HISCOX PRO™

General Terms and Conditions

I. Our promise to you

In consideration of the premium charged, and in reliance on the statements made and information provided to **us**, **we** will pay **covered amounts** as defined in this policy, provided **you** properly notify **us** of **claims**, **breaches**, **events**, or **occurrences**, and meet **your** obligations to **us** in accordance with the terms of this policy.

II. Limits of liability

Regardless of the number of Coverage Parts **you** have purchased, the maximum **we** will pay for all **covered amounts** will be as follows:

A. Coverage part limit

Each Coverage Part purchased will be subject to a **coverage part limit** (if one is stated in the Declarations), which is the maximum amount **we** will pay for all **covered amounts** under that Coverage Part, other than coverage enhancements or other items **we** have expressly agreed to pay in addition to the limit. The **coverage part limit** will be in excess of any applicable **retention**.

B. Each claim limit

The Each Claim Limit identified in the Declarations is the maximum amount **we** will pay for all **covered amounts** for each covered **claim**, unless a lower sublimit is specified, in which case the sublimit is the maximum amount **we** will pay for the type of covered **claim** to which the sublimit applies. The Each Claim Limit, or any sublimit, will be in excess of any applicable **retention** and will be a part of, and not in addition to, any applicable **coverage part limit**.

C. Each breach limit

The Each Breach Limit identified in the Declarations (if **you** have purchased a relevant Coverage Part) is the maximum amount **we** will pay for all **covered amounts** for each covered **breach**, unless a lower sublimit is specified, in which case the sublimit is the maximum amount **we** will pay for the type of covered **breach** or costs to which the sublimit applies. The Each Breach Limit, or any sublimit, will be in excess of any applicable **retention** and will be a part of, and not in addition to, any applicable **coverage part limit**.

D. Each occurrence limit

The Each Occurrence Limit identified in the Declarations (if **you** have purchased a relevant Coverage Part) is the maximum amount **we** will pay for all **covered amounts** for each covered **occurrence**, unless a lower sublimit is specified, in which case the sublimit is the maximum amount **we** will pay for the type of covered **occurrence** to which the sublimit applies. The Each Occurrence Limit, or any sublimit, will be in excess of any applicable **retention** and will be a part of, and not in addition to, any applicable **coverage part limit**.

E. General liability coverage part limits

If **you** have purchased a General Liability Coverage Part, additional rules for applying limits are contained in Section IV. Limits of liability, of that Coverage Part.

F. Related claims

All **related claims**, regardless of when made, will be treated as one **claim**, and all subsequent **related claims** will be deemed to have been made against **you** on the date the first such **claim** was made. If, by operation of this provision, the **claim** is deemed to have been made during any period when **we** insured **you**, it will be subject to only one **retention** and one Each Claim Limit regardless of the number of claimants, **insureds**, or **claims** involved.

III. Your obligations to us

A. Named insured responsibilities

It will be the responsibility of the **named insured** (or, if there is more than one **named insured**, the first one listed on the Declarations) to act on behalf of all **insureds** with respect to the following:

1. timely giving and receiving notice of cancellation or non-renewal;
2. timely payment of premium;
3. receipt of return premiums;
4. timely acceptance of changes to this policy; and

5. timely payment of **retentions**.

B. Your duty to cooperate

You must cooperate with **us** in the defense, investigation, and settlement of any **claim**, **potential claim**, **breach**, **event**, **occurrence**, or other matter notified to **us**, including but not limited to:

1. notifying **us** immediately if **you** receive any settlement demands or offers, and sending **us** copies of any demands, notices, summonses, or legal papers;
2. submitting to examination and interrogation under oath by **our** representative and giving **us** a signed statement of **your** answers;
3. attending hearings, depositions, and trials as **we** request;
4. assisting in securing and giving evidence and obtaining the attendance of witnesses;
5. providing written statements to **our** representative and meeting with such representative for the purpose of investigation and/or defense;
6. providing all documents and information **we** may reasonably request, including authorizing **us** to obtain records; and
7. pursuing **your** right of recovery from others.

C. Your obligation not to incur any expense or admit liability

You must not make any payment, incur any expense, admit any liability, or assume any obligation without **our** prior consent. If **you** do so, it will be at **your** own cost and expense.

D. Your representations

You warrant that all representations made and all materials submitted by **you** or on **your** behalf in connection with the **application** for this policy are true, accurate, and not misleading, and agree they were relied on by **us** and were material to **our** decision to issue this policy to **you**. If **we** learn any of the representations or materials were untrue, inaccurate, or misleading in any material respect, **we** are entitled to treat this policy as if it had never existed.

IV. Optional extension period

1. If **we** or the **named insured** cancel or non-renew this policy, then the **named insured** will have the right to purchase an optional extension period for the duration and at the percentage of the expiring premium stated in Item 5 of the Declarations. The optional extension period, if purchased, will start on the effective date of cancellation or non-renewal. However, the right to purchase an optional extension period will not apply if:
   a. this policy is canceled by **us** for nonpayment of premium; or
   b. the total premium for this policy has not been fully paid.
2. The optional extension period will apply only to **claims** that:
   a. are first made against **you** and reported to **us** during the optional extension period; and
   b. arise from **your professional services** performed, or a **breach**, offense, or **occurrence** that takes place, on or after the **retroactive date** but prior to the effective date of cancellation or non-renewal of this policy.
3. The additional premium will be fully earned at the inception of the optional extension period.
4. Notice of election and full payment of the additional premium for the optional extension period must be received by **us** within 30 days after the effective date of cancellation or non-renewal, otherwise any right to purchase the optional extension period will lapse.

The limits of liability applicable during any purchased optional extension period will be the remaining available **coverage part limit**. There will be no separate or additional limit of liability available for any purchased optional extension period.

The right to purchase an optional extension period will apply only to Coverage Parts **you** have purchased that include coverage written on a claims-made or loss occurring and discovered basis, and not to any Coverage Parts written on an occurrence basis.

V. Other provisions affecting coverage

A. Alteration and assignment

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

B. Bankruptcy or insolvency

Your bankruptcy or insolvency will not relieve **us** of any of **our** obligations under this policy.

C. Cancellation

1. This policy may be canceled by the **named insured** by giving written notice, which must include the date the cancellation will be effective, to **us** at the address stated in the Declarations.
2. This policy may be canceled by **us** by mailing to the **named insured** by registered, certified, or other first class-mail, at the **named insured's** address stated in Item 1 of the Declarations, written notice which must include the date the cancellation will be effective. The effective date of the cancellation will be no less than 60 days after the date of the notice of cancellation, or ten days if the cancellation is due to nonpayment of premium.
3. The mailing of the notice will be sufficient proof of notice, and this policy will terminate at the date and hour specified in the notice.
4. If this policy is canceled by the **named insured**, **we** will retain the customary short rate proportion of the premium.
5. If this policy is canceled by **us**, **we** will return a pro rata proportion of the premium.
6. Payment or tender of any unearned premium by **us** will not be a condition precedent to the cancellation, but such payment will be made as soon as possible.

D. Change in control

If, during the **policy period**, the **named insured** consolidates with, merges into, or sells all or substantially all of its assets to any other person or entity, or any other person or entity acquires ownership or control of the **named insured**, then the **named insured** will provide **us** written notice no later than 30 days after the effective date of such change in control, together with any other information **we** may require.

We will not cancel this policy solely because of a change in control, but unless **you** and **we** agree in writing otherwise, after the effective date of any change in control, this policy will cover only **claims** arising from **professional services** performed, or **breaches**, offenses, or **occurrences** that took place, prior to the change in control.

E. Coverage territory

This policy will apply to **your professional services** performed, and **breaches**, offenses, **events**, or **occurrences** that take place, anywhere in the world, provided that any action, arbitration, or other proceeding (if **you** have purchased a relevant Coverage Part) is brought within the United States, its territories or possessions, or Canada.

F. Estates, heirs, legal representatives, spouses, and domestic partners

In the event of an **employee's** death or disability, this policy will also apply to **claims** brought against the **employee's**:

1. heirs, executors, administrators, trustees in bankruptcy, assignees, and legal representatives; or
2. lawful spouse or lawful domestic partner;

but only:

1. for a covered **claim** arising from the scope of the **employee's** work for **you**; or
2. in connection with their ownership interest in property which the claimant seeks as recovery in a covered **claim** arising from the scope of the **employee's** work for **you**.

G. False or fraudulent claims

If any **insured** commits fraud in connection with any **claim**, **potential claim**, **breach**, offense, **event**, or **occurrence**, whether regarding the amount or otherwise, this insurance will become void as to that **insured** from the date the fraud is committed.

H. Other insurance

Any payment due under this policy is specifically excess of and will not contribute with any other valid and collectible insurance, unless such other insurance is written specifically as excess insurance over this policy. However, if **you** have purchased a General Liability Coverage Part, rules for how that Coverage Part will be treated when there is other valid and collectible insurance are contained in Section V. Other provisions affecting coverage, D. Other insurance, of that Coverage Part.

If the same **claim** or **related claims**, **breach**, **event**, or **occurrence** is covered under more than one Coverage Part, **we** will pay only under one Coverage Part, which will be the Coverage Part that provides the most favorable coverage.

I. Subrogation

In the event of any payment by **us** under this policy, **we** will be subrogated to all of **your** rights of recovery to that payment.

You will do everything necessary to secure and preserve **our** subrogation rights, including but not limited to the execution of any documents necessary to allow **us** to bring suit in **your** name.

You will do nothing to prejudice **our** subrogation rights without **our** prior written consent.

Any recovery first will be paid to **you** up to the amount of any **retention you** have paid, and then to **us** up to the amount of any **covered amounts we** have paid.

J. Titles

Titles of sections of and endorsements to this policy are inserted solely for convenience of reference and will not be deemed to limit, expand, or otherwise affect the provisions to which they relate.

VI. Definitions applicable to all Coverage Parts

The following definitions apply to all Coverage Parts **you** have purchased. If the same term is defined here and in a Coverage Part, then the definition in the Coverage Part will govern the coverage provided under that Coverage Part.

Application means the signed application for the policy and any attachments and materials submitted with that application. If this policy is a renewal or replacement of a previous policy issued by **us**, **application** also includes all previous signed applications, attachments, and materials.

Coverage part limit means the amount stated in the Declarations as the aggregate limit applicable to each Coverage Part **you** have purchased which is subject to an aggregate limit.

Covered amounts means any amounts **we** have expressly agreed to pay under any Coverage Part **you** have purchased.

Employee means any past, present, or future:

1. employee (including any part-time, seasonal, leased, or temporary employee or any volunteer);
2. partner, director, officer, or board member (or equivalent position); or
3. independent contractor;

of a **named insured**, but only while in the course of their performance of work or services on behalf of or at the direction of the **named insured**.

Named insured means the individual, corporation, partnership, limited liability company, limited partnership, or other entity identified in Item 1 of the Declarations.

Policy period means the period of time identified in Item 2 of the Declarations, and any optional extension period, if purchased.

Professional services means those services identified as Covered Professional Services under any Coverage Part on the Declarations containing such a description.

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Related claims	means all **claims** that are based upon, arise out of, or allege: 1. a common fact, circumstance, situation, event, service, transaction, cause, or origin; 2. a series of related facts, circumstances, situations, events, services, transactions, sources, causes, or origins; 3. a continuous or repeated act, error, or omission in the performance of **your professional services**; or 4. the same **breach**, **occurrence**, or offense. The determination of whether a **claim** is related to another **claim** or **claims** will not be affected by the number of claimants or **insureds** involved, causes of action asserted, or duties involved.
Retention	means the amount or time identified as such in the Declarations.
Retroactive date	means the date identified as such in the Declarations.
We, **us**, or **our**	means the Company identified on the Declarations as issuing this policy.
You, **your**, or **insured**	means any individual or entity expressly described as an **insured** in any Coverage Part **you** have purchased.

HISCOX PRO™

Data Breach and Privacy Security Liability Coverage Part

I. What is covered

A. **We** will pay up to the **coverage part limit** for **breach costs** in excess of the **retention** incurred as a result of a **breach** occurring on or after the **retroactive date** or 90 days before the beginning of the **policy period**, whichever is earlier, provided the **breach** is first discovered by **you** during the **policy period** and is reported to **us** in accordance with Section V. Your obligations.

B. **We** will also pay up to the **coverage part limit** for **damages** and **claim expenses** in excess of the **retention** if the performance of **your** business operations by **you** or anyone on **your** behalf (including **your** subcontractors, outsourcers, or independent contractors) on or after the **retroactive date** results in a covered **claim** against **you** for any actual or alleged:

1. **network security breach**;
2. **privacy liability**;
3. **breach of contract**;
4. **contractual indemnity - third party**;
5. **contractual indemnity - breach costs**;
6. deceptive trade practices, but only when asserted against **you** in conjunction with and based on the same allegations as a covered **claim** under 1, 2, or 3 above; or
7. unintentional infliction of emotional distress, but only when asserted against **you** in conjunction with and based on the same allegations as a covered **claim** under 1, 2, or 3 above,

provided the **claim** is first made against **you** during the **policy period** and is reported to **us** in accordance with Section V. Your obligations.

II. Coverage enhancements

We will also make the following payments:

Regulatory action sublimit

A. **We** will pay up to the limit stated in the Declarations for **damages**, **claim expenses**, and civil or regulatory fines or penalties that are not compensatory in nature for any **regulatory action**, provided the **regulatory action** is first brought against **you** during the **policy period**, it is brought in connection with and based on the same allegations as a covered **claim** under Section I. What is covered, B. 1, 2, or 3, it results from the performance of **your** business operations by **you** or anyone on **your** behalf (including **your** subcontractors, outsourcers, or independent contractors) on or after the **retroactive date**, and it is reported to **us** in accordance with Section V. Your obligations.

Any payment **we** make under this subsection A is subject to the **retention**, and such payments will be a part of, and not in addition to, the **coverage part limit**.

Regulatory compensatory sublimit

B. **We** will pay up to the limit stated in the Declarations for **damages** that are intended to compensate the individuals or entities to whom the **personally identifiable information** or confidential corporate information relates for any **regulatory action**, provided the **regulatory action** is first brought against **you** during the **policy period**, it is brought in connection with and based on the same allegations as a covered **claim** under Section I. What is covered, B. 1, 2, or 3, it results from the performance of **your** business operations by **you** or anyone on **your** behalf (including **your** subcontractors, outsourcers, or independent contractors) on or after the **retroactive date**, and it is reported to **us** in accordance with Section V. Your obligations.

Any payment **we** make under this subsection B is subject to the **retention**, and such payments will be a part of, and not in addition to, the **coverage part limit**.

PCI fines/penalties sublimit

C. **We** will pay up to the limit stated in the Declarations for covered **PCI fines/penalties** assessed against **you** (including **PCI fines/penalties** resulting from a **breach of contract**), as a result of a **breach** arising out of the performance of **your** business

operations by **you** or anyone on **your** behalf (including **your** subcontractors, outsourcers, or independent contractors) on or after the **retroactive date**, provided the **breach** is first discovered by **you** during the **policy period** and is reported to **us** in accordance with Section V. Your obligations.

Any payment **we** make under this subsection C is subject to the **retention**, and such payments will be a part of, and not in addition to, the **coverage part limit**.

PCI assessments sublimit

D. **We** will pay up to the limit stated in the Declarations for covered **PCI assessments** against **you** (including **PCI assessments** resulting from a **breach of contract**), as a result of a **breach** arising out of the performance of **your** business operations by **you** or anyone on **your** behalf (including **your** subcontractors, outsourcers, or independent contractors) on or after the **retroactive date**, provided the **breach** is first discovered by **you** during the **policy period** and is reported to **us** in accordance with Section V. Your obligations.

Any payment **we** make under this subsection D is subject to the **retention**, and such payments will be a part of, and not in addition to, the **coverage part limit**.

Supplemental payments

E. **We** will pay reasonable expenses, including loss of wages and a $250 travel per diem, incurred by **you** if **we** require **you** to attend depositions, arbitration proceedings, or trials in connection with the defense of a covered **claim**, but **we** will not pay more than an aggregate of $10,000 per **claim** for such expenses, regardless of the number of **insureds**.

No **retention** will apply to amounts **we** pay under this subsection E, and such amounts will be in addition to, and not part of, the **coverage part limit**.

III. Who is an insured

For purposes of this Coverage Part, **you**, **your**, or **insured** means a **named insured**, **subsidiary**, **employee**, or **acquired entity**, as defined below:

Named insured

means the individual, corporation, partnership, limited liability company, limited partnership, or other entity identified in Item 1 of the Declarations.

Subsidiary

means any entity of which the **named insured** has majority ownership before or as of the inception of the **policy period**.

Employee

means any past, present, or future:

1. person employed by the **named insured** or **subsidiary** as a permanent, part-time, seasonal, leased, or temporary employee, or any volunteer; or
2. partner, director, officer, or board member (or equivalent position) of the **named insured** or **subsidiary**,

but only while in the course of their performance of business operations on behalf of or at the direction of such **named insured** or **subsidiary**.

Acquired entity

means an entity in which the **named insured**, during the **policy period**:

1. acquires substantially all of the assets;
2. acquires the majority of its voting securities, as a result of which it becomes a **subsidiary**; or
3. merges and leaves the **named insured** as the surviving entity.

With respect to an **acquired entity** whose revenues exceed 10% of the annual revenues of the **named insured** at the time of its creation or acquisition, any coverage under this policy will expire 90 days after the effective date of its creation or acquisition unless, within such 90 day period:

1. the **named insured** provides **us** with written notice of such creation or acquisition;

2. the **named insured** provides **us** with information related to such creation or acquisition as **we** may reasonably require;
3. the **named insured** accepts any special terms, conditions, exclusions, or additional premium charge as **we** may reasonably require; and
4. **we** agree by written endorsement to provide such coverage.

This policy will apply to an **acquired entity** only with respect to **your** business operations performed after the acquisition, merger, or creation.

IV. Defense and settlement of claims

Defense

We have the right and duty to defend any covered **claim**, even if such **claim** is groundless, false, or fraudulent.

We have the right to select and appoint counsel to defend **you** against a covered **claim**. **You** may request in writing that **we** appoint defense counsel of **your** own choice, but whether to grant or deny such a request will be at **our** sole discretion.

Settlement

We have the right to solicit and negotiate settlement of any **claim** but will not enter into a settlement without **your** consent, which **you** agree not to withhold unreasonably. If **you** withhold consent to a settlement recommended by **us** and acceptable to the party who made the **claim**, the most **we** will pay for that **claim** is the sum of:

1. the amount of **our** recommended settlement;
2. **claim expenses** incurred up to the date of **our** recommendation;
3. 50% of all **claim expenses** incurred after **our** recommendation; and
4. 50% of all **damages** in excess of the settlement amount recommended by **us**.

V. Your obligations

Notifying us of breaches

You must give written notice to **us** of any **breach** as soon as possible after it is first discovered by **you**, but in any event no later than: (a) the end of the **policy period**; or (b) 30 days after the end of the **policy period** for a **breach** discovered in the last 30 days of the **policy period**.

All such notifications must be in writing and include a description of the **breach**, and must be submitted to **us** via the designated email address or mailing address identified in Item 6 of the Declarations.

In addition, **you** must also inform, or allow **us** to inform, the appropriate law enforcement authorities for any **breach** requiring such notification.

Notifying us of claims and coverage enhancements

You must give written notice to **us** of any **claim**, or any other matter covered under Section II. Coverage enhancements, as soon as possible, but in any event, no later than 60 days after the end of the **policy period**.

All such notifications must be in writing and include a copy of the **claim** or other covered matter, and must be submitted to **us** via the designated email address or mailing address identified in Item 6 of the Declarations.

Notifying us of potential claims

You have the option of notifying **us** of **potential claims** that may lead to a covered **claim** against **you**.

In order to do so, **you** must give written notice to **us** as soon as possible and within the **policy period**, and the notice must, to the greatest extent possible, identify the details of the **potential claim**, including identifying the potential claimant(s), the likely basis for liability, the likely

demand for relief, and any additional information about the **potential claim we** may reasonably request.

The benefit to **you** of notifying **us** of a **potential claim** is that if an actual **claim** arises from the same circumstances as the properly notified **potential claim**, then **we** will treat that **claim** as if it had first been made against **you** on the date **you** properly notified **us** of it as a **potential claim**, even if that **claim** is first made against **you** after the **policy period** has expired.

All **potential claim** notifications must be in writing and submitted to **us** via the designated email address or mailing address identified in Item 6 of the Declarations.

Retention and limits

Our obligation to pay **breach costs**, **damages**, **claim expenses**, **PCI fines/penalties**, or **PCI assessments** under this Coverage Part is in excess of the **retention**, which **you** must pay in connection with each covered **breach** and/or **claim**.

All **breaches** arising from the same circumstances will be treated as a single **breach**, and **you** will have to pay only one **retention**, and only one Each Breach Limit will apply. All such **breaches** will be deemed to have occurred on the date the first **breach** occurred.

If a **claim**, or any other matter covered under Section II. Coverage enhancements, is made against **you** arising from the same circumstances as a **breach**, the **breach**, **claim**, and coverage enhancement will be treated as a single **claim**, and **you** will have to pay only one **retention**, and only one Each Claim Limit will apply.

VI. Exclusions – What is not covered

We will have no obligation to pay any sums under this Coverage Part, including any **breach costs**, **damages**, **claim expenses**, **PCI fines/penalties**, or **PCI assessments**, for any **breach** or **claim**:

Antitrust/deceptive trade practices

1. based upon or arising out of any actual or alleged:
   a. false, deceptive, or unfair trade practices;
   b. unfair competition, impairment of competition, restraint of trade, or antitrust violations;
   c. violation of the Sherman Anti-Trust Act, the Clayton Act, the Robinson-Patman Act, all including as may be amended, or any similar foreign, federal, state, or local statutes, rules, or regulations; or
   d. deceptive or misleading advertising.

   However, this exclusion will not apply to a **claim** for deceptive trade practices asserted against **you** in conjunction with and based on the same allegations as a covered **claim** for a **network security breach**, **privacy liability**, or **breach of contract**.

Assumption of liability

2. based upon or arising out of any actual or alleged liability of others **you** assume under any contract or agreement; however, this exclusion will not apply to:
   a. any liability **you** would have in the absence of the contract or agreement; or
   b. any **claim** for **contractual indemnity - third party** or **contractual indemnity - breach costs**.

Bodily injury

3. based upon or arising out of any actual or alleged **bodily injury**; however, this exclusion will not apply to a **claim** for unintentional infliction of emotional distress asserted against **you** in conjunction with and based on the same allegations as a covered **claim** for a **network security breach**, **privacy liability**, or **breach of contract**.

Breach of warranty/ guarantee

4. based upon or arising out of any actual or alleged breach of express warranties or guarantees, except any warranty or guarantee to maintain the confidentiality of **personally identifiable information** or confidential corporate information. This exclusion

will not apply to any liability **you** would have in the absence of the warranties or guarantees.

Collection of data without knowledge

5. based upon or arising out of any actual or alleged:
   a. collection of **personally identifiable information** by **you** (or others on **your** behalf) without the knowledge or permission of the **data subject**; or
   b. use of **personally identifiable information** by **you** (or others on **your** behalf) in violation of applicable law.

Criminal proceedings

6. brought in the form of a criminal proceeding, including but not limited to a criminal investigation, grand jury proceeding, or criminal action.

Employment related liability

7. based upon or arising out of any actual or alleged:
   a. obligation under any workers' compensation, unemployment compensation, employers' liability, fair labor standards, labor relations, wage and hour, or disability benefit law, including any similar provisions of any foreign, federal, state, or local statutory or common law;
   b. liability or breach of any duty or obligation owed by **you** as an employer or prospective employer; or
   c. harassment, wrongful termination, retaliation, or discrimination, including but not limited to adverse or disparate impact.

Excluded costs and damages

8. to the extent it seeks or includes:
   a. fines, penalties, taxes, or sanctions against **you**, except **we** will pay:
      i. civil or regulatory fines or penalties arising out of a **regulatory action**, if insurable by law; or
      ii. **PCI fines/penalties** assessed against **you**, if insurable by law;
   b. overhead costs, general business expenses, salaries, or wages incurred by **you**;
   c. the return, reduction, or restitution of fees, commissions, profits, or charges for goods provided or services rendered;
   d. liquidated or multiple damages;
   e. restitution, disgorgement of profits, any advantage to which **you** were not legally entitled, or unjust enrichment;
   f. the cost of complying with injunctive relief;
   g. special, indirect, or consequential damages; or
   h. service credits.

Excluded statutory violations

9. based upon or arising out of any actual or alleged violation of the following laws:
   a. the Securities Act of 1933;
   b. the Securities Exchange Act of 1934;
   c. any state blue sky or securities laws;
   d. the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1961 *et seq.*;
   e. the Employee Retirement Income Security Act of 1974;
   f. the Fair Debt Collection Practices Act; or
   g. the Fair Credit Reporting Act,

   all including as may be amended, or any similar provisions of any foreign, federal, state, or local statutory or common law and any rules or regulations promulgated under such laws.

Failure to maintain insurance or bonds	10.	based upon or arising out of any actual or alleged failure to procure or maintain adequate insurance or bonds.
Funds transfer	11.	for any actual or alleged loss, theft, or transfer of: a. **your** funds, monies, or securities; b. the funds, monies, or securities of others in **your** care, custody, or control; or c. the funds, monies, or securities in the care, custody, or control of any third party for whom **you** are legally liable, including the value of any funds, monies, or securities transferred by **you** or others on **your** behalf.
Government investigation/ enforcement	12.	based upon or arising out of any actual or alleged governmental investigation or enforcement of any state or federal regulation, including but not limited to any regulation promulgated by the Federal Trade Commission, Federal Communications Commission, or the Securities and Exchange Commission, or ASCAP, BMI, SESAC, or other similar licensing organization; however, this exclusion will not apply to a covered **regulatory action**.
Industrial control systems/ SCADA	13.	based upon or arising out of the use of any control systems used in industrial production, including but not limited to supervisory control and data acquisition (SCADA) systems, distributed control systems, or programmable logic controllers.
Infrastructure interruption	14.	based upon or arising out of any actual or alleged failure or interruption of service provided by an internet service provider, telecommunications provider, utility provider, or other infrastructure provider; however, this exclusion will not apply to a **breach** of **personally identifiable information** that was stored in the cloud, on remote servers, at a co-location or data hosting service, or any other method of storing data in a location not in **your** direct control.
Insured vs. insured	15.	brought by or on behalf of one **insured** or **affiliate** against another **insured** or **affiliate**; however, this exclusion will not apply to an otherwise covered **claim** brought by an **employee**: a. based upon or arising out of such **employee's personally identifiable information**; or b. solely based on **your** business operations performed when such **employee** was not working for **you**.
Intellectual property	16.	based upon or arising out of any actual or alleged infringement, use, or disclosure of any intellectual property, including but not limited to copyright, trademark, trade dress, patent, service mark, service name, title, or slogan, or any publicity rights violations, cyber squatting violations, moral rights violations, any act of passing-off, or any misappropriation of trade secret.
Intentional acts	17.	based upon or arising out of any actual or alleged fraud, dishonesty, criminal conduct, or any knowingly wrongful, malicious, or intentional acts or omissions, except that **we** will pay **claim expenses** until there is a final adjudication establishing such conduct. This exclusion will apply to the **named insured** only if the conduct was committed or allegedly committed by any: a. partner, director, officer, or member of the board (or equivalent position) of the **named insured**; or b. employee of the **named insured** if any partner, director, officer, member of the board (or equivalent position) of the **named insured** knew or had reason to know of such conduct by the employee. This exclusion will apply separately to each **insured** and will not apply to any **insured** who did not commit, participate in, acquiesce to, or ratify such conduct committed by another **insured**.

Pollution/environmental	18.	based upon or arising out of any actual, alleged, or threatened discharge, dispersal, release, or escape of **pollutants**, including any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize **pollutants**.
Prior acts/notice/knowledge	19.	based upon or arising out of any: a. **claim**, **potential claim**, or **breach** that was the subject of any notice given under any other policy of which this policy is a renewal or replacement; b. **claim**, **potential claim**, or **breach** that was the subject of, or is related to, any prior or pending litigation, **claim**, written demand, arbitration, administrative or regulatory proceeding or investigation, or licensing proceeding that was filed or commenced against **you** and of which **you** had notice prior to the **policy period**; or c. other matter **you** had knowledge of prior to the **policy period**, and **you** had a reasonable basis to believe could result in a **claim** or **breach**. However, if this policy is a renewal or replacement of a previous policy **we** issued that provided materially identical coverage, and is part of an unbroken chain of successive policies issued by **us**, the **policy period** referred to in paragraphs b and c, above, will be the policy period of the first such policy **we** issued.
Privacy policy	20.	based upon or arising out of any actual or alleged: a. failure to have or appropriately display a privacy policy; b. failure of **your** privacy policy to comply with any federal, state, local, or foreign statutes, ordinances, regulations, or other laws; or c. changing of the terms of **your** privacy policy.
Professional services	21.	based upon or arising out of the rendering of or failure to render professional services by **you** or anyone on **your** behalf; however, this exclusion will not apply to an otherwise covered **breach** or **claim** resulting in the course of performance of professional services.
Property damage	22.	based upon or arising out of any actual or alleged **property damage**; however, this exclusion will not apply to damage to data, or destruction or loss of use of data.
Sweepstakes/gambling/ lotteries	23.	based upon or arising out of any: a. actual or alleged provision of any sweepstakes, gambling activities, or lotteries; or b. price discounts, prizes, awards, money, or valuable consideration given in excess of a total contracted or expected amount, including but not limited to over redemption or under redemption of coupons, discounts, awards, or prizes.
Unsolicited telemarketing	24.	based upon or arising out of any actual or alleged violation of any federal, state, local, or foreign statutes, ordinances, or regulations relating to unsolicited telemarketing, solicitations, emails, faxes, text messages, or any other communications of any type or nature, including but not limited to the Telephone Consumer Protection Act, CAN-SPAM Act, or any “anti-spam” or “do-not-call” statutes, ordinances, or regulations.

VII. Definitions

The following definitions apply to this Coverage Part. Additional definitions are contained in Section III. Who is an insured, and in the General Terms and Conditions, Section VI. Definitions applicable to all Coverage Parts.

Affiliate means any person or entity related to any **insured** through common ownership, control, or management.

Bodily injury means physical injury, sickness, disease, death, humiliation, mental injury, mental anguish, emotional distress, suffering, or shock sustained by a person.

Data Breach and Privacy Security Liability Coverage Part

Breach means the unauthorized acquisition, access, use, or disclosure of **personally identifiable information**, including but not limited to that resulting from the loss or theft of a device containing such **personally identifiable information**.

Breach costs means any of the following reasonable and necessary costs **you** incur with **our** prior written consent in response to a **breach** that triggers **your** notification obligations pursuant to any foreign, federal, state, or local statute, rule, or regulation, or that **you** satisfy **us** poses a significant risk of financial, reputational, or other harm to the affected **data subjects**:

1. Computer Forensic Costs: costs up to the limit stated in the Declarations for computer forensic analysis conducted by outside forensic experts to confirm a **breach** and to identify the affected **data subjects**, as well as outside attorney fees associated with the forensic reports and findings.
2. Notification Costs: the following costs up to the limit stated in the Declarations:
   a. Mandatory Notification Costs: for legal services, call center services, and to notify a **data subject**, a regulator, or any others, as required to satisfy **your** notification obligations; and/or
   b. Voluntary Notification Costs: to voluntarily notify affected **data subjects**, but only if **you** satisfy **us** that the **breach** poses a significant risk of financial, reputational, or other harm to the affected **data subjects**.
3. Credit or Identity Protection Costs: costs up to the limit stated in the Declarations to provide each affected **data subject** with one year (or more as required by law) of services to monitor and/or protect such **data subject's** credit or identity:
   a. if required by law; or
   b. if **you** satisfy **us** it mitigates a significant risk of financial, reputational, or other harm to the **data subject**.
4. Crisis Management and Public Relations Costs: costs up to the limit stated in the Declarations for a public relations or crisis management consultant (and related costs) to:
   a. reduce the likelihood of or costs of any **claim** covered by this policy; or
   b. to assist **you** in re-establishing **your** business reputation.

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

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

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

Breach of contract means **your** unintentional breach of a written contract or public facing privacy policy relating to **personally identifiable information** or confidential corporate information, including a contract with a merchant bank or payment processor in which **you** have agreed to comply with a **PCI standard**, and under which **you** have actually or allegedly failed to maintain the security or confidentiality of payment card data.

Claim means any written assertion of liability or any written demand for financial compensation or non-monetary relief.

Claim expenses means the following sums incurred in excess of the **retention** and with **our** prior consent:

1. all reasonable and necessary fees, costs, and expenses (including the fees of attorneys and experts) incurred in the investigation, defense, or appeal of a **claim**; and
2. premiums on appeal bonds, attachment bonds, or similar bond, but **we** will have no obligation to apply for or furnish any such bonds.

Client means any person or entity for whom **you** perform the services **you** normally provide as part of **your** business operations.

Contractual indemnity - breach costs

means **your** contractual agreement to indemnify **your client**, a merchant bank, or a payment processor for **breach costs** that would be covered by this Coverage Part if **you** had incurred them, but only to the same extent as though **you** had incurred them.

Contractual indemnity - third party

means **your** contractual agreement to indemnify **your client**, a merchant bank, or a payment processor for **damages** or **claim expenses** that would be covered by this Coverage Part if they arose from a **claim** against **you**, resulting from **your** actual or alleged:

1. violation of any privacy law or consumer data protection law protecting against disclosure of **personally identifiable information** or confidential corporate information;
2. breach of common law duty relating to **personally identifiable information** or confidential corporate information; or
3. unintentional breach of a written contract or public facing privacy policy relating to **personally identifiable information** or confidential corporate information,

but only to the same extent as though they arose from a **claim** against **you**.

Damages

means the following amounts incurred in excess of the **retention**:

1. a monetary judgment or monetary award that **you** are legally obligated to pay (including pre- or post-judgment interest and awards of claimant's attorney fees); or
2. a monetary settlement negotiated by **us** with **your** consent.

Damages includes punitive damages to the full extent they are insurable under the law of any applicable jurisdiction that most favors coverage.

Data subject

means the person to whom **personally identifiable information** relates.

Network security breach

means negligence by **you** or others acting on **your** behalf (including **your** subcontractors, outsourcers, or independent contractors) in securing **your** computer system which results in:

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

Payment card company rules

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

PCI assessments

means any amounts assessed against **you** by a payment card company to recover actual costs incurred by the payment card company, issuing bank, or acquiring bank to:

1. replace credit or debit cards whose card numbers were compromised in a **breach**; or
2. refund fraudulent charges which resulted from a **breach**, whether such charges are incurred by a **data subject**, issuing bank, or acquiring bank.

PCI assessments does not include any **PCI fines/penalties**.

PCI fines/penalties

means any fine or penalty expressly defined and quantified under the **payment card company rules** for a violation of a **PCI standard**; however, **PCI fines/penalties** does not include:

1. any amounts not expressly defined under the **payment card company rules** for a violation of a **PCI standard**;
2. civil penalties;

3. any amounts voluntarily agreed to by **you**; or
4. **PCI assessments**.

PCI standard means the Payment Card Industry Data Security Standard, as may be amended.

Personally identifiable information means the following, in any form, that is in **your** care, custody, or control, or in the care, custody, or control of any third party for whom **you** are legally liable:

1. non-public individually identifiable information as defined in any foreign, federal, state, or local statute, rule, or regulation, including but not limited to unsecured protected health information as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended, and any rule or regulation promulgated under HIPAA; or
2. any:
   a. social security number or individual taxpayer identification number;
   b. driver's license number or state identification number;
   c. passport number;
   d. credit card number; or
   e. financial account number or debit card number in combination with any required security code.

Pollutants means any solid, liquid, gaseous, biological, radiological, or thermal irritant or contaminant, including smoke, vapor, asbestos, silica, dust, nanoparticles, fibers, soot, fumes, acids, alkalis, chemicals, nuclear materials, germs, and waste. Waste includes, but is not limited to, materials to be recycled, reconditioned, or reclaimed.

Potential claim means any acts, errors, or omissions of an **insured** or other circumstances reasonably likely to lead to a **claim** covered under this policy.

Privacy liability means:

1. violation of any privacy law or consumer data protection law protecting against disclosure of **personally identifiable information** or confidential corporate information; or
2. breach of a common law duty relating to **personally identifiable information** or confidential corporate information.

Property damage means physical loss of, physical damage to, or destruction or loss of use of any tangible property.

Regulatory action means any civil regulatory action brought against **you** by a regulator.

Retention means the amount stated as such under the Data Breach and Privacy Security Liability Coverage Part section of the Declarations.

You, **your**, or **insured** means a **named insured**, **subsidiary**, **employee**, or **acquired entity**, as defined in Section III. Who is an insured.

HISCOX PRO™

Cyber Enhancements Coverage Part

I. What is covered

If a limit appears on the Declarations indicating **you** have purchased the coverage, **we** agree as follows:

A. Cyber business interruption

We will pay up to the Cyber Business Interruption limit stated in the Declarations for **business interruption costs** incurred as a result of a **business interruption event** lasting in excess of the **retention**, which first occurs and **you** discover during the **policy period** and is reported to **us** in accordance with Section V. Your obligations.

Our obligation to pay **business interruption costs**:

1. is not triggered unless **you** take reasonable steps to minimize or avoid the **business interruption event**; and
2. ends at the hour after either:
   a. the interruption to or degradation in the availability of **your** website, intranet, network, computer system, programs, or data ceases; or
   b. the **income interruption** ceases,

   whichever is earlier.

B. Cyber extortion

We will pay up to the Cyber Extortion limit stated in the Declarations for **cyber extortion costs** in excess of the **retention** incurred as a result of a **cyber extortion event** that is first made against **you** during the **policy period** and is reported to **us** in accordance with Section V. Your obligations.

C. Hacker damage

We will pay up to the Hacker Damage limit stated in the Declarations for **hacker damage costs** in excess of the **retention** incurred as a result of a **hacker damage event** that **you** first discover during the **policy period** and is reported to **us** in accordance with Section V. Your obligations.

II. Coverage enhancements

We will also make the following payments:

Cyber business interruption consulting costs

A. **We** will pay up to the limit stated in the Declarations for **consulting costs you** incur with **our** prior written consent in connection with a covered **business interruption event**.

Any payments **we** make under this subsection A will be a part of, and not in addition to, the Cyber Business Interruption limit.

Hacker damage consulting costs

B. **We** will pay up to the limit stated in the Declarations for **consulting costs you** incur with **our** prior written consent in connection with a covered **hacker damage event**.

You must pay the **retention** stated in the Declarations in connection with any payment **we** make under this subsection B, and any payments **we** make will be a part of, and not in addition to, the Hacker Damage limit.

III. Who is an insured

For purposes of this Coverage Part, **you**, **your**, or **insured** means a **named insured**, **subsidiary**, **employee**, **executive**, or **acquired entity**, as defined below:

Named insured means the individual, corporation, partnership, limited liability company, limited partnership, or other entity identified in Item 1 of the Declarations.

Subsidiary means any entity of which the **named insured** has majority ownership before or as of the inception of the **policy period**.

Employee means any past, present, or future person employed by the **named insured** or **subsidiary** as a permanent, part-time, seasonal, leased, or temporary employee, or any volunteer, but only

while in the course of their performance of business operations on behalf of or at the direction of such **named insured** or **subsidiary**.

Executive means any past, present, or future partner, director, officer, or board member (or equivalent position) of the **named insured** or **subsidiary**, but only while in the course of their performance of business operations on behalf of such **named insured** or **subsidiary**.

Acquired entity means an entity in which the **named insured**, during the **policy period**:

1. acquires substantially all of the assets;
2. acquires the majority of its voting securities, as a result of which it becomes a **subsidiary**; or
3. merges and leaves the **named insured** as the surviving entity.

With respect to an **acquired entity** whose revenues exceed 10% of the annual revenues of the **named insured** at the time of its creation or acquisition, any coverage under this policy will expire 90 days after the effective date of its creation or acquisition unless, within such 90 day period:

1. the **named insured** provides **us** with written notice of such creation or acquisition;
2. the **named insured** provides **us** with information related to such creation or acquisition as **we** may reasonably require;
3. the **named insured** accepts any special terms, conditions, exclusions, or additional premium charge as **we** may reasonably require; and
4. **we** agree by written endorsement to provide such coverage.

This policy will apply to an **acquired entity** only with respect to an **event** which first occurs and is discovered after the acquisition, merger, or creation.

IV.

[This section intentionally left blank]

V. Your obligations

Notifying us of events

You must give written notice to **us** of any **event** as soon as possible, but in any event, no later than ten days after the end of the **policy period**.

All such notifications must be in writing and include a description of the **event**, and must be submitted to **us** via the designated email address or mailing address identified in Item 6 of the Declarations.

In addition, **you** must also inform, or allow **us** to inform, the appropriate law enforcement authorities for any **event** requiring such notification.

Retention

Our obligation to make any payments under this Coverage Part is in excess of the **retention**, and **we** will not make any payment in connection with a covered **event** until the total amount of covered costs incurred or, in the case of a **business interruption event**, the length of the **event**, exceeds the **retention**.

Solely with respect to a **business interruption event**, the **retention** will not begin to run until **you** have notified the **event** to **us**.

VI. Exclusions – What is not covered

We will have no obligation to pay any sums under this Coverage Part for any **event**:

Cyber Enhancements Coverage Part

Bodily injury	1.	based upon or arising out of any actual or alleged **bodily injury**.
Chargeback	2.	based upon or arising out of any actual or alleged chargeback, liability, or fee incurred by **you** or **your** client as a result of a merchant service provider, including any credit card company or bank, wholly or partially reversing or preventing a payment transaction.
Collection of data without knowledge	3.	based upon or arising out of any actual or alleged: a. collection of personally identifiable information by **you** (or others on **your** behalf) without the knowledge or permission of the person to whom the personally identifiable information relates; or b. use of personally identifiable information by **you** (or others on **your** behalf) in violation of applicable law.
Cramming/slamming	4.	based upon or arising out of: a. the imposition of charges for services or content in relation to telephone, cell phone, wireless data, cable television, internet, voice over internet protocol (VoIP), or other similar telecommunications services, which charges have not been adequately disclosed or which services or content have not been requested by the consumer; or b. the unauthorized switching of telecommunications carriers, including providers of telephone, cell phone, wireless data, cable television, internet, voice over internet protocol (VoIP), or other similar services.
Fraudulent/criminal act	5.	involving an intentional, fraudulent, or criminal act committed by or in collusion with an **executive**, **employee**, or any person to whom a ransom is entrusted.
Funds transfer	6.	involving any actual or alleged loss, theft, or transfer of: a. **your** funds, monies, or securities; b. the funds, monies, or securities of others in **your** care, custody, or control; or c. the funds, monies, or securities in the care, custody, or control of any third party for whom **you** are legally liable, including the value of any funds, monies, or securities transferred by **you** or others on **your** behalf.
Government investigation/ enforcement	7.	based upon or arising out of any actual or alleged governmental investigation or enforcement of any state or federal regulation, including but not limited to any regulation promulgated by the Federal Trade Commission, Federal Communications Commission, or the Securities and Exchange Commission, or ASCAP, BMI, SESAC, or other similar licensing organization.
Infrastructure interruption	8.	based upon or arising out of any actual or alleged failure or interruption of service provided by an internet service provider, telecommunications provider, utility provider, or other infrastructure provider.
Intellectual property	9.	based upon or arising out of any actual or alleged infringement, use, or disclosure of any intellectual property, including but not limited to copyright, trademark, trade dress, patent, service mark, service name, title, or slogan, or any publicity rights violations, cyber squatting violations, moral rights violations, any act of passing-off, or any misappropriation of trade secret.
Misappropriation of funds	10.	based upon or arising out of the actual or alleged theft, misappropriation, commingling, or conversion of any funds, monies, assets, or property.
Prior acts/notice/knowledge	11.	based upon or arising out of any: a. **claim** or **event** that was the subject of any notice given under any other policy of which this policy is a renewal or replacement;

b. **claim** or **event** that was the subject of, or is related to, any prior or pending litigation, **claim**, written demand, arbitration, administrative or regulatory proceeding or investigation, or licensing proceeding that was filed or commenced against **you** and of which **you** had notice prior to the **policy period**; or

c. other matter **you** had knowledge of prior to the **policy period**, and **you** had a reasonable basis to believe could result in a **claim** or **event**.

However, if this policy is a renewal or replacement of a previous policy **we** issued that provided materially identical coverage, and is part of an unbroken chain of successive policies issued by **us**, the **policy period** referred to in paragraphs b and c, above, will be the policy period of the first such policy **we** issued.

Privacy

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

a. unauthorized acquisition, access, use, or disclosure of, improper collection or retention of, or failure to protect any non-public personally identifiable information or confidential corporate information that is in **your** care, custody, or control; or

b. violation of any privacy law or consumer data protection law protecting against the use, collection, or disclosure of any information about a person or any confidential corporate information.

Privacy policy violations

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

a. failure to have or appropriately display a privacy policy;

b. failure of **your** privacy policy to comply with any federal, state, local, or foreign statutes, ordinances, regulations, or other laws;

c. breach of **your** privacy policy; or

d. changing of the terms of **your** privacy policy.

Property damage

14. based upon or arising out of any actual or alleged **property damage**; however, this exclusion will not apply to damage to data, or destruction or loss of use of data.

Scareware

15. based upon or arising out of any actual or alleged provision or transmission of Scareware, including but not limited to software that produces false or alarming warning messages.

Subsidiary outside control of named insured

16. experienced by a past or present **subsidiary** while the **named insured** does not have majority ownership or management control of it.

Surrender of ransom

17. involving the surrender of a ransom at the location where the illegal threat and ransom demand was first made, unless brought to such location after receipt of the ransom demand for the sole purpose of paying such ransom demand.

Sweepstakes/gambling/ lotteries

18. based upon or arising out of any:

a. actual or alleged provision of any sweepstakes, gambling activities, or lotteries; or

b. price discounts, prizes, awards, money, or valuable consideration given in excess of a total contracted or expected amount, including but not limited to over redemption or under redemption of coupons, discounts, awards, or prizes.

Theft of ransom

19. involving the theft of a ransom by way of an immediate threat of force or violence, unless the ransom has been previously negotiated.

Unsolicited telemarketing

20. based upon or arising out of any actual or alleged violation of any federal, state, local, or foreign statutes, ordinances, or regulations relating to unsolicited telemarketing, solicitations, emails, faxes, text messages, or any other communications of any type or nature, including but not limited to the Telephone Consumer Protection Act, CAN-SPAM Act, or any “anti-spam” or “do-not-call” statutes, ordinances, or regulations.

Virtual currency	21. based upon or arising out of any actual or alleged virtual currency, including but not limited to virtual goods exchanged in connection with an Internet game or virtual economy.

VII. Definitions

The following definitions apply to this Coverage Part. Additional definitions are contained in Section III. Who is an insured, and in the General Terms and Conditions, Section VI. Definitions applicable to all Coverage Parts.

Bodily injury means physical injury, sickness, disease, death, humiliation, mental injury, mental anguish, emotional distress, suffering, or shock sustained by a person.

Business interruption costs means:

1. Business Interruption Hourly Loss Amount: the amount stated as such in the Declarations;
2. Additional Loss Amount: the average hourly gross profit **you** have generated in the previous six months, minus the "Business Interruption Hourly Loss Amount," provided **you** are able to:
   a. produce evidence of such amounts; and
   b. prove to **us** that **you** reasonably expected to earn more than the "Business Interruption Hourly Loss Amount" during the period of the covered **business interruption event**; and
3. Extra Expense: the reasonable and necessary expenses **you** incur to mitigate the **business interruption event** if **you** satisfy **us** such expenses are:
   a. less than the **business interruption costs** that would have been incurred otherwise; and
   b. in excess of the expenses **you** would have incurred if the **business interruption event** had not occurred.

We will pay covered **business interruption costs** as follows:

1. Regardless of the amount of **your** actual loss, **we** will pay the Business Interruption Hourly Loss Amount for each hour of the **business interruption event** which exceeds the **retention**.
2. If **your** actual loss resulting from the **business interruption event** is greater than the Business Interruption Hourly Loss Amount, then **we** will also pay the Additional Loss Amount for each hour of the **business interruption event** which exceeds the **retention**.
3. **We** will also pay Extra Expense if **you** meet the conditions in subpart 3 above.

Business interruption event means the interruption to or degradation in the availability of **your** website, intranet, network, computer system, programs, or data resulting in an **income interruption** as a direct result of:

1. the activities of a third party that maliciously blocks electronic access to **your** website, intranet, network, computer system, programs, or data **you** hold electronically; or
2. a **hacker**.

Claim means any written assertion of liability or any written demand for financial compensation or non-monetary relief.

Consulting costs means costs for:

1. a public relations or crisis management consultant (and related costs) to:
   a. reduce the likelihood of or costs of any **claim** that would be covered by this policy; or
   b. to assist **you** in reestablishing **your** business reputation;

2. a computer forensic analysis conducted by outside forensic experts to confirm the identity of the **hacker** involved in the **event**; or
3. an information security assessment conducted by outside security experts to identify security improvements to prevent a similar **event**.

Cyber extortion costs means:

1. the ransom paid or, if the demand is for goods or services, the fair market value at the time of surrender; and
2. the reasonable and necessary fees and expenses incurred by a representative appointed by **us** to provide **you** with assistance,

provided **you** can demonstrate to **us**:

1. the ransom has been surrendered under duress; and
2. before agreeing to its payment **you** have made all reasonable efforts to:
   a. determine the threat is genuine and not a hoax; and
   b. ensure at least one **executive** has agreed to the payment of the ransom.

Cyber extortion event means **your** receipt, directly or indirectly, of an illegal threat from a person or entity who is not an **insured** threatening to:

1. damage, destroy, or corrupt **your** website, intranet, network, computer system, any programs **you** use, or data **you** hold electronically, including by introducing a computer virus, worm, logic bomb, or Trojan horse; or
2. disseminate, divulge, or use any confidential information for which **you** are legally responsible,

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

Event means a **business interruption event**, **cyber extortion event**, or **hacker damage event**.

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

Hacker damage event means a **hacker** either:

1. damaging, destroying, altering, corrupting, or misusing **your** website, intranet, network, computer system, programs, or data **you** hold electronically; or
2. copying or stealing any program or data **you** hold electronically.

Hacker damage costs means:

1. the reasonable and necessary expenses **you** incur with **our** prior written consent to repair or replace **your** website, intranet, network, computer system, programs, or data **you** hold electronically to the same standard and with the same contents as before it was damaged, destroyed, altered, corrupted, copied, stolen, or misused; or
2. in the event that **your** website, intranet, network, computer system, programs, or data **you** hold electronically cannot be restored to the same standard and with the same contents as before it was damaged, destroyed, altered, corrupted, copied, stolen, or misused, **hacker damage costs** will mean the reasonable and necessary expenses **you** incur to make that determination.

Hacker damage costs includes the reasonable and necessary expenses **you** incur to mitigate the **hacker damage event** if **you** satisfy **us** such expenses are:

1. less than the **hacker damage costs** that would have been incurred otherwise; and
2. in excess of the expenses **you** would have incurred if the **hacker damage event** had not

occurred.

Hacker damage costs will not mean, and **we** will not be obligated to pay, any amounts to research and/or develop the website, intranet, network, computer system, programs, or data.

Income interruption means **your** gross profit generated on an hourly basis has been reduced to less than 75% of the average hourly gross profit for the 90-day period immediately prior to the **business interruption event**.

Property damage means physical loss of, physical damage to, or destruction or loss of use of any tangible property.

Retention means:

1. for a **business interruption event**, the length of time stated as such under the Cyber Business Interruption section of the Declarations;
2. for a **cyber extortion event**, the amount stated as such under the Cyber Extortion section of the Declarations; or
3. for a **hacker damage event**, the amount stated as such under the Hacker Damage section of the Declarations.

You, **your**, or **insured** means a **named insured**, **subsidiary**, **employee**, **executive**, or **acquired entity**, as defined in Section III. Who is an insured.

HISCOX PRO™

Endorsement 1

NAMED INSURED:

E8637.1 Merchant Services Agreement Exclusion Endorsement

In consideration of the premium charged, and on the understanding this endorsement leaves all other terms, conditions, and exclusions unchanged, it is agreed the <FULL NAME OF COVERAGE PART> Coverage Part is amended as follows:

The following exclusion is added to the end of Section VI. Exclusions – What is not covered:

Merchant services agreement	ME-1.	based upon or arising out of any actual or alleged liability arising from any merchant services agreement, payment processing agreement, or similar credit card agreement.

Endorsement Effective: Policy No.:

Endorsement No: 1

By:

Appointed Representative

HISCOX PRO™

Endorsement 2

NAMED INSURED:

E8643.2 Cyber Enhancements Notification Endorsement

In consideration of the premium charged, and on the understanding this endorsement leaves all other terms, conditions, and exclusions unchanged, it is agreed:

For any **business interruptions event, hacker damage event**, or **cyber extortion event you must** also notify the breach coach at 1-855-447-2627.

Endorsement Effective: 10/10/2017 Policy No.:

Endorsement No: 2

By:

Appointed Representative

HISCOX PRO™

Endorsement 3

NAMED INSURED

E6020.2 War and Civil War Exclusion Endorsement

In consideration of the premium charged, and on the understanding this endorsement leaves all other terms, conditions, and exclusions unchanged, it is agreed the General Terms and Conditions are amended as follows:

This policy does not apply to and **we** will have no obligation pay any sums under this policy, including any **damages**, **claim expenses**, or other **covered amounts**, for any **claim**, **breach**, **event**, or **occurrence** directly or indirectly occasioned by, happening through, or in consequence of:

1. war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military, or usurped power; or

2. confiscation, nationalization, requisition, destruction of, or damage to property by or under the order of any government, public, or local authority.

However, this exclusion will not apply to coverage under the General Liability Coverage Part (if purchased) for damage by fire to premises while rented to **you** or temporarily occupied by **you** with the owner's permission. Any payments **we** make for **property damage** to such premises will be subject to the Damage to Premises Limit.

Endorsement Effective: Policy No.:

Endorsement No: 3

By:

Appointed Representative

HISCOX PRO™

Endorsement 4

NAMED INSURED:

E6017.2 Nuclear Incident Exclusion Clause-Liability-Direct (Broad) Endorsement

In consideration of the premium charged, and on the understanding this endorsement leaves all other terms, conditions, and exclusions unchanged, it is agreed:

We will have no obligation to pay any sums under this policy, including any **damages**, **claim expenses**, or other **covered amounts**, for any **claim**, **breach**, **event**, or **occurrence**:

A. Under any liability coverage, for injury, sickness, disease, death, or destruction:

1. for which **you** are 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 insured under any such policy but for exhaustion of its limit of liability; or

2. resulting from the **hazardous properties** of **nuclear material** and with respect to which:

   a. any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, as amended; or

   b. **you** are, 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.

B. Under any Medical Payments coverage, or under any Supplementary Payments provision relating to immediate medical or surgical relief, for expenses incurred with respect to bodily injury, sickness, disease, or death resulting from the **hazardous properties** of **nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.

C. Under any liability coverage, for injury, sickness, disease, death, or destruction resulting from the **hazardous properties** of **nuclear material**, if:

1. the **nuclear material** is at any **nuclear facility** owned or operated by **you** or on **your** behalf, or has been discharged or dispersed from such a facility;

2. the **nuclear material** is contained in spent fuel or **waste** which is or was at any time possessed, handled, used, processed, stored, transported, or disposed of by **you** or on **your** behalf; or

3. the injury, sickness, disease, death, or destruction arises out of the furnishing by **you** of services, materials, parts, or equipment in connection with the planning, construction, maintenance, operation, or use of any **nuclear facility**, but if such facility is located within the United States of America, its territories or possessions, or Canada, this exclusion (3)applies only to injury to or destruction of property at such **nuclear facility**.

As used in this endorsement:

Hazardous properties includes radioactive, toxic, or explosive properties;

Nuclear material means **source material**, **special nuclear material**, or **byproduct material**;

Source material, **special nuclear material**, and **byproduct material** have the meanings given them in the Atomic Energy Act of 1954, as amended;

Spent fuel means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**;

Waste means any waste material:

1. containing **byproduct material**; and

2. resulting from the operation by any person or organization of any **nuclear facility** included in paragraph 1 or 2 of the definition of **nuclear facility**;

Nuclear facility means:

1. any **nuclear reactor**;

2. any equipment or device designed or used for:

   a. separating the isotopes of uranium or plutonium;
   b. processing or utilizing spent fuel; or
   c. handling, processing, or packaging **waste**;

3. 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 **your** custody at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or

4. any structure, basin, excavation, premises, or place prepared or used for the storage or disposal of **waste**.

Nuclear facility includes the site on which any of the foregoing is located, all operations conducted on such site, and all premises used for such operations;

With respect to injury to or destruction of property, “injury" or "destruction" includes all forms of radioactive contamination of property.

Endorsement Effective: Policy No.:

Endorsement No: 4

By:

Appointed Representative

HISCOX PRO™

Endorsement 5

NAMED INSURED:

E9997.4 Policyholder Disclosure Notice of Terrorism Insurance Coverage

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in2015, 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 or acts that are 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, such as an exclusion for nuclear events. 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 $100 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 $100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed $100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism is <PREMIUM>, and does not include any charges for the portion of losses covered by the United States government under the Act.

I ACKNOWLEDGE THAT I HAVE BEEN NOTIFIED THAT UNDER THE TERRORISM RISK INSURANCE ACT, AS AMENDED, ANY LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM UNDER MY POLICY COVERAGE MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT AND MAY BE SUBJECT TO A $100 BILLION CAP THAT MAY REDUCE MY COVERAGE AND I HAVE BEEN NOTIFIED OF THE PORTION OF MY PREMIUM ATTRIBUTABLE TO SUCH COVERAGE.

Policyholder/Applicant's Signature: _____

Print Name: _____ Date: _____

Insurance Company: HISCOX

Endorsement Effective: Policy No:

Endorsement No: 5

By:

Appointed Representative

HISCOX PRO™

Endorsement 6

NAMED INSURED:

E9999.2 Cap on Losses from Certified Acts of Terrorism Endorsement

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE FEDERAL TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

The following is hereby added to the Policy and shall apply to all coverage:
With respect to any one or more "act of terrorism", the Company will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

The term "act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the federal Terrorism Risk Insurance Act for an "act of terrorism" include the following:

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is 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.

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed $100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to the pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

All other terms and conditions remain unchanged.

Endorsement Effective: Policy No:

Endorsement No: 6

By:

Appointed Representative

HISCOX PRO™

Congratulations on your purchase of a Hiscox Privacy and Data Breach Protection Policy!

This Policyholder Guide provides details of the **risk management tools** made available to you, as a Hiscox Technology and Privacy policyholder, and how you access them.

Guide Contents

I) How to notify Hiscox when you have a claim

Claims Service

We understand how important the claims handling process is to our policyholders, and **our dedicated in-house technology claims attorneys believe in a "fast and fair" claims approach**, which includes:

- A dedicated claims inbox for receiving claim notifications, monitored multiple times per day
- New claim acknowledgement within 1 business day
- Assigned claims representative contact with policyholder/broker within 2 business days
- An open dialogue throughout the claims process

Claim Notification

The specific provisions regarding proper notification of a claim against your policy are contained in your policy wording and endorsements. However, if you ever have any questions about when or how to notify us of a claim, please contact your agent or broker. Alternatively, you can contact the Hiscox Tech and Privacy/Data Breach Claims Department: tmtclaims@hiscox.com

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II) How to access the complimentary risk management tools

Complimentary Risk Management Tools
As a Hiscox Technology or Privacy Protection policyholder, you qualify for complimentary access to value added services meant to help you reduce your risk. Due to the coverage you have purchased, you have qualified for complimentary access to the following services (detailed on the following pages):

a) Risk Management Assistance

b) BreachProtection™ Breach Prevention Resources

c) Hiscox eRisk Hub® Breach Response Resource and Information Web Portal

d) Control Risks Cyber Extortion Response (contingent on purchase of Hiscox Cyber Extortion policy)

a) Risk Management Assistance

As a complimentary service to this policy, we are pleased to provide a free, confidential risk management and loss prevention service, consisting of an initial consultation and up to 1-hour of legal services to assist you in better understanding and minimizing risks that commonly lead to the types of claims covered under this policy.

If you have a question about minimizing these types of liability risks in your business, please email your question to: riskmanagement@hiscox.com

Please include your Hiscox Policy Number which can be found on the Declaration Page of your policy.

A Hiscox representative will get back to you within 1 (one) business day with a referral to a nationally recognized law firm with a practice specifically focused on your industry[1].

- Please note that any inquiries made to this service will not constitute a notice of claim or potential claim under your policy. For all claim or potential claim matters, please follow the notification provisions in your policy.
- Please also note that this service is not intended to respond to questions regarding your insurance policy or coverage. For all such inquiries, please contact your agent or broker.

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b) BreachProtection™ Breach Prevention Resources[2]

Don't let a breach catch you unprepared.

As a qualified Hiscox Technology Protection policyholder, you now have free access to BreachProtection™. BreachProtection provides comprehensive risk management tools through BreachProtection.com and subject-matter specialists to help answer your questions.

Getting Started Using breachprotection.com

BreachProtection.com provides unlimited access to:

Online compliance materials: Federal and state compliance materials regarding data security, data breaches, and data privacy, including:

- summaries of federal and state laws with links to statutes and regulations
- sample policies and procedures
- continuing updates and electronic notification of changes to the online materials.

Email updates: Periodic newsletters provide information on changes in federal and state laws regarding data security, data breach, and data privacy issues. Additional emails provide notice of matters requiring immediate attention.

Online support: Receive support from privacy/security specialists regarding:

- healthcare, HIPAA and HITECH compliance issues
- data breach prevention and computer forensic issues
- data security best practices

Procedures and sample forms

- Risk assessment procedures
- Guidance to improve safeguards (administrative/physical/technical)
- Procedures for responding to a data breach and customizing an Incident Response Plan
- Pre-publication checklists

Workforce training

- Online training programs
- Employee training bulletins
- Periodic webinars

Data Breach Response

- Breach notification law summaries
- HIPAA/HITECH security breach guidance
- Links to your data breach response provider

Getting started

To ensure you get timely access to these services, email **signup@breachprotection.com** or call the BreachProtection Account Specialists at **559-577-1248**. Please provide: (1) the name of your business as it appears on your Hiscox insurance policy; (2) your Hiscox insurance policy or certificate number; and (3) your Hiscox insurance policy expiration date.

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c) Hiscox eRisk Hub® Breach Response Resource and Information Web Portal[3]

Register now! Don't wait until you have suffered a breach. Be prepared.

As a qualified Hiscox Technology Protection policyholder, you now have free access to the Hiscox eRisk Hub® portal, powered by NetDiligence®.

Hiscox eRisk Hub is a private, web-based portal containing information and technical resources provided to assist you in the timely reporting, response and recovery from a data breach event.

Key features of the Hiscox eRisk Hub® portal

- **Breach Response Services:**
  - **Incident Roadmap** – includes suggested steps to take following a breach event.
  - **Breach Coach®** – a resource to support you in managing your response, including a free initial consultation.
  - **Breach Response Team** – a list of data breach service providers at predetermined rates.
- **eRisk resources** – a directory to quickly find external resources with expertise in pre- and post-breach disciplines.

Please note the following:

1. The Hiscox eRisk Hub portal is a private site for Hiscox Technology Protection policyholders only. Do not share portal access instructions with anyone outside your organization. You are responsible for maintaining the confidentiality of the Hiscox access code provided to you.
2. Up to three individuals from your organization may register and use the portal. Ideal candidates include your company's Risk Manager, Compliance Manager, Privacy Officer, IT Manager or Legal Counsel.
3. This portal contains a directory of experienced providers of cyber risk management and breach recovery services. Hiscox does not endorse these companies or their respective services. Before you engage any of these companies, we urge you to conduct your own due diligence to ensure the companies and their services meet your needs. Unless otherwise indicated or approved, payment for services provided by these companies is your responsibility.
4. Should you experience a data breach event, you may choose to call the Breach Coach® listed in the portal for immediate triage assistance. Your initial consultation of up to one hour is free of charge. Please be aware that the Breach Coach® service is provided by a third-party law firm. Therefore, calling the Breach Coach® does not satisfy the claim notification requirements of your policy.

We are pleased to provide our qualified Hiscox Technology Protection Insurance policyholders with free access to this portal. To register:

1. go to **www.eriskhub.com/hiscox.php**
2. complete the registration form. Your **Hiscox access code** is **08663**
3. once registered, you can access the portal immediately.

For more information or questions, email hiscox@eriskhub.com.

d) Control Risks Cyber Extortion Response

Since 1975, Control Risks has advised clients on the resolution of more than 2,600 cases of extortive crime in 129 countries. Their dedicated team of Response consultants responds to an average of 155 cases of extortive crime per year, including threat extortions.

Alongside their Response division, Control Risks has a specialist Cyber team (with expertise in providing cyber threat intelligence, incident prevention and cyber breach response services).

For Cyber response services including cyber extortions, Control Risks' approach is to assist the affected business to manage the incident, identify its objectives and follow the resulting plan of action.

As part of their crisis management assistance, Control Risks will involve internal and external experts, including their IT Forensics partner, MWR InfoSecurity, whose technical experts will assist in IT forensic investigations, and legal and public relations experts to help clients respond to and contain the fallout from a cyber-attack[4].

To contact Control Risks in the event of a cyber extortion incident or advise regarding cyber extortion management:

Control Risks
Control Risks Response Team
888 245 8654

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III) Breach Preparedness and Response

Knowing what to do in the event of a data breach can make the situation much less daunting, helping to minimize the impact to your business. We have produced this quick guide to assist you in responding to a breach event.

Our philosophy: it is not our place to mandate exactly how you respond to such a critical event for your business, but rather we should provide you with the necessary resources and guidance to help minimize the impact the event has on your business. The following provides you with details on quickly accessing the resources available to guide you and assist you in responding to the event.

PRIOR TO A BREACH

Register at BreachProtection™ (see registration details in this document) for risk management policies, procedures, training, and other tools to help your company prevent and better respond to a breach of confidential information.

Register at Hiscox eRisk Hub® (see registration details in this document) to assist you in getting a response plan in place with access to the third party resources available to help you more efficiently and cost-effectively respond to and recover from a breach.

IF A BREACH OCCURS

Step 1: Engage the expert resources available to you

A) Contact the Breach Coach® at the toll free Hiscox Breach Response Hotline

Registered members of the Hiscox **eRisk Hub®** are entitled to one hour of free consultation with a Breach Coach®.

You may request the assistance of a Breach Coach® by phone or email. As part of your request, be sure to provide your company name, along with the names of all other companies and/or individuals that may be involved in the breach event.

1-855-HISCO-BR(447-2627)

HiscoxUSBreachCoach@eRiskHub.com

An attorney from Baker Hostetler is on call 24 hours a day/7 days a week.

B) Notify Hiscox

At such as critical time, it is important that the claims handling process be fast and fair. Engaging our dedicated in-house claim attorneys early in the process provides you with additional experienced professionals to assist you in your breach response. This also provides for an open dialogue throughout the process so you can worry about properly responding to the breach and not worry about your insurance.

Please work with your broker or agent to properly notify Hiscox of the breach event…the specific provisions for formal notification of a claim or breach event against your policy are contained in your policy wording and endorsements.

If you or your agent or broker have any questions or need to contact us regarding claim notification, you can contact the Hiscox Tech and Privacy/Data Breach Claims Department: tmtclaims@hiscox.com

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Step 2: Work with the expert resources to determine next and appropriate steps

Hiscox Claims specialists and/or the Breach Coach® are available to assist you in determining what steps to take and how to engage the breach response providers from the pre-approved Hiscox Preferred Breach Response Providers List. This list is comprised of specialists available to provide the legal, forensics, notification, call center and credit or identity protection services in response to your breach.

The Hiscox Claims specialists and/or Breach Coach® can help you determine:

- if a forensics investigation is needed,
- if breach notifications are required,
- the potential for regulatory investigations,
- the potential for legal action,
- your next steps.

Be prepared

Today a breach of confidential information is almost inevitable. By registering for and using the breach prevention and breach response services as well as promptly engaging your Breach Coach® and the Hiscox Claims specialists in the event you have a breach, you are taking appropriate steps to lessen the impact the breach event has on your business.[4]

About Hiscox in the US

Hiscox, the international specialist insurer, is headquartered in Bermuda and listed on the London Stock Exchange (LSE:HSX). There are three main underwriting parts of the Group - Hiscox London Market, Hiscox UK and Europe and Hiscox International. Hiscox International includes operations in Bermuda, Guernsey and the USA. Hiscox ASM Ltd, Hiscox Underwriting Ltd and Hiscox Syndicates Ltd are authorized and regulated by the UK Financial Services Authority. The ability of syndicates at Lloyd's to do business in the USA, and its territories, is restricted as they are not US-based insurers.

Inquiries as to insurance or other products or services should be directed to an insurance agent or broker licensed to conduct business in the relevant US state. For further information about an insurer's ability to do business in the USA and US territories please contact a licensed agent or broker for advice.

This communication provides general information on Hiscox's products and services only and is not intended to be, and does not constitute, a solicitation of business by syndicates at Lloyd's from or in respect of the USA or US territories. Coverages are subject to underwriting and may not be available in all states. The information contained herein is not a part of an insurance policy, and may not be used to modify any insurance policy that might be issued. In the event the actual policy forms are inconsistent with any information provided herein, the language of the policy forms shall govern.

[1] The law firm, or other resource utilized for this risk management assistance, is solely responsible for all content and advice provided.

[2] BreachProtection™ is solely responsible for all content and advice provided on breachprotection.com. The information provided through breachprotection.com does not constitute legal or other professional advice. Please consult your attorney or other professional advisor to discuss your specific situation and obtain the appropriate legal or other expert advice.

[3] Coverage for the costs of engaging the services of a law firm or breach response service provider are subject to the terms and conditions of your policy, which in some instances may require the prior approval by Hiscox. Please familiarize yourself with the terms and conditions of your policy. Information provided through the Hiscox eRisk Hub® portal does not constitute legal advice. Please consult your, attorney or other professional advisor to discuss your specific situation and obtain the appropriate legal or other expert advice.

[4] Coverage for the costs of engaging the services of Control Risks are subject to the terms and conditions of your policy, which in some instances may require the prior approval by your insurance carrier. Please familiarize yourself with the terms and conditions of your policy.

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Hiscox is dedicated to understanding the exposures faced by our policyholders and providing products and services built specifically to address their technology and privacy needs. Our **breach of contract coverage** and **broad intellectual property coverage** accounted for more than 80% of the technology claims we handled over a nine year period (1,296 claim notifications from 2003 - 2011). Hiscox PRO Technology and Privacy coverage includes various modules to best address the exposures faced by our policyholders.

Available Coverage Solutions

- Standard offering of affirmative contractual coverage
- Intellectual property coverage for breaches of software copyright
- Advertising coverage for alleged breach of copyright or trademark issues
- First-party costs and third-party liabilities arising from data breach event
- Breach of contract, including merchant services and payment processing agreements that may result in PCI Fines, Penalties & Assessments
- Costs to investigate and respond to a data breach
- Cyber Business Interruption revenue replacement
- Coverage available for Cyber-Crime events
- Costs to repair or replace digital assets
- Partner firms standing by to coordinate and lead forensics efforts, breach response, legal ramifications, and cyber extortion demands

Claims Service

We understand how important the claims handling process is to our policyholders, and our dedicated in-house claims' attorneys believe in a "fast and fair" claims approach, which includes:

- A dedicated claims inbox for receiving claim notifications, monitored multiple times per day
- New claim acknowledgement within 1 business day
- Assigned claims representative contact with policyholder/broker within 2 business days
- An open dialogue throughout the claims process

In addition to providing coverage that was built specifically for the technology and privacy exposures faced by companies, Hiscox makes available to its policyholders complimentary risk management tools.

Complimentary Risk Management Tools

A Hiscox Technology or Privacy policyholder qualifies for complimentary risk management tools meant to help reduce his or her risk. Depending on the coverage ultimately purchased, the policyholder may qualify for any or all of the following complimentary services:

- ✓ Risk Management Assistance
- ✓ BreachProtection™ Breach Prevention Resources
- ✓ Hiscox eRisk Hub® Breach Response Resource and Information Web Portal
- ✓ Control Risks Cyber Extortion Response

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Risk Management Assistance

One free hour of an initial, confidential risk management and loss prevention service to assist the policyholder in better understanding and minimizing risks that commonly lead to the types of claims covered under this policy.

If the policyholder has a question about minimizing these types of risks to his or her business, he or she will be referred to a nationally recognized law firm with a practice specifically focused on his or her industry[1].

BreachProtection™ Breach Prevention Resources[2]

The best way to handle a data breach is to avoid it in the first place. We make available to qualified Hiscox Privacy and Data Breach Protection policyholders complimentary access to data breach prevention services through our partnership with BreachProtection™. BreachProtection provides risk management policies, procedures, training, and other tools to help the policyholder's company prevent a breach of confidential data.

BreachProtection provides comprehensive risk management tools through breachprotection.com and specialists to help answer any questions:

Online compliance materials

- Email updates on data privacy issues
- Online support
- Procedures and sample forms
- Workforce training
- Data breach response guidance

Hiscox eRisk Hub® Breach Response Resource and Information Web Portal[3]

When a data breach event occurs, time is of the essence. Having a response plan in place with access to the third party resources needed will help our policyholders more efficiently and cost-effectively respond to and recover from the data breach. Qualified Hiscox Privacy and Data Breach Protection policyholders receive complimentary access to the Hiscox eRisk Hub® portal, powered by NetDiligence®. Hiscox eRisk Hub provides tools and resources to help one understand the exposures, establish a response plan and minimize the effects of a data breach on an organization:

Breach Response Services

- **Incident Roadmap** – includes suggested steps to take following a data breach event.
- **Breach Coach®** – toll free hotline access to a resource to support you in managing your response, including a free initial consultation.
- **Breach Response Team** – a list of data breach service providers at predetermined rates.
- **eRisk resources** – a directory to quickly find external resources with expertise in pre- and post- data breach disciplines.

Control Risks Cyber Extortion Response

Since 1975, Control Risks has advised clients on the resolution of more than 2,600 cases of extortive crime in 129 countries. Their dedicated team of Response consultants responds to an average of 155 cases of extortive crime per year, including threat extortions. Alongside their Response division, Control Risks has a specialist Cyber team (with expertise in providing cyber threat intelligence, incident prevention and cyber breach response services). For Cyber response services including cyber extortions, Control Risks' approach is to assist the affected business to manage the incident, identify its objectives and follow the resulting plan of action. As part of their crisis management assistance, Control Risks will involve internal and external experts, including their IT Forensics partner, MWR InfoSecurity, whose technical experts will assist in IT forensic investigations, and legal and public relations experts to help clients respond to and contain the fallout from a cyber-attack[4].

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About Hiscox in the US

This broker communication is for preliminary informational purposes only. The exact coverage afforded by the products described herein is subject to and governed by the terms and conditions of each policy issued. This information may not be used to modify any policy that might be issued. Coverage is made available through Hiscox Inc. d/b/a Hiscox Insurance Agency in CA, which is licensed in all states. The products described are underwritten by Hiscox syndicates at Lloyd's, London and are available only on a surplus lines basis through licensed surplus lines brokers. The publication and delivery of this information is not intended to be a solicitation by Lloyd's for the purchase of insurance on any US risk.

[1]The law firm, or other resource utilized for this risk management assistance, is solely responsible for all content and advice provided.

[2]BreachProtection™ is solely responsible for all content and advice provided on breachprotection.com. The information provided through breachprotection.com does not constitute legal or other professional advice. Please consult your attorney or other professional advisor to discuss your specific situation and obtain the appropriate legal or other expert advice.

[3]Coverage for the costs of engaging the services of a law firm or breach response service provider are subject to the terms and conditions of your policy, which in some instances may require the prior approval by your insurance carrier. Please familiarize yourself with the terms and conditions of your policy. Information provided through the Hiscox eRisk Hub® portal does not constitute legal or other professional advice. Please consult your, attorney or other professional advisor to discuss your specific situation and obtain the appropriate legal or other expert advice.

[4]Coverage for the costs of engaging the services of Control Risks are subject to the terms and conditions of your policy, which in some instances may require the prior approval by your insurance carrier. Please familiarize yourself with the terms and conditions of your policy.