

3. No person or organization is an **Insured** with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a **Named Insured** in Item 1. of the Declarations.
- C. If during the **Policy Period** a transaction occurs wherein another organization gains control of the **Named Insured** through the ownership of more than fifty percent (50%) of the outstanding securities or voting rights representing the present right to vote for the election of directors or equivalent position, or the **Named Insured** merges into another organization or consolidates with another organization such that the **Named Insured** is not the surviving organization, then:
1. The first **Named Insured** must give written notice of such transaction to the Company within sixty (60) days after the effective date of such transaction and provide the Company with such information in connection therewith as the Company may deem necessary;
  2. This Policy shall apply only to **Unauthorized Access**, discovery of a **Potential Unauthorized Access**, **Electronic Media Injury**, **Unintentional Data Compromise** and offenses which happened on or before the effective date of such transaction.

## INSURING AGREEMENTS

Although various Coverages may be referenced in this Policy, a Coverage is included within this Policy only if that Coverage is stated as being purchased in the Coverage Schedule in Item 4. of the Declarations.

### A. Coverage A. – Data Breach and Privacy Liability Coverage – Claims Made and Reported Coverage:

The Company shall pay on behalf of the **Insured**, subject to the **Co-Insurance Obligation** stated in Item 4.A. of the Declarations, if applicable, and in excess of the Deductible stated in Item 4.A. of the Declarations, all sums which the **Insured** shall become legally obligated to pay as **Damages and Regulatory Fines** both of which are a result of a **Claim** first made against the **Insured** during the **Policy Period** or the Extended Reporting Period, if exercised, and reported to the Company pursuant to Section CLAIMS, LOSS AND EXPENSES A., by reason of an **Unauthorized Access** or a **Potential Unauthorized Access**, provided:

1. The entirety of the **Unauthorized Access** or the discovery of the **Potential Unauthorized Access** happens during the **Policy Period** or on or after the **Retroactive Date** stated in Item 4.A. of the Declarations and before the end of the **Policy Period**; and
2. Prior to the effective date of this Policy the **Insured** had no knowledge of such **Unauthorized Access**, **Potential Unauthorized Access** or any computer security incident, intrusion, breach, compromise, theft, loss or use of the **Named Insured's Electronic Communications System** which may have led a reasonable person in the **Insured's** position to conclude that a **Claim** was likely; and
3. The **Company's** maximum aggregate liability under this Coverage for:
  - (a) all covered **Regulatory Fines**; and
  - (b) **Damages** for any **Privacy Policy Violation**:
 on account of all **Claims** shall be the respective Sublimits stated in the Coverage Schedule in Item 4.A. of the Declarations. Such Sublimits shall be part of and not in addition to the Combined Aggregate Limit of Liability as stated in Item 6. of the Declarations and the Aggregate Limit of Liability for this Coverage A. as stated in Item 4.A. of the Declarations.

### B. Coverage B. – Data Breach Loss to Insured Coverage – Occurrence Coverage:

The Company shall indemnify the **Named Insured** for the amount of **Loss** which is in excess of the Deductible stated in Item 4.B. of the Declarations and net of the **Co-Insurance Obligation** stated in Item 4.B. of the Declarations, if applicable, and which results directly from an **Unauthorized Access** which occurs during the **Policy Period** and is reported to the Company pursuant to Section CLAIMS, LOSS AND EXPENSES B.:

1. Provided prior to the effective date of this Policy the **Insured** had no knowledge such **Unauthorized Access** had occurred in whole or in part, and if any **Insured** knew prior to the **Policy Period** that the **Unauthorized Access** had occurred, then any continuation, change or resumption of such **Unauthorized Access** during or after the **Policy Period** will be deemed to have been known prior to the **Policy Period**; and
2. **Unauthorized Access**, which occurs during the **Policy Period** and was not, prior to the **Policy Period** known to have occurred by any **Insured**, includes any continuation, change or resumption of that **Unauthorized Access** after the end of the **Policy Period**; and

3. **Unauthorized Access** will be deemed to have been known to have occurred at the earliest of any **Insured**:
  - (a) Reporting all, or any part, of the **Unauthorized Access** to the Company, any other insurer or any insurance representative;
  - (b) Incurring **Loss** or **Breach Mitigation Expense** because of the **Unauthorized Access**; or
  - (c) Becoming aware by any other means that **Unauthorized Access** has occurred or has begun to occur; and
4. The Company's maximum aggregate liability under this Coverage for **Loss** incurred by the **Named Insured** in having an outside party perform a **Systems Assessment** on account of all **Unauthorized Access(es)** shall be the Sublimit stated in the Coverage Schedule in Item 4.B. of the Declarations. Such Sublimit shall be part of and not in addition to the Combined Aggregate Limit of Liability as stated in Item 6. of the Declarations and the Aggregate Limit of Liability for this Coverage B. as stated in Item 4.B. of the Declarations.

**C. Coverage C. – Electronic Media Liability Coverage – Claims Made and Reported Coverage:**

The Company shall pay on behalf of the **Insured**, in excess of the Deductible stated in Item 4.C. of the Declarations, all sums which the **Insured** shall become legally obligated to pay as **Damages** as a result of a **Claim** first made against the **Insured** during the **Policy Period** or the Extended Reporting Period, if exercised, and reported to the Company pursuant to Section CLAIMS, LOSS AND EXPENSES A., by reason of an **Electronic Media Injury**, provided:

1. The entirety of the offense, out of which such **Electronic Media Injury** arises, happens during the **Policy Period** or on or after the **Retroactive Date** stated in Item 4.C. of the Declarations and before the end of the **Policy Period**; and
2. Prior to the effective date of this Policy the **Insured** had no knowledge of such **Electronic Media Injury** or any offense, fact, circumstance, situation or incident which may have led a reasonable person in the **Insured's** position to conclude that a **Claim** was likely.

**D. Coverage D. – Breach Mitigation Expense Coverage – Occurrence Coverage:**

The Company shall reimburse the **Named Insured** for the reasonable cost actually incurred by the **Named Insured** with the prior written consent of the Company, for **Breach Mitigation Expense** which results directly from an **Unintentional Data Compromise** which occurs during the **Policy Period** and is reported to the Company pursuant to Section CLAIMS, LOSS AND EXPENSES C.:

1. Provided the entirety of the **Unintentional Data Compromise** occurs during the **Policy Period**; and
2. Provided prior to the effective date of this Policy the **Insured** had no knowledge such **Unintentional Data Compromise** of:
  - (a) The **Named Insured's Electronic Communications System**; or
  - (b) The **Electronic Communications System** of a third party responsible for storing and securing the data of the **Named Insured**;

had occurred in whole or in part, which may have led a reasonable person in the **Insured's** position to conclude that incurring such expenses was likely, and if any **Insured** knew prior to the **Policy Period** that such **Unintentional Data Compromise** had occurred, then any continuation, change or resumption of such **Unintentional Data Compromise** during or after the **Policy Period** will be deemed to have been known prior to the **Policy Period**; and
3. **Unintentional Data Compromise** will be deemed to have been known to have occurred at the earliest of any **Insured**:
  - (a) Reporting all, or any part, of an **Unauthorized Access** or **Potential Unauthorized Access** to the Company, any other insurer or any insurance representative;
  - (b) Incurring **Loss** or **Breach Mitigation Expense** because of an **Unauthorized Access** or **Potential Unauthorized Access**; or
  - (c) Becoming aware by any other means that an **Unintentional Data Compromise** has occurred or has begun to occur.

With respect to any amount that the Company shall reimburse for costs actually incurred by the **Named Insured** pursuant to this Coverage, if similar expenses become part of a judgment, award or settlement subject to Section INSURING AGREEMENTS A. of this Policy, such expenses shall not be subject to this Coverage D.



**E. Coverage E. – Business Interruption Reimbursement Coverage – Occurrence Coverage:**

The Company shall reimburse the **Named Insured** for the actual loss of **Business Income** incurred by the **Named Insured** after the exhaustion of the applicable **Retention Period** stated in the Declarations, due to a **Business Interruption Event** which occurs as a direct result of an **Unauthorized Access** which occurs during the **Policy Period** and is reported to the Company pursuant to Section CLAIMS, LOSS AND EXPENSES D.:

1. Provided prior to the effective date of this Policy the **Insured** had no knowledge such **Unauthorized Access** had occurred in whole or in part, and if any **Insured** knew prior to the **Policy Period** that the **Unauthorized Access** had occurred, then any continuation, change or resumption of such **Unauthorized Access** during or after the **Policy Period** will be deemed to have been known prior to the **Policy Period**; and
2. **Unauthorized Access**, which occurs during the **Policy Period** and was not, prior to the **Policy Period** known to have occurred by any **Insured**, includes any continuation, change or resumption of that **Unauthorized Access** after the end of the **Policy Period**; and
3. **Unauthorized Access** will be deemed to have been known to have occurred at the earliest of any **Insured**:
  - (a) Reporting all, or any part, of the **Unauthorized Access** to the Company, any other insurer or any insurance representative;
  - (b) Incurring **Loss** or **Breach Mitigation Expense**, or experiencing an **Income Interruption**, because of the **Unauthorized Access**; or
  - (c) Becoming aware by any other means that **Unauthorized Access** has occurred or has begun to occur.

**F. Coverage F. – PCI Assessments Reimbursement Coverage – Occurrence Coverage:**

The Company shall indemnify the **Named Insured** for the amount of **PCI Assessments** which is in excess of the Deductible stated in Item 4.F. of the Declarations and net of the **Co-Insurance Obligation** stated in Item 4.F. of the Declarations, if applicable, and which results directly from an **Unauthorized Access** which occurs during the **Policy Period** and is reported to the Company pursuant to Section CLAIMS, LOSS AND EXPENSES E.:

1. Provided prior to the effective date of this Policy the **Insured** had no knowledge such **Unauthorized Access** had occurred in whole or in part, and if any **Insured** knew prior to the **Policy Period** that the **Unauthorized Access** had occurred, then any continuation, change or resumption of such **Unauthorized Access** during or after the **Policy Period** will be deemed to have been known prior to the **Policy Period**; and
2. **Unauthorized Access**, which occurs during the **Policy Period** and was not, prior to the **Policy Period** known to have occurred by any **Insured**, includes any continuation, change or resumption of that **Unauthorized Access** after the end of the **Policy Period**; and
3. **Unauthorized Access** will be deemed to have been known to have occurred at the earliest of any **Insured**:
  - (a) Reporting all, or any part, of the **Unauthorized Access** to the Company, any other insurer or any insurance representative;
  - (b) Incurring **Loss** or **Breach Mitigation Expense** because of the **Unauthorized Access**; or
  - (c) Becoming aware by any other means that **Unauthorized Access** has occurred or has begun to occur.

**SUPPLEMENTARY PAYMENTS**

- A. Reward Coverage:** The Company shall, subject to the prior written consent of the Company to the terms and offer of a reward, reimburse the **Named Insured** up to twenty five thousand dollars (\$25,000) per **Policy Period**, including the Extended Reporting Period, if exercised, for the actual payment of a reward offered with regard to a **Claim** or **Loss** which is subject to coverage afforded under Coverage A. or B. of this Policy.

The reward will be offered if:

1. Recommended in writing by the **Named Insured** and any law enforcement official; and
2. There is a reasonable likelihood that a reward will assist in the prosecution of the person or persons responsible for the **Unauthorized Access** or **Potential Unauthorized Access**.

An offer of reward will expire one (1) year after the earlier of:

- (a) The date such **Claim** under Coverage A. is first made or such **Unauthorized Access** under Coverage B. occurs; or
- (b) The expiration or cancellation of this Policy.

Provided, however, that in the event there are claimants for a reward who have provided information prior to the expiration of the reward offer period above, the reward offer will remain outstanding for those claimants until their claim for payment has been finalized.

The reward will be paid for information directly leading to the arrest and conviction of a person or persons responsible for the **Unauthorized Access** or **Potential Unauthorized Access**, and upon the arrest and conviction of a person or persons responsible for the **Unauthorized Access** or **Potential Unauthorized Access**. In the event of multiple claimants for a reward, the reward monies will be shared among those providing information directly leading to assisting in the arrest and conviction of the person or persons responsible for the **Unauthorized Access** or **Potential Unauthorized Access**. The reward will not be offered to or paid to any: (i) principal, partner, officer, director, trustee, manager, member or shareholder of the **Named Insured**; (ii) **Employee** responsible for the **Unauthorized Access** or **Potential Unauthorized Access**; (iii) **Employee** responsible for managing the security of the **Named Insured's Electronic Communications System**; (iv) law enforcement official; or (v) person or organization providing any breach mitigation services for a fee.

The **Named Insured** shall give the Company written notice as stated in Item 10. of the Declarations of written proof of payment of a reward as soon as practicable. In any event, such written proof of payment must be reported to Markel Service, Incorporated, Ten Parkway North, Deerfield, Illinois 60015, on behalf of the Company, no later than sixty (60) days after incurring such reward.

Any amount that the Company incurs pursuant to this section shall be in addition to the Limits of Liability stated in Items 4. and 6. of the Declarations and shall not be subject to the Deductible or the **Co-Insurance Obligation**.

- B. Loss of Earnings and Expense Reimbursement:** Upon submission to the Company of satisfactory written proof of payment by the **Named Insured**, the Company shall reimburse the **Named Insured** as expense reimbursement for all reasonable and necessary expenses incurred by an **Insured** at the **Company's written request for attendance at any** arbitration, mediation, deposition, hearing or trial in connection with a **Claim** to which this Policy applies. The **Named Insured** shall give the Company written notice as stated in Item 10. of the Declarations of written proof of payment of expenses as soon as practicable. In any event, such written proof of payment must be reported to Markel Service, Incorporated, Ten Parkway North, Deerfield, Illinois 60015, on behalf of the Company, no later than sixty (60) days after incurring such expenses.

The Company shall compensate the **Named Insured** for loss of earnings of an **Insured** a maximum of five hundred dollars (\$500) per day for all **Insureds to attend at the Company's written request any arbitration, mediation, deposition, hearing or trial in connection with a Claim** to which this Policy applies.

The maximum the Company shall pay the **Named Insured** for all **Insureds** for compensation of all loss of earnings and expense reimbursement for all **Claims to which this Policy applies and all attendances at the Company's written request** is fifteen thousand dollars (\$15,000).

Payments to the **Named Insured** pursuant to this Section SUPPLEMENTARY PAYMENTS B. shall be in addition to the Limits of Liability stated in Items 4. and 6. of the Declarations and shall not be subject to the Deductible or the **Co-Insurance Obligation**.

## DEFINITIONS

- A. Authority** means any agency of:

1. A federal, state or local government of the United States of America, its territories or possessions or Puerto Rico;
2. A federal, provincial or local government of Canada; or
3. The government of the European Union (EU) or any member nation;

Any of which is charged with the administration or enforcement of laws or regulations relating to the use, transfer or storage of electronic communications or data storage systems.

- B. Bodily Injury** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these; provided, however, **Bodily Injury** does not include humiliation or the infliction of emotional distress arising solely from an **Unauthorized Access, Potential Unauthorized Access** or **Electronic Media Injury**.



**DD. Unauthorized Access** means a breach of the **Named Insured's** security measures, systems, procedures, or stated privacy policy, or any intentional violation, interception, or use or misuse of the **Named Insured's Electronic Communications System**, whether or not for profit or gain, by any person, without the permission, knowledge or ratification of the **Insured**. **Unauthorized Access** also includes:

1. Access to the **Named Insured's Electronic Communications System** that is with the **Insured's** permission where such permission is the result of fraud or deception, including phishing scams;
2. Use of the **Named Insured's Electronic Communications System** by a party authorized by the **Insured** to use such system, who does so for an unauthorized purpose;
3. The introduction of programs into the **Named Insured's Electronic Communications System** which contain fraudulent or destructive instructions or code including any inadvertent transmission of such programs to a third party;
4. A credible threat or an extortion demand received by the **Named Insured** threatening or portending loss, injury or damage to:
  - (a) The **Named Insured's Electronic Communications System**, including programs, electronic data and media which form a part of the **Named Insured's Electronic Communications System**; or
  - (b) Money, securities, bonds or similar financial instruments, solely to the extent that record of such is maintained in digital or electronic format on the **Named Insured's Electronic Communications System**;
 For the purpose of extorting money or other valuable consideration from the **Named Insured**; and
5. Failure to prevent a denial of service attack on the **Named Insured's Electronic Communications System** or to prevent the use of the **Named Insured's Electronic Communications System** by an unauthorized user or code to launch a denial of service attack on a third party;
6. Solely with regard to:
  - (a) Coverage A., Data Breach and Privacy Liability Coverage; and
  - (b) Coverage D., Breach Mitigation Expense Coverage;
 The theft or loss of any paper records; and
7. Solely with regard to:
  - (a) Coverage A., Data Breach and Privacy Liability Coverage; and
  - (b) Coverage D., Breach Mitigation Expense Coverage;
 The failure of any third party to prevent the unauthorized viewing, copying or distribution of **Private Data** which the **Named Insured** has entrusted to such party under a written contract or agreement that specifically requires such party to protect the confidentiality of the **Private Data** so entrusted.

**EE. Unintentional Data Compromise** means any computer security incident, intrusion, breach, compromise, theft, loss or misuse of the **Named Insured's** customer's(s') and/or **Employee's(s')** **Private Data**.

## THE EXCLUSIONS

- A.** With respect to all Coverages, this Policy does not apply to any **Claim, Loss, Unauthorized Access** or **Supplementary Payments**:
1. Caused by access to the **Named Insured's Electronic Communications System** by any government, governmental agency or subagency, or any agents thereof while acting on behalf of such entity;
  2. Due to riot, civil commotion, war, insurrection or usurped power;
  3. For **Bodily Injury**; provided, however, this exclusion shall not apply to humiliation or the infliction of emotional distress arising solely from an **Unauthorized Access, Potential Unauthorized Access** or **Electronic Media Injury**;
  4. For **Property Damage**; provided, however, this exclusion shall not apply to damage to, corruption of or inability to access data, software and computer networks arising solely from an **Unauthorized Access, Potential Unauthorized Access** or **Electronic Media Injury**;