage: Data Recovery will be determined as follows:

- (1) If the impacted **Digital Asset** was purchased from a **Third Party**, the Company will pay only the lesser of the original purchase price of the **Digital Asset** or the reasonable and necessary **Digital Assets Loss**.
- (2) If it is determined that the **Digital Assets** cannot be replaced, restored or recreated, the Company will only reimburse the actual and necessary **Digital Assets Loss** incurred up to such determination.

(C) Income Loss

- (1) The **Income Loss** payable under System Failure Coverage: Non-Physical Business Interruption will be calculated as follows:
 - (a) **Your** net profit, as could have been reasonably projected, but which has been lost as a direct result of a **System Failure**; plus
 - (b) any fixed operating expenses incurred, including ordinary payroll, but only to the extent that such operating expenses must continue during the **Period of Restoration**.
- (2) **Income Loss** will be calculated by taking into account:
 - (a) the prior experience of **Your** business preceding the date of the **System Failure**, and **Your** likely net profit had no such **System Failure** occurred;

- (b) income derived from substitute methods, facilities or personnel **You** use to maintain **Your** revenue stream; and
 - (c) **Your** documentation of the trends in **Your** business and variations in or other circumstances affecting **Your** business before or after the **System Failure**, which would have affected **Your** business had no such **System Failure** occurred.
- (3) For purposes of calculating **Income Loss**, "net profit" will include the amount of **Money** paid or payable to **You**, including donations, for goods, **Products** or services sold, delivered or rendered in the normal course of **Your** business.

XIV. POLICY CONDITIONS

(A) Assistance and Cooperation

- (1) As a condition precedent to coverage under this Policy, every **Insured** shall cooperate with the Company and its representatives and, upon the Company's request, shall submit to examination by a representative of the Company, under oath if required; attend hearings, depositions and trials; assist in effecting settlement; cooperate in the securing and giving of evidence, obtaining the attendance of witnesses and in the conduct of suits; and shall give a written statement(s) to the Company's representatives for the purpose of investigation and/or defense, all without charge to the Company. Every **Insured** shall further cooperate with the Company to do whatever is necessary to secure and effect any rights of indemnity, contribution or apportionment that any **Insured** may have. No **Insured** shall take any action which in any way increases the Company's exposure under this Policy.
- (2) Every **Insured** must execute or cause to be executed all papers and render all assistance as reasonably requested by the Company, which may require an **Insured** to provide copies of a **Third Party's** system security and event logs.
- (3) No **Insured** will admit liability, make any payment, assume any obligation, incur any expense, enter into any settlement, stipulate to any judgment or award or dispose of any **Claim** without **Approval**, unless otherwise permitted under any Insuring Agreement of this Policy. However, the prompt public admission of a **Privacy Breach** or **Security Breach** potentially impacting the **Personally Identifiable Information of Employees or Third Parties**, as required by **Privacy Regulations** or **Card Association** operating requirements, will not be considered an admission of liability requiring **Approval**; provided, however, that an **Executive** must provide notice to the Company, in accordance with Section **XII.(C)** of this Policy, of such public admission, if it is a circumstance that could lead to a **Claim**.

(B) Subrogation

- (1) If any payment is made under this Policy, the Company shall be subrogated to the extent of such payment to all rights of recovery thereof, and the **Insured** shall execute all documents required and do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company to effectively bring suit in the name of any **Insured**, and shall provide all other assistance and cooperation which the Company may reasonably require. The **Insured** shall do nothing after a **Claim** is made to prejudice the Company's subrogation rights.
- (2) Any recoveries shall be applied first to subrogation expenses, second to **Damages, Defense Costs** or any other amounts incurred by the Company, and lastly to the Deductible. Any additional amounts recovered will be paid to the **Insured**.

(C) Other Insurance

All Insuring Agreements of this Policy are excess over any other valid and collectible insurance (including the amount of any deductibles and/or retentions) available to any **Insured**, including any insurance under which there is a duty to defend and regardless of whether such other policy or policies are stated to be primary, contributory, excess, contingent or otherwise, unless such insurance is written specifically as excess insurance of this Policy by reference in such other policy to the Policy number set forth in the Declarations of this Policy.

(D) Cancellation

- (1) The **Policyholder** may not cancel this Policy; however, a **Named Insured** may cancel its own coverage under this Policy by giving the Company advance, written notice stating when thereafter cancellation shall take effect. If a **Named Insured** cancels its own coverage under this Policy, the earned premium will be computed on a short rate basis. Payment or tender of any unearned premium by the Company will not be a condition precedent to the effectiveness of cancellation, and cancellation is not contingent upon acceptance by the **Named Insured** of the unearned premium.

- (2) The Company may only cancel a **Named Insured's** coverage under this Policy for non-payment of premium by mailing to the **Named Insured** written notice stating when, not less than ten (10) days thereafter, such cancellation shall be effective.
- (3) If the provisions of (D)(2) above are in conflict with any governing law or regulation, then such provisions shall be deemed amended to comply with the requirements of any such law or regulation, including any minimum cancellation notice period permitted thereunder.

(E) Non-Renewal

- (1) If the Company elects to non-renew this Policy, it will mail a written notice to the **Policyholder** stating the reason for non-renewal at least sixty (60) days before the Expiration Date of this Policy.
- (2) If this Policy is not renewed by the Company or the **Policyholder**, the **Policyholder** is responsible for notifying all **Insureds** of the effective date of nonrenewal. Non-renewal of this Policy shall be binding on all **Insureds** whether or not any such **Insureds** are notified by the **Policyholder** of the non-renewal.
- (3) If the Company elects to non-renew a **Named Insured's** coverage under this Policy, it will mail a written notice to such **Named Insured** stating the reason for non-renewal at least sixty (60) days before the Expiration Date of the applicable **Coverage Period**.
- (4) If any of the provisions of (E)(1) through (E)(3) above are in conflict with any governing law or regulation, then such provisions shall be deemed amended to comply with the requirements of any such law or regulation, including any minimum non-renewal notice period permitted thereunder.

(F) Optional Extended Reporting Period

- (1) If a **Named Insured's** coverage under this Policy is non-renewed by the Company, or if a **Named Insured** cancels or chooses to not renew coverage under this Policy, then such **Named Insured** shall have the right, following the Expiration Date of the **Coverage Period**, or the effective date of cancellation, if applicable, to purchase an Optional Extended Reporting Period, upon written request and payment of an additional premium of up to the percentage of the full annual premium not to exceed:
 - (a) for twelve (12) months: 100% of the full annual premium.
 - (b) for twenty-four (24) months: 150% of the full annual premium.
 - (c) for thirty-six (36) months: 200% of the full annual premium.
- (2) As used herein, "full annual premium" means the equivalent annual premium level for the coverage terms in effect immediately prior to the end of the **Coverage Period**, including any additional premium for endorsements.
- (3) At the commencement of the Optional Extended Reporting Period, the entire premium shall be considered fully earned.
- (4) If purchased, the Optional Extended Reporting Period will only apply to:
 - (a) with respect to the Third Party Liability Insuring Agreements of this Policy, any **Claim** first made against an **Insured** during the Optional Extended Reporting Period, provided always that the actual or alleged **Wrongful Acts** giving rise to such **Claim** occur on or after the applicable Retroactive Date and prior to the end of the **Coverage Period**, and the **Claim** is reported to the Company during the Optional Extended Reporting Period; and
 - (b) with respect to the First Party Insuring Agreements of this Policy, any **Claim** reported to the Company during the Optional Extended Reporting Period, provided always that the **First Party Insured Event** giving rise to such **Claim** first occurs during the **Coverage Period**, and the **First Party Insured Event** is first discovered by an **Executive** during the Optional Extended Reporting Period.
- (5) Any such Optional Extended Reporting Period:
 - (a) shall be evidenced by issuance of a Certificate of Extended Reporting Period Coverage;
 - (b) is subject to all terms, conditions, limitations and exclusions of this Policy;
 - (c) shall require payment within thirty (30) days from the **Named Insured's** written request to bind such Optional Extended Reporting Period; and
 - (d) shall be effective on the Expiration Date of the **Coverage Period**, or the effective date of cancellation, if applicable.
- (6) The purchase of the Optional Extended Reporting Period shall not increase or reinstate the Limits of Liability set forth in a **Named Insured's Evidence of Coverage**.

- (7) A change in Policy terms, conditions or exclusions, including the quotation by the Company of a different premium, Deductible, Limit of Liability or policy language at renewal shall not be considered a nonrenewal for purposes of triggering any **Named Insured's** right to purchase the Optional Extended Reporting Period.
- (8) The rights contained in this provision shall terminate unless a **Named Insured** provides written notice of the **Named Insured's** election to purchase the Optional Extended Reporting Period to the Company within thirty (30) days of the effective date of cancellation, if applicable, or the Expiration Date of the **Coverage Period**. Furthermore, as a condition precedent to any **Named Insured's** rights to purchase the Optional Extended Reporting Period, the total premium for this insurance must have been paid in full and any outstanding Deductible fully satisfied.

(G) Spousal or Domestic Partner Extension

This Policy will, subject to all terms, conditions, limitations and exclusions, be extended to apply to a **Claim** against a person who, at the time the **Claim** is made, is a lawful spouse or domestic partner of an **Insured**, but only if such spouse or domestic partner is the subject of any **Claim** because of marriage or domestic partnership to such **Insured**. In no event will the coverage afforded under this provision apply to any **Claim** caused by, resulting from or in any way involving the acts of an **Insured's** spouse or domestic partner.

(H) Most Favorable Law

- (1) With respect to the insurability of **Damages, Regulatory Compensatory Awards, Regulatory Fines and Penalties** and **PCI DSS Fines and Assessments**, the applicable law will be the law of the state most favorable to the **Insured**, provided such state has a reasonable relationship to the **Claim**.
- (2) A state will be considered to have a reasonable relationship to the **Claim** if it is the state where:
 - (a) the **Named Insured** is incorporated or has a place of business;
 - (b) the **Claim** is pending; or
 - (c) the **Wrongful Acts** giving rise to the **Claim** were committed or allegedly committed.

(I) Action Against the Company

No action shall lie against the Company unless, as a condition precedent thereto, there has been full compliance with all of the terms of this Policy, nor until the amount of an **Insured's** obligation to pay with respect to a **Claim** has been finally determined either by judgment against an **Insured** after actual trial or by written agreement of an **Insured**, the claimant and the Company. Any individual or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. No individual or organization shall have any right under this Policy to join the Company as a party to any action against any **Insured** to determine an **Insured's** liability, nor shall the Company be impleaded by any **Insured** or their legal representative.

(J) Dispute Resolution

(1) Mediation

If any dispute arises between any **Insured** and the Company involving this Policy or a **Claim** hereunder, the **Named Insured** and the Company agree that such dispute will be referred to a qualified mediator in a good faith effort to negotiate a resolution of the dispute prior to the initiation of any arbitration or other proceedings. The party invoking the agreement to mediate will provide written notice to the other party setting forth its request to mediate and a brief statement regarding the issue to be mediated. The **Named Insured** is authorized and directed to accept the Notice of Mediation on behalf of any **Insured**.

(2) Arbitration

As a condition precedent to any right of action hereunder, in the event that a good faith effort to mediate pursuant to Section **XIV.(J)(1)** above does not resolve a dispute between any **Insured** and the Company involving this Policy or a **Claim**, the **Named Insured** and the Company agree that such dispute will be determined by final and binding arbitration before a single arbitrator. If the parties cannot mutually select the arbitrator, the parties will refer the selection of the arbitrator to the American Arbitration Association.

(K) Service of Suit

This condition applies in jurisdictions where the Company is not an admitted insurer.

It is hereby understood and agreed that in the event of the Company's failure to pay the amount claimed to be due hereunder, the Company, at the request of a **Named Insured**, will submit to the jurisdiction of a court of competent

jurisdiction within the United States and will comply with all requirements necessary to give such court jurisdiction, and all matters regarding service of suit shall be determined in accordance with the law and practice of such court. Nothing in herein constitutes, or should constitute, a waiver of the Company's rights to commence an action in any court of competent jurisdiction in the United States; to remove an action to a United States District Court; to seek a transfer of a case to another court, as permitted by the laws of the United States or any state in the United States; or to appeal any judgment or ruling.

It is further understood and agreed that, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, the Company hereby designates the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his or her successor(s) in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of any **Named Insured** or any beneficiary hereunder arising out of this Policy, and hereby designates the President of the Houston Casualty Company, in care of the General Counsel, at 13403 Northwest Freeway, Houston, TX, 77040, as the person to whom said officer is authorized to mail such process or true copy thereof.

It is further understood and agreed that service of process in such suit may be made upon NATIONAL REGISTERED AGENTS, INC., 2875 Michelle Drive, Suite 100, Irvine, CA 92606, and that in any suit instituted against the Company upon this Policy, the Company will abide by the final decision of such court, or of any appellate court in the event of an appeal.

(L) Assignment

No assignment of interest under this Policy shall bind the Company unless its prior written consent is endorsed hereon.

(M) Forfeiture

Any action or failure to act by a **Named Insured** with the intent to defraud the Company will render such **Named Insured's Evidence of Coverage** null and void, and all of such **Named Insured's** coverage hereunder will be forfeited.

(N) Bankruptcy or Insolvency

Bankruptcy or insolvency of any **Insured** shall not relieve the Company of its obligations nor deprive the Company of its rights or defenses under this Policy.

(O) Office of Foreign Assets Control

Payment under this Policy shall only be made in full compliance with all United States of America economic or trade sanctions, laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

(P) Headings

The titles of paragraphs or sections of this Policy or any endorsements are intended solely for convenience and reference and are not considered in any way to limit or expand the provisions to which they relate and are not part of this Policy. Whenever the singular form of a word is used herein, the same will include the plural when required by context.

(Q) Policy Conformance

Any terms of this Policy that conflict with any local or state law, regulation or ordinance of the state that applies, will be thereby amended to the extent necessary in order to conform to such local or state law, regulation or ordinance.

(R) Policyholder's Rights and Duties

The **Policyholder**, on behalf of all **Insureds**, shall be:

- (1) authorized to make changes in the terms of this Policy, with the Company's consent;
- (2) authorized to agree to and receive any endorsements issued to form a part of this Policy;
- (3) responsible for payment of all premiums;
- (4) the payee for any return premium; and
- (5) responsible for notifying all **Insureds** if this Policy is canceled or non-renewed.

XV. CURRENCY AND PAYMENTS

All premium and losses under this Policy shall be payable in United States dollars.

XVI. ENTIRE AGREEMENT

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

SPECIMEN

HOUSTON CASUALTY COMPANY
Houston, Texas

End. Effective Date	Policyholder	Policy Number	Endorsement
01/01/2026	Medical Insurance Exchange of California	H26ECH24321-00	1

NUCLEAR INCIDENT EXCLUSION

In consideration of the premium charged, it is understood and agreed that Section **VII. EXCLUSIONS AS TO THE ENTIRE POLICY** of this Policy is amended by the addition of the following Exclusion:

This Policy does not apply to any **Claim** based upon, arising from or in any way involving any injury, sickness, disease, death or destruction, including all forms of radioactive contamination of property:

- (a) with respect to which any **Insured** is also insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for exhaustion of its limit of liability;
- (b) resulting from the **Hazardous Properties of Nuclear Material** and with respect to which:
 - (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, as amended, or any regulations promulgated thereunder;
 - (2) any **Insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization; or
- (c) resulting from the **Hazardous Properties of Nuclear Material**, if:
 - (1) the **Nuclear Material** is at any **Nuclear Facility** owned by, or operated by or on behalf of, an **Insured** or has been discharged or dispersed therefrom;
 - (2) the **Nuclear Material** is contained in **Spent Fuel** or **Waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **Insured**; or
 - (3) the injury, sickness, disease, death or destruction arises out of the furnishing by an **Insured** of services, materials, parts or equipment in connection with the planning, construction maintenance, operation or use of any **Nuclear Facility**; provided, however, if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (c)(3) applies only to injury to or destruction of property at such **Nuclear Facility**.

As used in this Endorsement:

- 1. **"Hazardous Properties"** means radioactive, toxic or explosive properties.
- 2. **"Nuclear Facility"** means:
 - (a) any **Nuclear Reactor**;

HOUSTON CASUALTY COMPANY
Houston, Texas

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- (b) any equipment or device designed or used for separating the isotopes of uranium or plutonium, processing or utilizing **Spent Fuel**, or handling, processing or packaging **Waste**;
 - (c) any equipment or device used for the processing, fabricating or alloying of **Special Nuclear Material** if at any time the total amount of such material in the custody of an **Insured** at the premises where such equipment or device is located consists of or contains more than twenty-five (25) grams of plutonium or uranium 233, or any combination thereof, or more than 250 grams of uranium 235;
 - (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **Waste**, and
 - (e) the site on which any of (a) through (d) above is located, all operations conducted on such site and all premises used for such operations.
- 3. **"Nuclear Material"** means **Source Material**, **Special Nuclear Material** or **Byproduct Material**.
 - 4. **"Nuclear Reactor"** means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
 - 5. **"Spent Fuel"** means any fuel element or fuel component, solid or liquid that has been used or exposed to radiation in a **Nuclear Reactor**.
 - 6. **"Waste"** means any waste material containing **Byproduct Material** and resulting from the operation by any person or organization of any **Nuclear Reactor** or any equipment or device designed or used for separating the isotopes of uranium or plutonium, processing or utilizing **Spent Fuel**, or handling, processing or packaging **Waste**.
 - 7. **"Source Material"**, **"Special Nuclear Material"** and **"Byproduct Material"** have the meanings given them in the Atomic Energy Act 1954, or in any law amendatory thereof.

All other terms and conditions of this Policy remain unchanged.

Houston Casualty Company
Houston, TX

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POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Coverage for acts of terrorism is already included in your policy (including any quotation for insurance) to which this notice applies. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury – in consultation with the Secretary of Homeland Security, and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. **HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, INCLUDING BUT NOT LIMITED TO, AN EXCLUSION FOR NUCLEAR EVENTS. PLEASE READ IT CAREFULLY.** Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020 of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a USD100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds USD100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed USD100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for certified acts of terrorism as defined in the Terrorism Risk Insurance Act, as amended in 2015, is **1%**. This amount does not include any charges for the portion of loss covered by the Federal Government under the Act.

I ACKNOWLEDGE THAT I HAVE BEEN NOTIFIED THAT UNDER THE TERRORISM RISK INSURANCE ACT, AS AMENDED IN 2015, ANY LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM UNDER MY POLICY MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT AND ARE SUBJECT TO A USD100 BILLION CAP THAT MAY REDUCE MY COVERAGE, AND I HAVE BEEN NOTIFIED OF THE PORTION OF MY PREMIUM ATTRIBUTABLE TO SUCH COVERAGE.

INSURANCE CARRIER: Houston Casualty Company