

EMBROKER

Technology E&O and
Cyber Insurance
Coverage Part
Plus Policy



Embroker Insurance Services LLC
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embroker.com

I. Insuring Agreements

1. Technology and Media Errors and Omissions

We shall pay on **Your** behalf all **Damages** and **Defense Costs** incurred in respect of any **Claim** resulting from any actual or alleged **Technology Professional Services Wrongful Act** or **Media Professional Service Wrongful Act** including by reason of liability of another person or organization that **You** assume in an **Indemnity Contract**, provided that the **Claim** is first made against **You** and notified to us during the **Policy Period** or any applicable extended reporting period.

2. Contractual Privacy Breach and Forensic Expenses

Subject to the Technology and Media Error and Omission Aggregate Limit, we shall pay on **Your** behalf the sum of all **Privacy Breach And Forensic Expenses** **You** are obligated to incur pursuant to the terms of a written contract or agreement pertaining to **Your Technology Product** or **Your Technology Professional Service** and other amounts described as reducing the Coverage Part Aggregate Limit of Liability.

Any such sum we pay will reduce the amount of this Coverage Part Aggregate Limit of Liability and any other applicable limits of liability. The remaining amount of any such limit of liability is the most that will be available for any other payment.

3. Withheld Fees

We agree to pay **Your Withheld Fees** in the event there is written evidence a client of **Yours** will bring or is threatening to bring a **Claim** against **You** that would be covered under Insuring Agreement 1 or 2 for an amount greater than **Your Withheld Fees** if **You** attempt to recover the **Withheld Fees** from them.

4. Network Security and Privacy Liability

We shall pay on **Your** behalf all **Damages** and **Defense Costs** incurred in respect of any **Claim** arising from a **Network Security Event Discovered** and notified to us during the **Policy Period** or any applicable extended reporting period.

5. Privacy Breach, Forensics Expenses, and Reputational Harm

We shall pay on **Your** behalf all **Privacy Breach And Forensics Expenses** arising from a **Network Security Event Discovered** and notified to us during the **Policy Period** or to any applicable extended reporting period.

Subject to a sublimit of \$1,000,000 that is part of, not in addition to, this Insuring Agreement 5., we shall pay to **You** **Reputational Harm** during the thirty (30) days after an **Adverse Media Report** or **Privacy Breach Discovered** and notified to us during the **Policy Period** or any applicable extended reporting period.

6. Payment Card Industry and Card Brand Fines, Assessments or Charges

We shall pay on **Your** behalf all fines and penalties, assessments and card reissuance costs required under a Merchant Services Agreement and arising from a **Network Security Event** or non-compliance with Payment Card Industry Data Security Standards in respect of a **Network Security Event Discovered** and notified to us during the **Policy Period** or any applicable extended reporting period.

7. System Damage, Bricking, and Betterment

We agree to pay on **Your** behalf any reasonable sums necessarily incurred to repair, recover, recollect, and recreate the data and application components of **Your Computer System(s)** that have been damaged as a direct result of a **Network Security Event** first **Discovered and notified to us during Policy Period**.

For the purposes of this Insuring Agreement 7, we will only reimburse the following elements of **Your** financial loss:

- a. the additional cost of employing contract staff or overtime costs for **Employees**;
- b. the additional cost of employing specialist consultants, including IT forensic consultants; and
- c. the additional cost of employing specialist consultants or overtime costs for **Employees** working within **Your** IT department to reconstitute **Your Computer System(s)** to the position they were in immediately prior to the **Network Security Event**.
- d. Subject to a sublimit of \$500,000 that is part of, and not in addition to the Insuring Agreement limit, if, after reasonable efforts, **Your Computer System** is deemed to be non-functional after such **Network Security Event**, we will, subject to our prior written consent, pay on behalf of **You**, costs to replace or repair **Your** computer hardware.
 - i. Subject to a sublimit of \$100,000 that is part of, and not in addition to the Insuring Agreement limit, if such replacement or repairs of **Your Computer System** may include, with prior written consent, outside computer analyst expert recommendations for improvements to **Computer Systems** to prevent a future **Network Security Event**.

8. Telecommunications and Utility Fraud - Including Cryptojacking

- a. We shall pay on **Your** behalf **Telecommunications Fraud Loss** as a direct result of a **Third Party** gaining access to and using the **Your Computer System** in an unauthorized manner; provided such **Telecommunications Fraud Loss** is **Discovered** and notified to us during the **Policy Period** or any applicable extended reporting period.
- b. We shall pay **You** for **Utility Fraud Costs** resulting from **Utility Fraud** that is **Discovered** and reported to us during the **Policy Period** or any applicable extended reporting period.

9. Social Engineering and Funds Transfer Fraud

We shall indemnify **You** up to the Coverage Part Aggregate Limit of Liability that exceeds the greater of \$25,000 or **Your** Retention as stated in the Declarations Page of this Policy for **Social Engineering Event(s)** or **Your** loss of **Money** or **Securities** directly caused by any **Third Party** committing **Funds Transfer Fraud Discovered** and notified to us in writing during the **Policy Period** or any applicable extended reporting period.

10. Cyber Extortion

We shall pay on **Your** behalf any **Extortion Costs** arising from a **Cyber Threat Discovered** and notified to us during the **Policy Period** or any applicable extended reporting period.

11. Contingent Bodily Injury and Property Damage

We shall pay on **Your** behalf all **Damages** and **Defense Costs** incurred in respect of any **Claim** first **Discovered** and notified to us during the **Policy Period** arising out of **Bodily Injury** or **Property Damage** caused as a direct result of **Your Technology Professional Services** provided that there is no other collectable insurance policy issued by any insurer applicable to such **Claim**.

As a condition to coverage afforded under this Insuring Agreement and subject to Section V. Other Insurance, **You** shall maintain in full force during the **Policy Period**, a Comprehensive General Liability policy, including express coverage for Bodily Injury and Property Damage. Such policy limit shall be a minimum of \$1,000,000 in the aggregate.

12. Business Interruption & Extra Expenses and System Failure
 - a. We shall pay all **Business Interruption Costs And Extra Expenses** arising from a **Network Security Event** during the **Period Of Restoration** provided that such **Network Security Event** is **Discovered** and reported to us during the **Policy Period** or any applicable extended reporting period.
 - b. **We** shall pay for **Business Interruption Costs And Extra Expenses** arising from a **System Failure** during the **Period Of Restoration** provided that such **System Failure** is **Discovered** and reported to us during the **Policy Period** or any applicable extended reporting period.
13. Dependent Business Interruption & Extra Expenses and Dependent System Failure
 - a. We shall pay all **Business Interruption Costs And Extra Expenses** arising from a **Dependent Business Disruption** during the **Dependent Disruption Period** provided that such **Dependent Business Disruption** is **Discovered** and reported to us during the **Policy Period** or any applicable extended reporting period.
 - b. **We** shall pay for **Business Interruption Costs And Extra Expenses** arising from a **Dependent System Failure** during the **Dependent Disruption Period** provided that such **Dependent System Failure** is **Discovered** and reported to us during the **Policy Period** or any applicable extended reporting period.
14. Invoice and Delivery Fraud

We shall pay **You** for **Invoice & Delivery Fraud Costs** resulting from **Invoice & Delivery Fraud** arising from a **Network Security Event** that is **Discovered** and reported to us during the **Policy Period** or any applicable extended reporting period.

II. Exclusions

We shall not be obligated to pay any **Loss** attributable to any **Claim** or any part of any **Claim** or any **Loss**:

A. Prior Notice

based upon, arising out of, directly or indirectly resulting from, in consequence of or in any way involving any fact, circumstance, transaction, event, or **Wrongful Act** that prior to the policy inception was the subject of any notice of **Claim** or **Loss**, or notice of potential **Claim** or potential **Loss**, given under any other insurance policy.

B. Prior Knowledge

arising out of any circumstance(s) which could give rise to a **Claim** or **Loss** under this **Coverage Part** of which **Your Control Group** was aware prior to the Inception Date of this Policy, whether notified under any other insurance or not.

C. Insured vs. Insured

in respect of any **Claim** made by any entity or individual which has a controlling executive interest or financial interest of greater than fifty percent (50%) in the **Insured Organization** or any **Subsidiary**, unless such **Claim** emanates from an independent **Third Party** or is in connection with your provision of **Technology Professional Services** or **Media Professional Services** to that entity or individual. This exclusion does not apply to **Claims** brought by **Insureds** for a **Privacy Breach**.

D. Directors' and officers' liability

in respect of any **Claim** made against **You** in **Your** capacity as a director, officer or trustee or arising or alleged to have arisen from any statement or information about **Your** business contained in accounts, reports or financial statements.

E. Dishonesty

arising out of any deliberate, dishonest, fraudulent or criminal acts by **You**, however this exclusion shall not apply to **Defense Costs** incurred in defending any such **Claim** or **Loss** alleging the foregoing until such time that there is a final non-appealable adjudication establishing such conduct, at which time **You** shall reimburse us for all such **Defense costs** incurred.

This exclusion only applies to any **Insured** who is found to have committed such conduct by any trial verdict, court ruling, or regulatory ruling.

F. Employment related liability

arising or alleged to have arisen from any liability to any **Employee**, former **Employee** or prospective **Employee** in respect of any harassment, unfair or wrongful dismissal, wrongful disciplinary action, defamation, humiliation, discrimination, deprivation of career opportunity, refusal to employ or promote, or repudiation or breach of any employment contract, or any liability arising or alleged to have arisen from any employee benefit plan or pension plan, including but not limited to the Employee Retirement Income Security Act of 1974 (ERISA).

This exclusion does not apply to **Your** data protection obligations to **Your Employees** under applicable state, federal and international laws, such as the Health Insurance Portability and Accountability Act (HIPAA), The Gramm Leach Bliley Act (GLB), California Civil Code 1798.82 and comparable local, state, federal or foreign law or regulations.

G. Act of God

arising or alleged to have arisen from fire, smoke, explosion, lightning, wind, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, an act of God or any other similar physical event however caused.

H. Inaccurate pricing of goods

with respect to Insuring Agreement 1, arising out of the inaccurate, inadequate or incomplete description of the price of **Your** goods, products or services.

I. Patent infringements

arising or alleged to have arisen from any infringement or contributing to the infringement of patent.

J. Bankruptcy

arising or alleged to have arisen from **Your** insolvency or bankruptcy.

K. Infrastructure Outage

arising from any satellite, electrical or other infrastructure service interruptions including but not limited to electrical disturbance, spike or blackout and any outage or disruption of power, utility services, or telecommunications unless such infrastructure is under **Your** direct control. For the avoidance of doubt, this exclusion will not apply where the proximate cause of such **Claim**, **Damages**, and **Defense Costs** is in connection with the provision of **Your Technology Professional Services** and **Media Professional Services**.

This exclusion shall not apply that portion of **Loss** covered under Insuring Agreement 13. Dependent Business Interruption & Extra Expenses and Dependent System Failure if such infrastructure is under the direct control of the **Outsourced Service Provider**.

L. Regulatory Fines and Penalties

in respect of any **Claim** for any fines, penalties or punitive or exemplary damages except to the extent they are insurable under applicable law or regulation.

M. RICO

arising or alleged to have arisen from any failure to comply with the Racketeer Influenced and Corrupt Organization Act 1961 or equivalent legislation.

N. Securities Law

arising or alleged to have arisen from the purchase, sale or offer or solicitation of an offer to purchase or to sell securities including but not limited to any violation of any securities law including:

1. the Employee Retirement Income Security Act of 1974, as amended;
2. the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, the Investment Advisors Act, or any other federal, state or local securities law, and any amendments thereto or any rules or regulations promulgated thereunder, amendments thereof, or any similar federal, state or common law. However, paragraph 1. above shall not apply to Insuring Agreements 4 or 10.

O. Theft

arising or alleged to have arisen from the theft of **Your Money, Your Securities** except as specifically covered under Insuring Agreement 9.

P. Unfair trade practices

arising or alleged to have arisen from any antitrust, deceptive or unfair trade practices, anti-competitive business practices, unfair competition, consumer fraud or false or deceptive advertising.

This exclusion shall not apply to any **Claim** made as part of a **Claim** for **Privacy Breach** under Insuring Agreement 4.

Q. War or Hostile Actions

arising from war, mutiny, rebellion, hijacking, military, naval or usurped power, uprising, civil war, rebellion, revolution, insurrection, terrorism, or nationalization; provided, however this Exclusion does not apply to **Cyber Terrorism**.

R. Unsolicited Communications

arising or alleged to have arisen from any rules or regulations promulgated under, amendments thereto or any or similar local, or foreign law, rule or regulation relating specifically to unsolicited communications, including, but not limited to the TCPA, CAN-SPAM and comparable local, state, federal or foreign law or regulations.

S. Sanctions

based upon or arising out of any **Claim** to the extent that the provision of such cover, payment of such **Claim** or provision of such benefit would expose us to any sanctions, prohibition or restriction under United Nations

resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

T. Professional Services

For the performance of services which can only be performed by a (an):

1. Architect or licensed engineer;
2. Attorney;
3. Certified public accountant;
4. Medical practitioner or other health care provider, including, but not limited to, physicians or nurses, and including any **Claims** arising directly or indirectly out of medical malpractice, including the giving or receiving of professionally qualified medical opinions, or the administration of or failure to administer or summon medical care or first aid;
5. Actuary
6. Licensed insurance or real estate agent or broker;
7. Certified financial planner; or
8. Securities or investment advisor or broker/dealer.

U. Cost of Contract

based upon or arising out of any **Loss** that constitutes disgorgement; or charges, fees or consideration owed or paid to any **Insured** in connection with **Your Technology Product** or **Your Technology Professional Service**, including any restitution or return of any such amounts; costs or expenses to perform any obligation assumed by or on behalf of any **Insured**; or **Damages, Loss**, cost or expenses incurred, or agreed to, by or on behalf of any **Insured**. However, this exclusion shall not apply to the portion of **Damages** that constitutes the return of fees paid to the **Insured**.

III. Conditions

A. Additional Insureds

Where required by a written contract or agreement, we will indemnify any **Third Party** as an additional **Insured** person(s) or organization(s), but only with respect to sums which they become legally obligated to pay caused, in whole or in part, by:

1. **Your** acts or omissions; or
2. The acts or omissions of those acting on **Your** behalf; in the performance of **Your Technology Professional Services** for the additional **insured(s)**.

However:

1. The contract or agreement must be currently in effect or become effective during the **Policy Period**; and

2. The contract or agreement was executed before the business operations from which the **Claim** arises were performed; and
3. The insurance afforded to such additional **Insured** only applies to the extent permitted by law; and
4. The insurance afforded to such additional **Insured** will not be broader than that which **You** are required by the contract or agreement to provide for such additional **Insured**.

IV. Definitions

A. Adverse Media Report

means a report publicized through any media channels detailing an actual or potential **Network Security Event** that has or could cause material damage to **Your** reputation. Such **Adverse Media Report** must specifically name **You** and assert an actual or potential **Network Security Event** occurring to **You**.

B. Bank

means an issuing or acquiring bank which processes payment card (including credit cards, debit cards, stored value cards and pre-paid cards) transactions.

C. Bodily Injury

means death or any physical or psychological injury or illness.

D. Business Interruption Costs And Extra Expenses

means **Your** net profit before tax that could have been reasonably projected during the **Period Of Restoration** or **Dependent Disruption Period** but which was lost, taking into account **Your** trading results during the previous twelve months immediately prior to the **Network Security Event, System Failure, Dependent Business Disruption, or Dependent System Failure** and **Your** likely experience had such **Network Security Event, System Failure, Dependent Business Disruption, or Dependent System Failure** not happened; in addition to:

1. continuing operating and payroll expenses, but only to the extent they are disrupted due to the suspension or deterioration of **Your Computer System** or a **Dependent Business Computer System**, to the extent that such expenses did continue during the **Period Of Restoration**;
2. Those costs required to avoid or minimize the suspension or deterioration of **Your** business in order to satisfy **Your** contractual obligations to provide **Your** products or services.

D. Claim

means:

1. a demand in writing for **Damages** or injunctive relief, including cease and desist letters,
2. a notice in writing of an intention to commence or the commencement of legal, arbitration or adjudication proceedings,
3. an invocation of a pre-action protocol,

4. **Regulatory Action**, or
5. a **Network Security Event**.

E. **Computer Network Attack**

means an intentional attack aimed at **Your Computer Systems** and designed to destroy or impair the functionality of **Your Computer Systems** or overwhelm the capacity of **Your Computer System** in order to deny or impede authorized users from gaining access to **Your Computer System** through the internet.

Computer Network Attack shall also mean an intentional attack to a **Dependent Business Computer System**, which creates a partial or total interruption of services provided to the **Insured Organization**.

F. **Computer System(s)**

means:

1. computers, including Personal Digital Assistants (PDAs), smartphones and other portable or handheld devices, electronic storage devices and related peripheral components;
2. systems and applications software; and
3. related telecommunications networks connected to or used in connection with such computer or devices to the extent used by the items in 1. and 2. Above;

by which **Your** Electronic Data is collected, transmitted, processed, stored or retrieved; and which is:

- a. Owned by **You**;
- b. Leased by **You** and operated by any **Insured**; or
- c. Operated by an authorized **Third Party**, but only with respect to **Your** electronic data.

Computer System includes Electronic Data that is stored on any of the items described in item 1. above; or temporarily outside of **Your Computer System** for use by an **Insured** or an **Employee** of an entity that has such information under a formal agreement with the **Insured Organization**.

G. **Control Group**

means Your Chief Executive Officer, Chief Financial Officer, Chief Information Security Officer, Chief Technology Officer, General Counsel, Chief Operating Officer, or functional equivalent.

H. **Cyber Terrorism**

means the intentional use of disruptive activities or an explicit attack on a **Computer System** by a social, ideological, religious, political or similarly motivated individual or group of individuals.

I. **Cyber Threat**

Means the unlawful threat made against **You** to:

1. Cause or continue a **Privacy Breach** or **Computer Network Attack**, including a ransomware attack on a **Computer System**;
2. Disclose or use **Third Party Data** or confidential information in such **Privacy Breach**; or

3. Damage or destroy **Digital Assets**.

J. Damages

means any compensatory financial award, settlement, **Fines and Penalties**, consumer redress fund, punitive and exemplary damages where insurable by law and subject to the venue most favorable to **You**.

For the avoidance of doubt, fines, assessments, card reissuance costs or other charges sought or set off by **Banks** in respect of non-compliance with Payment Card Industry Data Security Standards or in respect of **Privacy Breaches** are not **Damages** within the meaning of this **Coverage Part**.

Damages do not include:

1. any withdrawal or reduction of professional fees;
2. profits or other charges;
3. discounts, coupons, awards or other incentives offered to the **Your** customers or clients;
4. any reprinting, recall, removal or disposal of any **Media Materials**, including any products containing such **Media Materials**;
5. any financial trading losses, trading liabilities, change in account values, loss, transfer or theft of **Money**, **Securities** or value associated with electronic fund transfer; or
6. liquidated damages, except for the amount of which the Insured would have still been liable in the absence of the liquidated damages agreement.

I. Defense Costs

means all legal costs and expenses incurred in the investigation, defense, mitigation or settlement of any **Claim or Regulatory Action**, including the premium for any appeal, attachment, or similar bond, provided we have no obligation to issue such bond.

For the avoidance of doubt:

We shall not pay **Defense Costs** for any part of a **Claim or Regulatory Action** that is not covered by this **Coverage Part**; and

Defense Costs does not include:

1. **Your** own salaries, overheads, internal costs and expenses incurred in cooperating with any investigations or responding to any customer complaints following a **Network Security Event**;
2. customer credits, hardware upgrades or software upgrades offered by **You** to **Your** customers following a **Network Security Event**;
3. subject to any contrary endorsement to this policy, costs associated with the repair of the **Your** reputation, including all related professional fees of independent advisors, legal advice concerning media strategy and any public relations services to mitigate the adverse reputational effects of a **Privacy Breach**.

J. Dependent Business Computer System

means:

1. Computers, including Personal Digital Assistants (PDAs), smartphones, and other portable or handheld devices, electronic storage devices, and related peripheral components;
2. Systems and applications software;
3. Related telecommunications networks connected to or used in connection with such computer or devices to the extent used by the items 1 and 2 immediately above;

by which the **Outsourced Service Provider's** electronic data is collected, transmitted, processed, stored, or retrieved and which is:

- a. Owned by the **Outsourced Service Provider**; or
- b. Leased by **Outsourced Service Provider** and operated by the **Outsourced Service Provider**.

K. **Dependent Business Disruption**

means the partial or total interruption of services provided by an **Outsourced Service Provider** to you, directly resulting from a **Privacy Breach** or **Computer Network Attack** to a **Dependent Business Computer System**.

L. **Dependent Disruption Period**

means the reasonable period of time, up to a maximum of one hundred and eighty (180) days, that starts when the **Waiting Period** ends, and concludes when the **Dependent Business Computer System** is back up and running to the level it was operating at prior to the initial complete, partial, or intermittent failure.

M. **Dependent System Failure**

means unintentional and unplanned total or partial outage of a **Dependent Business Computer System**, including unintentional and unplanned total or partial outage caused by an **Outsourced Service Providers** human error, that is not caused by a **Privacy Breach** or **Computer Network Attack**.

N. **Digital Assets**

means digitally stored content or an online account owned by **You**. **Digital Assets** do not include computer hardware.

O. **Discover or Discovered**

means the time when a member of the **Control Group** first becomes aware of facts which would cause a reasonable person to assume that a **Loss** covered by this Policy has been or will be incurred, regardless of when the act or acts causing or contributing to such **Loss** occurred, even though the exact amount or details of **Loss** may not then be known. **Discover** or **Discovered** also means the time when a member of the **Control Group** first receive notice of an actual or potential **Claim** or **Regulatory Action** in which it is alleged that **You** are liable to a **Third Party**, must pay **Fines & Penalties** or take corrective action under circumstances which, if true, would constitute a **Loss** under this Policy.

P. **Extortion Costs**

means **Money** or **Securities** payable by **You**, with our prior written consent, to person(s) or entity(ies) for the purpose of terminating or preventing a **Cyber Threat**. **Extortion Costs** shall include reasonable and necessary costs incurred by **You** to investigate or negotiate such **Cyber Threat**, including the cost to hire an outside consultant.

Q. Fines and Penalties

means monetary penalties, sanctions or deterrents imposed on **You** by competent authorities under applicable data protection legislation arising from any **privacy breach** or otherwise arising out of a **Technology Professional Services Wrongful Act(s)** or **Media Professional Services Wrongful Act(s)** but only where insurable by the laws of any applicable jurisdiction most favorable to the **Insured**. For the avoidance of doubt, amounts sought or identified by **Banks** in respect of non-compliance with Payment Card Industry Data Security Standards or in respect of **Privacy Breach(es)** are not **Fines and Penalties** within the meaning of this **Coverage Part**.

R. Funds Transfer Fraud

means any fraudulent written, electronic, telegraphic, cable, teletype or telephonic instructions issued to a financial institution directing such institution to initiate a transfer of **Money** or **Securities** from any account maintained by the **Insured** at such institution which instructions purport to have been authorized by the **Insured** but were, in fact, fraudulently transmitted by another.

S. Indemnity Contract

means a written contract in which **You** accept liability for **Damages** resulting from a **Media Professional Services Wrongful Act** or **Network Security Event** but only if such contract or agreement was executed before the **Media Professional Services Wrongful Act** or **Network Security Event** took place.

T. Insured

means, individually and collectively:

1. **You**
2. any **Insured Organization**; and
3. any **Team Member**.

U. Invoice and Delivery Fraud

means:

1. **Your** inability to collect payment for **Your** services provided to **Your** client due to a fraudulent invoice or payment instructions sent to **Your** client as a result of **Your Network Security Event**, or;
2. Failure of delivery to **You** of purchased goods or products from a vendor who received fraudulent delivery instructions as a result of **Your Network Security Event**.

V. Invoice and Delivery Fraud Costs

means:

1. Direct costs, excluding profits, of **Your** services provided to **Your** client resulting from **Invoice and Delivery Fraud**, or;
2. Direct costs, excluding profits, of the goods or products purchased but not delivered to **You** as a result of **Invoice and Delivery Fraud**.

W. Loss

means **Privacy Breach And Forensic Expenses**, Payment Card Industry and Card Brand Fines, Assessments or Charges, **Fines and Penalties**, **Social Engineering Event**, **Business Interruption Costs and Extra Expenses**, **Damages**, **Defense Costs**, and **Extortion Costs**.

X. Media Professional Services

means the provision of digital, written or spoken publications in the course of **Your Technology Professional Services**.

Y. Media Materials

means any data, text, sounds, images, graphics, music, photographs, or advertisements, and shall include video, streaming content, webcasts, podcasts, blogs, online forums, and chat rooms, provided that such **Media Materials** are created or disseminated by **You** or on behalf of **You**, in the regular course of **Your** business. **Media Materials** shall not include computer software, software technology, or the actual goods, products or services described, illustrated or displayed in such **Media Materials**.

Z. Media Professional Services Wrongful Act

Means, in the course of your business or **Media Professional Services** for any **Third Party** for a fee, any actual or alleged:

1. defamation, libel, slander, plagiarism, passing off, product disparagement or other tort relating to the disparagement of the emotions, reputation of character of a **Third Party**; or
2. False arrest, malicious prosecution, abuse of process, false arrest, detention or imprisonment; or
3. Improper deep-linking or framing; or
4. Invasion of privacy including: invasion, intrusion or interference with rights of occupancy, privacy or publicity, including trespass, wrongful entry or eviction, false light, commercial appropriation of name or likeness.
5. An infringement of any form of intellectual property (except patents) and any unfair competition or misleading business practices thereon; or
6. The unintentional disclosure of **Third Party** trade secrets.

AA. Money means

means a medium of exchange in current use or adopted by a domestic or foreign government and includes currency (digital or otherwise), coins, banknotes, bullions, registered checks or cryptocurrencies.

BB. Network Security Event

means a:

1. **Privacy Breach**;
2. **Computer Network Attack**;
3. Accidental, unintentional, or negligent damage or destruction of **Digital Assets** or release of **Third Party Data** because of human error;

4. With respects to Insuring Agreement 4. Network Security and Privacy Liability, misuse of a **Computer System** to transmit a virus into a **Third Party's** computer (including systems and application software);
5. Failure of a direct or back-up power supply or under/over voltage which results in a **Loss** but only if such power supply is owned, operated, and controlled by **You** or by a business process service provider or IT service provider.

For the purposes of Insuring Agreement 12. Business Interruption & Extra Expenses and System Failure, **Network Security Event** shall also mean an intentional shutdown of **Your Computer System** due to:

- a. An attempt to limit the potential **Loss** that would otherwise result from a **Network Security Event**; or
- b. A requirement from any federal, state, local or foreign governmental entity in their capacity as a direct result of a **Network Security Event**.

CC. Outsourced Service Provider

means a business not owned or operated by **You** that provides, pursuant to a written contract and/or software service agreements, outsourced services supporting **Your** business operations including but not limited to, human resources, financial technology, information technology including cloud services and call centers; however outsourced services shall not include the failure of a supplier to deliver physical products.

DD. Period Of Restoration

means the period of time, up to a maximum of one hundred and eighty (180) days, that starts when the **Waiting Period** ends, and concludes when **Your Computer System** is back up and running to the level it was operating at prior to the initial complete, partial or intermittent failure of **Your Computer System**.

EE. Privacy Breach

means

1. Any actual or alleged violation of local, state, federal or foreign law or regulation governing the collection, storage, use, disclosure, disposal of, or transmission of **Third Party Data**; or
2. The actual or suspected theft, loss, failure to protect or the unauthorized disclosure of **Third Party Data** or confidential or non-public corporate information that is in **Your** care, custody or control, or a **Third Party** for which **you** are legally or contractually responsible; or
3. An intentional, malicious and willful act of any past or present **Employee** that results in the misuse of **Your Computer System** to modify, delete, corrupt, destroy, or inappropriately disclose **Third Party Data** or confidential or non-public corporate information; or
4. The loss of or inaccessibility of **Third Party Data** or confidential or non-public corporate information stored on **Your Computer System** or at one of **Your Third Party** service providers;

Privacy Breach shall also mean a breach to a **Dependent Business Computer System**, which creates a partial or total interruption of services provided to **You**.

FF. **Privacy Breach And Forensics Expenses** means the following expenses incurred with our prior written consent:

- a. Forensic Expenses – Those reasonable and necessary costs and expenses **You** incur for computer forensic analysis performed by outside experts to investigate the cause and scope of an actual or suspected **Privacy**

Breach or an actual **Network Security Event**, including those costs incurred to preserve critical evidence of criminal activity or malicious wrongdoing.

- b. Legal Advice Costs – Legal (but not Public Relations Expense) and other reasonable and necessary expenses incurred in connection with the investigation of and response to a **Network Security Event**,
- c. Notification Costs – postage, printing, and advertising costs to notify any individual pursuant to any Data Breach Notification Laws or regulations; or to provide the same notification to individuals residing in countries, states, or provinces that do not have Data Breach Notification Laws or regulations where such voluntary notification is deemed advisable in the opinion of Insurers; as such payment of these voluntary notification expenses will mitigate or avoid a **Claim** for which Insurers would have otherwise been liable for under this **Coverage Part**.
- d. Call center costs – Those reasonable and necessary costs **You** incur for the provision of a call center service to respond to a **Privacy Breach**.
- e. Credit monitoring and identity monitoring expenses – Those reasonable and necessary costs **You** incur for the minimum period of credit monitoring and identity monitoring services offered by **You** pursuant to any Data Breach Notification Laws or regulations.
- f. Data Restoration Expenses – Those expenses incurred by **You** to remediate, replace or restore **Your** software and data on **Your Computer Systems** that has been damaged, lost or corrupted as a direct result of a **Network Security Event**, with such payments only being afforded until the software and data have been restored to the level which existed on **Your Computer Systems** prior to the **Loss** occurring; or
- g. Public Relations Expenses – Those expenses **You** incur for the services of a mutually acceptable public relations consultancy for the purpose of averting or mitigating damage to **Your** brand resulting from a **Privacy Breach**.

However, **Privacy Breach And Forensics Expenses** do not include:

- a. any salaries, overhead costs, or other internal charges or costs **You** incur for any time **You** spend cooperating with any investigations or responding to any customer complaints following a **Privacy Breach**; or
- b. any customer credits.

GG. **Property Damage**

means physical damage to or destruction of any real or tangible property including the loss of use thereof, but for the avoidance of doubt excluding damage to or destruction, corruption or loss of data.

HH. **Regulatory Action**

means any regulatory investigation (including **Fines and Penalties** where insurable by law) regarding those applicable state, federal and international data protection laws, including, but not limited to, General Data Protection Regulation (GDPR) or California Consumer Privacy Act (CCPA).

II. **Reputational Harm**

means **Your** difference in net profit before tax that could have been reasonably projected, taking into account **Your** trading results during the previous twelve months immediately prior to the **Adverse Media Report** or **Privacy Breach**, had such **Adverse Media Report** or **Privacy Breach** not occurred. **Reputational Harm** shall not include any

liability owed to any **Third Party**, legal fees or expenses, public relations expenses, or any costs incurred to identify, investigate, respond to or remediate a **Network Security Event**.

JJ. **Securities**

means written negotiable and non-negotiable instruments or contracts which represent **Money**.

KK. **Social Engineering Event**

means a misrepresentation of fact or an intentional, malicious, willful, dishonest or fraudulent act undertaken by a **Third Party** that misleads **You** and directly results in any or all of the following;

Your Money or Securities being transferred, disbursed, paid, delivered, altered, corrupted or lost thereby depriving **You** of such asset;

Money or Securities of **Your** customers or clients being transferred, disbursed, paid, delivered, altered, corrupted, or lost from an account that is in **Your** trust or control.

LL. **System Failure**

Means unintentional and unplanned total or partial outage of **Your Computer System**, including unintentional and unplanned total or partial outage caused by **Your** human error, that is not caused by a **Network Security Event**.

MM. **Team Member**

means:

1. **Employee**; or
2. **Executive**.

NN. **Technology Product**

means:

1. Software developed or created by **You** and distributed, licensed or sold to others by **You** for compensation; and
2. Telecommunications and computer hardware, software, firmware, or any related electronic product, equipment or device that is created, manufactured, developed, distributed, licensed, leased or sold by **You** to others for compensation.
3. Technology consulting services

OO. **Technology Professional Services**

means services performed in connection with **Your Technology Product**, including related consulting, staffing, training and other support services performed by:

1. **You** or on **Your** behalf; or
2. a person or organization whose assets or business **You** have acquired.

Technology Professional Services includes:

1. Representations or warranties made with respect to the fitness, performance, quality or use of **Your Technology Professional Services**.

PP. Technology Professional Services Wrongful Act

means the following actual or alleged conduct arising out of **Your** provision or failure to perform **Technology Professional Services**:

1. Act, error, omission, or misstatement; or
2. A breach of a written, verbal, express or implied contract resulting from the failure to meet the agreed specifications and/or delivery timescale; or
3. The failure to use reasonable skill and care; or
4. A breach of duty, trust, privacy or any form of confidence; or
5. The fraud and dishonesty of **Employees** or individuals working with **You** or on **Your** behalf; or
6. An infringement of any form of intellectual property (except patents) and any unfair competition or misleading business practices arising out of the actual or alleged infringement; or
7. The provision of **Technology Products**.

QQ. Telecommunications Fraud Loss

means the charges incurred by **You** for unauthorized calls or metered data usage by a **Third Party**.

RR. Third Party

means any person or entity other than **You** or related party.

SS. Third Party Data

means personal information not available to the general public, including but not limited to: individuals' names, addresses, telephone numbers, national insurance numbers, drivers' licenses, national identification numbers, IP addresses, Vehicle Registration plate numbers, facial prints, fingerprints or handwriting prints, credit card numbers, dates of birth, account relationships, account numbers, account balances, account histories or medical or healthcare information concerning the individual, and as described by any data protection laws.

TT. Utility Fraud

means:

1. Unauthorized access to **Your Computer System** for the purpose of executing programs or tasks; or
2. Unauthorized access to **Your Computer System** for the purpose of mining cryptocurrency.

UU. Utility Fraud Costs

means **Your** additional costs as billed by the utility provider as result of the **Utility Fraud**. **Utility Fraud Costs** shall not include any waived, cancelled or not uncollected fees. Additionally, any consideration, including credits, given by the utility will reduce the amount of **Utility Fraud Costs**.

VV. Waiting Period

means the time listed in the Declarations, which starts at the first occurrence of a complete, partial, or intermittent failure of:

1. The **Computer System** due to a **Network Security Event** or **System Failure** and ends at the specific time listed in the Declarations;
2. **Dependent Business Computer System** due to a **Privacy Breach** or **Computer System Attack**; provided this shall only be applicable to **Dependent Business Disruption** in b. of Insuring Agreement 12. (Business Interruption & Extra Expenses and System Failure)
 - a. **Dependent Business Computer System** due to a **Dependent System Failure**; provided this shall only be applicable to **Dependent Business Disruption** in b. of Insuring Agreement 13. (Dependent Business Interruption & Extra Expenses and Dependent System Failure).

A new **Waiting Period** shall apply for each **Loss** that applies to Insuring Agreements 12. (Business Interruption & Extra Expenses and System Failure) and 13. (Dependent Business Interruption & Extra Expenses and Dependent System Failure).

WW. **Withheld Fees**

means any contractually due fee that **Your** client refuses to pay to **You** but excluding any part of the fee that represents **Your** profit or mark-up or liability for taxes.

XX. **Wrongful act** means **Media Professional Services Wrongful Act, Technology Professional Services Wrongful Act** and **Network Security Event**.

YY. **You and Your**

means the legal entity named as the **Insured Organization** in the Declarations Page of this Policy, or any past, present or future officer, director, trustee or **Employee** of company but only while acting in their capacity as such, any **Subsidiary**, or **Independent Contractor** appointed by that legal entity but, provided in the case of a **Subsidiary, Employee, director, officer, member, partner or Independent Contractor** that they were in such a relationship to that legal entity at the date of the **Wrongful Act** and that they committed that **Wrongful Act** in the course of that legal entity's business.

V. Other Insurance

Coverage under this Coverage Part shall apply only in excess of any other valid and collectible insurance, unless such other insurance is written specifically excess of this Coverage Part by reference to this Policy and its corresponding policy number.