Cyber Liability Insurance

Policy Wording

Contents

In this document, you'll find all the information about this policy including what it covers, what's excluded, and your responsibilities as the 'Insured'.

Please refer to your Policy Schedule for the specifics of your policy, including policy limits, sums insured, period of insurance, and excess.

Qdos

Good to Know

This insurance policy has been arranged by Qdos and is underwritten by HCC International Insurance Co PLC.

Please check your documents carefully to ensure you understand the limitations of your cover and that this policy meets your requirements. If you notice any error or need further clarification, please contact your Qdos Account Manager or our customer services team.

Need to make a claim?

If you need to make a claim or report an incident, please use the following details:

Telephone: 0808 175 4376
Email: UKcyberclaims@tmhcc.com

For more details, please review the Notification and Claims Conditions set out on Page 19.

What is Covered

In consideration of the payment of the premium, the **Named Insured's** undertaking to pay the applicable **Excess** herein, and in reliance upon all statements made and information provided to **Insurers** and subject to all terms, conditions, limitations and exclusions of this Policy, the **Insurers** agrees with the **Named Insured** as follows:

Insuring Clauses

This Policy applies only to those Insuring Clauses purchased by the **Named Insured**, as shown in the Schedule.

1. Third Party Liability Insuring Clauses

A. Multimedia Liability

Insurers will pay on behalf of the **Insured**, up to the **Cyber Limit of Liability, Damages** that the **Insured** becomes legally obligated to pay, including liability **Assumed Under Contract**, and related **Defence Costs** resulting from a **Claim** for an actual or alleged **Multimedia Wrongful Act**, but only if:

1) the **Claim** is first made against the **Insured** during the **Period of Insurance**,
2) the **Multimedia Wrongful Act** is committed on or after the Retroactive Date stated in the Schedule.

B. Security and Privacy Liability

Insurers will pay on behalf of the **Insured**, up to the **Cyber Limit of Liability, Damages** that the **Insured** becomes legally obligated to pay, including liability **Assumed Under Contract**, and related **Defence Costs** resulting from a **Claim** for an actual or alleged **Security and Privacy Wrongful Act** but only if:

1) the **Claim** is first made against the **Insured** during the **Period of Insurance**,
2) the **Security and Privacy Wrongful Act** is committed on or after the Retroactive Date stated in the Schedule.

C. Privacy Regulatory Defence and Penalties

Insurers will pay on behalf of the **Insured**, up to the **Cyber Limit of Liability**, a **Regulatory Compensatory Award** or **Regulatory Fines and Penalties** that the **Insured** becomes legally obligated to pay including related **Defence Costs** resulting from a **Privacy Regulatory Proceeding** instituted against the **Insured** because of a **Security Breach** or **Privacy Breach**, but only if:

1) the **Privacy Regulatory Proceeding** is instituted against the **Insured** during the **Period of Insurance**, and
2) the **Security Breach** or **Privacy Breach** occurs on or after the Retroactive Date stated in the Schedule.

D. PCI DSS Liability

Insurers will pay on behalf of the **Insured**, up to the **Cyber Limit of Liability**, **PCI DSS Fines and Assessments** which the **Insured** becomes legally obligated to pay including related **Defence Costs** of which the **Insured** incurs, with the **Insurer's** prior written consent, because of a **PCI DSS Demand** first made against the **Insured** during **the Period of Insurance** and resulting from a **Security Breach** or **Privacy Breach** that occurs on or after the Retroactive Date stated in the Schedule.

E. Bodily Injury Liability Cover

Insurers will pay on behalf of the **Insured**, up to the **Cyber Limit of Liability**, **Damages** that the **Insured** becomes legally obligated to pay including related **Defence Costs** as a result of a **Bodily Injury Claim** first made against the **Insured** during the **Period of Insurance** for an actual or alleged **Bodily Injury Wrongful Act** committed on or after the Retroactive Date stated in the Schedule.

F. Property Damage Liability Cover

Insurers will pay on behalf of the **Insured**, up to the **Cyber Limit of Liability**, **Damages** that the **Insured** becomes legally obligated to pay including related **Defence Costs** as a result of a **Property Damage Claim** first made against the **Insured** during the **Period of Insurance** for an actual or alleged **Property Damage Wrongful Act** committed on or after the Retroactive Date stated in the Schedule.

2. First Party Insuring Clauses

G. Breach Event Costs

Insurers will pay, up to the **Cyber Limit of Liability**, **Privacy Breach Response Costs**, **Notification Expenses** and **Breach Support and Credit Monitoring Expenses** incurred by the **Named Insured** because of an **Adverse Media Report**, **Security Breach** or **Privacy Breach**, but only if the **Adverse Media Report**, **Security Breach** or **Privacy Breach** is first discovered by an **Executive** during the **Period of Insurance**.

H. BrandGuard

Insurers agree, subject to the **Waiting Period**, to indemnify the **Named Insured**, up to the **Cyber Limit of Liability**, for provable and ascertainable **Brand Loss** sustained by the **Named Insured** during the **Period of Insurance** as a direct result of an **Adverse Media Report** or **Notification** of a **Security Breach** or **Privacy Breach**, that is first discovered by an **Executive** during the **Period of Insurance**.

I. System Failure

a) **Data Recovery**

Insurers will pay, up to the **Cyber Limit of Liability, Digital Assets Loss** and **Special Expenses** incurred by the **Named Insured** because of damage, alteration, corruption, distortion, theft, misuse or destruction of **Digital Assets** resulting from a **System Failure**, but only if:

1) the **System Failure** is first discovered by an **Executive** during **the Period of Insurance**, and

2) the **Named Insured** provides clear evidence that the **Digital Assets Loss** and **Special Expenses** directly resulted from the **System Failure**.

Insurers will pay such **Digital Assets Loss** and **Special Expenses** for up to 12 months following the **Executive's** discovery of the **System Failure**.

b) **Non-Physical Business Interruption**

Insurers will pay, up to the **Cyber Limit of Liability** and subject to **the Waiting Period**, **Income Loss**, **Interruption Expenses** and **Special Expenses** incurred by the **Named Insured** during the **Period of Restoration** because of a **System Failure**, but only if:

1) the **System Failure** is first discovered by an **Executive** during the **Period of Insurance**, and
2) the **Named Insured** provides clear evidence that the **Income Loss, Interruption Expenses** and **Special Expenses** directly resulted from the **System Failure**.

J. Cyber Extortion

Insurers will pay, up to the **Cyber Limit of Liability**, **Cyber Extortion Expenses** and **Cyber Extortion Monies** incurred by the **Named Insured** as a direct result of a **Cyber Extortion Threat**, but only if the **Cyber Extortion Threat** is first discovered by an **Executive** during the **Period of Insurance**.

Insurers will not be obligated to pay **Cyber Extortion Expenses** or **Cyber Extortion Monies** for which the **Insurers** have not given prior written consent. The **Named Insured** must notify the Police before surrendering any **Cyber Extortion Monies** in response to a **Cyber Extortion Threat**.

K. Cyber Crime

a) Financial Fraud

Insurers agree to indemnify the **Named Insured**, up to the **Cyber Limit of Liability**, for **Financial Fraud Loss** sustained by the **Named Insured** because of **Financial Fraud** that is discovered by an **Executive** during the **Period of Insurance** provided that the **Named Insured** provides written confirmation to **Insurers** that the **Named Insured's** bank or credit card company has refused to reverse or prevent a payment transaction or to indemnify or reimburse the **Named Insured** for the **Financial Fraud Loss.**

b) Telecommunications and Utilities Fraud

Insurers agree to indemnify the **Named Insured**, up to the **Cyber Limit of Liability**, for **Telecommunications Fraud Loss** or **Utilities Fraud Loss** sustained by the **Named Insured** because of **Telecommunications Fraud** or **Utilities Fraud** that is discovered by an **Executive** during the **Period of Insurance**. Provided always that there is clear evidence that the **Telecommunications Fraud Loss** directly results from the T**elecommunications Fraud** or that the **Utilities Fraud Loss** directly results from the **Utilities Fraud.**

c) Phishing Fraud

1) **Insurers** agrees to indemnify the **Named Insured**, up to the **Cyber Limit of Liability**, for **Phishing Fraud Loss** sustained by the **Named Insured** because of **Phishing Fraud** that is discovered by an **Executive** during the **Period of Insurance**.
2) **Insurers** agrees to indemnify the **Named Insured**, up to the **Cyber Limit of Liability**, for **Client Phishing Fraud Loss** sustained by the **Named Insured** because of **Client Phishing Fraud** that is discovered by an **Executive** during the **Period of Insurance**. Provided always that any **Client Phishing Fraud** directly results from a **Hacking Attack**.

L. Bricking Loss

Insurers will pay, up to the **Cyber Limit of Liability**, **Bricking Loss** incurred by the **Named Insured** due to a **Bricking Event** occurring and first discovered by an **Executive** during the **Period of Insurance**, but only if the **Named Insured** provides clear evidence that the **Bricking Loss** results from the **Bricking Event**.

M. Property Damage Loss

Insurers will pay, up to the **Cyber Limit of Liability**, for physical damage to **Covered Property** caused by or resulting from a **Hacking Attack**, provided always that:

1) the **Hacking Attack** occurs and is first discovered by an **Executive** during the **Period of Insurance**;
2) the **Insured** provides clear evidence that such physical damage is directly caused by or results from a **Hacking Attack**; and
3) there is no other valid and collectible insurance available to the **Named Insured** for such physical damage.

N. Reward Expenses

Insurers will pay, up to the **Cyber Limit of Liability**, **Reward Expenses** incurred by the **Named Insured** with the **Insurer's** prior written consent.

O. Court Attendance Costs

Insurers will reimburse an **Insured**, up to a maximum of £500 per day, for **Court Attendance Costs** incurred by an **Insured** to attend mediation, arbitration proceedings, hearings, depositions and trials, if required by the **Insurers** in connection with the defence of a **Claim** under any Third Party Liability Insuring Clause of this Policy.

Understanding your policy

Use the following definitions to fully understand your cover. For the purposes of this Policy, where a word or term appears in **bold** it should be interpreted as follows:

Acquiring Bank
means a bank or financial institution that accepts credit or debit card payments, including stored value cards and pre-paid cards, for goods or services on behalf of a merchant, including processing and crediting those payments to a merchant's account

Act of Cyber Terrorism
means the premeditated use of disruptive activities, or the threat to use disruptive activities, against a **Computer System**, including any associated network and data stored thereon, with the intention to cause harm, to further social, ideological, religious, political, or similar objectives, or to intimidate any person in furtherance of such objectives.

Actual Cash Value
means the amount it would cost to replace the damaged or destroyed **Covered Property** on the date of loss with the property of like kind and quality, with proper deduction for obsolescence and physical depreciation.

Adverse Media Report
means a report or communication of an actual or potential **Security Breach** or **Privacy Breach** which has been publicised through any media channel, including, but not limited to, television, **Print Media**, radio or electronic networks, the internet, or electronic mail, and threatens material damage to the **Named Insured's** business reputation or brand.

Assumed Under Contract
means liability for **Damages** resulting from a **Multimedia Wrongful Act**, **Security Breach** or **Privacy Breach**, where such liability has been assumed by an **Insured** in the form of a written hold harmless or indemnity agreement, but only if such agreement was executed before the **Multimedia Wrongful Act, Security Breach**, or **Privacy Breach.**

Bodily Injury
means physical injury, sickness, disease or death sustained by any person and, where resulting from such physical injury only, mental anguish, mental injury, shock, humiliation or emotional distress.

Bodily Injury Claim
means any of the following alleging a **Bodily Injury Wrongful Act**:

a) a written demand for **Damages** or non-monetary relief made against an **Insured** for **Bodily Injury** caused by a **Security Breach** or **Privacy Breach**;
b) a written request received by an **Insured** to enter into a Standstill Agreement, a stay or to waive a statute of limitations relating to either a pre-action litigation correspondence or legal proceedings against an **Insured** for **Bodily Injury** caused by a **Security Breach** or **Privacy Breach**; or
c) the service of civil proceedings or the institution of arbitration or other alternative dispute resolution proceedings against an **Insured** seeking **Damages** for **Bodily Injury** caused by a **Security Breach** or **Privacy Breach.**

Bodily Injury Wrongful Act
means an **Insured's** actual or alleged failure to prevent or avoid **Bodily Injury** caused by a **Security Breach** or **Privacy Breach**.

BPO Service Provider
means any third party that provides business process outsourcing services for the **Named Insured's** benefit under a written contract with the **Named Insured**, including, but not limited to, call centre services, fulfilment services, and logistical support.

Brand Loss
means the **Named Insured's** net profit, as could have reasonably been projected immediately prior to **Notification**, or in the event of an **Adverse Media Report**, immediately prior to the publication of an **Adverse Media Report**, but which has been lost during the **Period of Indemnity** as a direct result of such **Adverse Media Report** or **Notification**. **Brand Loss** will be determined as follows:

The **Brand Loss** payable under Insuring Clause H will be calculated by considering:

a) the prior experience of the **Named Insured's** business preceding the date of the **Adverse Media Report** or **Notification**, whichever applies, and the **Named Insured's** likely net profit, had no **Adverse Media Report** been published or **Notification** occurred;
b) income derived from substitute methods, facilities, or personnel the **Insured** uses to maintain the **Named Insured's** revenue stream;
c) the **Named Insured's** documentation of the trends in the **Named Insured's** business and variations in, or other circumstances affecting, the **Named Insured's** business before or after the **Adverse Media Report** or **Notification**, which would have affected the **Named Insured's** business had no **Adverse Media Report** been published or **Notification** occurred; and
d) the **Named Insured's** fixed operating expenses (including ordinary payroll), but only to the extent that such fixed operating expenses must continue during the **Period of Indemnity**.

For the purposes of calculating **Brand Loss**, "net profit" will include the amount paid or payable to the **Named Insured** including donations, for goods, **Products** or services sold, delivered or rendered in the normal course of the **Named Insured's** business.

Breach Support and Credit Monitoring Expenses
means reasonable and necessary expenses that the **Named Insured** incurs on the **Named Insured's** behalf, or on behalf of a party for whom the **Named Insured** is **Vicariously Liable**, to provide support activity to parties affected by a **Privacy Breach**, including the cost to set up and operate a call center and to provide a maximum of twenty-four (24) months of credit, identity or healthcare record monitoring services, fraud alert services, identity theft assistance services and credit or identity repair and restoration services. **Breach Support and Credit Monitoring Expenses** must be incurred with **Insurer's** prior written consent.

Bricking Event
means the unauthorised or malicious reprogramming of software or firmware installed on the **Named Insured's** computer hardware or electronic equipment, including such reprogramming resulting from a **Hacking Attack**, which renders the **Named Insured's** computer hardware or electronic equipment nonfunctional or useless for its intended purpose, without being physically damaged.

Bricking Loss
means the cost to replace the **Named Insured's** computer hardware or electronic equipment due to loss of use of such computer hardware or electronic equipment caused by a **Bricking Event**; provided, however, that the amount of **Bricking Loss** payable under this Policy shall not exceed 25% more than the cost to replace the **Named Insured's** computer hardware or electronic equipment with computer hardware or electronic equipment that is functionally equivalent to that which existed prior to the **Bricking Event. Bricking Loss** does not include any costs to replace the **Named Insured's** computer hardware or electronic equipment or **Other Property** which sustains physical damage due to a **Security Breach**.

Business Equipment
means any machinery, vehicle or electronic device or equipment that: (a) is owned by or leased to the **Named Insured**; (b) is operated by the **Named Insured** to conduct the **Named Insured's** business; and (c) can send and receive **Data**. **Business Equipment** does not include any **Products**.

Card Association
means Visa International, MasterCard, Discover, JCB, American Express and any similar credit or debit card association that is a participating organisation of the Payment Card Industry Security Standards Council.

Claim
means, with respect to:

a) Insuring Clauses A and B,
   i. a written demand made against the **Insured** for **Damages** or non-monetary relief;
   ii. a written request received by an **Insured** to enter into a Standstill Agreement, a stay or to waive a statute of limitations relating to either a pre-action litigation correspondence or legal proceedings against an **Insured;** or
   iii. the service of civil proceedings or the institution of arbitration or other alternative dispute resolution proceedings against the **Insured** seeking **Damages**, a temporary restraining order, or a preliminary or permanent injunction.

   A **Claim** under Insuring Clauses A and B shall not include a **Privacy Regulatory Proceeding** or **PCI DSS Demand**.
b) Insuring Clause C, a **Privacy Regulatory Proceeding**;
c) Insuring Clause D, a **PCI DSS Demand**;
d) Insuring Clause E, a **Bodily Injury Claim**;
e) Insuring Clause F, a **Property Damage Claim**;
f) Insuring Clause G, written notice by an **Executive** to the **Insurers** of an **Adverse Media Report**, **Security Breach** or **Privacy Breach**;
g) Insuring Clause H, written notice by an **Executive** to the **Insurers** of a **Security Breach** or **Privacy Breach**;
h) Insuring Clause I, written notice by an **Executive** to the **Insurers** of a **System Failure**;
i) Insuring Clause J, written notice by an **Executive** to the **Insurers** of a **Cyber Extortion Threat**;
j) Insuring Clause K, written notice by an **Executive** to the **Insurers** of **Financial Fraud**, **Telecommunications Fraud**, **Utilities Fraud**, **Phishing Fraud** or **Client Phishing Fraud**;
k) Insuring Clause L, written notice by an **Executive** to the **Insurers** of a **Bricking Event**;
l) Insuring Clause M, written notice by an **Executive** to the **Insurers** of an **Occurrence**;
m) Insuring Clause N, a written request by an **Executive** to the **Insurers** for indemnification of **Reward Expenses**;
n) Insuring Clause O, a written request by an **Executive** to the **Insurers** for indemnification of **Court Attendance Costs**.

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

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

Client Account
means a bank account held or maintained by the **Named Insured's** client or the **Named Insured's** customer, from which the **Named Insured**, as an authorised user, may deposit, withdraw, transfer or disburse **Money**.

Client Phishing Fraud
means the malicious use of intentionally misleading telephone calls, emails, texts, instant messages or other electronic communications or malicious websites to fraudulently induce the **Named Insured's** client, customer or vendor to transfer, pay or deliver **Money**, **Securities** or **Other Property** to an unintended party by impersonating an **Insured**.

Client Phishing Fraud Loss
means:

a) the **Named Insured's** loss of **Money**, **Securities** or **Other Property** which the **Named Insured's** client, customer or vendor intended to transfer, pay or deliver to the **Named Insured**, but which was transferred, paid or delivered to an unintended party due to **Client Phishing Fraud**; and
b) the cost of reimbursing the **Named Insured's** client, customer or vendor for their direct loss of **Money**, **Securities** or **Other Property** due to **Client Phishing Fraud**, provided such reimbursement is made by the **Named Insured** with **Insurers** prior written approval.

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

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

Court Attendance Costs
means the actual loss of earnings and reasonable costs and expenses incurred by an **Insured** after a total of three (3) days of required attendance at mediation, arbitration proceedings, hearings, depositions and trials relating to the defence of a **Claim** under any Third Party Liability Insuring Clause of this Policy.

Covered Property
means:

a) tangible real and personal property, including **Other Property**, in which the **Named Insured** has an insurable interest as of the start of the **Period of Insurance**;
b) tangible real and personal property, including **Other Property**, that the **Named Insured** acquires during the **Period of Insurance**;
c) property, including **Other Property**, of others for which the **Named Insured** had assumed liability prior to loss; and
d) the **Named Insured's** financial interest in property, including **Other Property**, belonging to others.

Covered Property does not include currency, **Money**, **Securities**, precious metal in bullion form, notes, evidences of debt or title, letters of credit, stamps, tickets or precious and semi-precious stones; fine art; land, water or any other substance in or on land; animals, standing timber or growing crops; watercraft or aircraft; vehicles of **Executives** or **Employees**, or vehicles otherwise insured for physical loss or damage; underground mines or mine shafts or any property within such mines or shafts; property in transit; property sold by an **Insured** under conditional sale, trust agreement, installment plan or other deferred payment plan after delivery to customers; satellites; offshore property; dams, water shafts, power tunnels, dikes, levees, gates and flumes; or outside plants, including owned electrical power transmission and distribution lines, beyond 1,000 feet from the **Named Insured's** business premises.

Cryptojacking
means the intentional, unauthorised and malicious use of or access to an **Insured Computer System** to mine for digital currency.

Cyber Extortion Expenses
means reasonable and necessary costs and expenses, other than **Cyber Extortion Monies**, that the **Named Insured** incurs with **Insurers** prior written consent as a direct result of a **Cyber Extortion Threat**, including the cost to retain or hire a third party specialising in IT security to determine the validity and severity of a **Cyber Extortion Threat**.

Cyber Extortion Monies
means **Money**, digital currency of any kind, including bitcoin, or **Other Property** that the **Named Insured** pays with **Insurers** prior written consent to any person or group reasonably believed to be responsible for a **Cyber Extortion Threat**, to prevent or terminate such **Cyber Extortion Threat**.

Cyber Extortion Threat
means a credible threat or series of related credible threats, including a demand for **Cyber Extortion Monies**, which is directed at the **Named Insured** to:

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

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

Cyber Limit of Liability
means the amounts stated in the Schedule which shall be the maximum amount payable by **Insurers** under each Insuring Clause for each **Claim**, and in the aggregate for all **Claims** first made during the **Period of Insurance**, including **Defence costs**, where applicable and regardless of the number of **Claims** or claimants. If the **Cyber Limit of Liability** for any Insuring Clause is exhausted, the **Insurer's** obligations under that Insuring Clause shall cease. The Maximum Aggregate Limit of Liability stated in the Schedule shall be the maximum amount payable by **Insurers** under this Policy for all **Claims** first made during the **Period of Insurance**, including **Defence costs**, where applicable, regardless of the number of **Claims**, claimants or Insuring Clauses. All amounts the **Insurers** pay under this Policy will reduce, and may completely exhaust, the Maximum Aggregate Limit of Indemnity.

Cyber Operation
means the use of a **Computer System** by, at the direction, or under the control of a sovereign state to disrupt, deny, degrade, manipulate or destroy information in a **Computer System** of or in another sovereign state.

Damages
means:

a) a monetary judgment, award or settlement including liquidated, punitive, exemplary or multiple awards but only to the extent that they are insurable under the law pursuant to which this Policy is construed;
b) awarded legal fees and costs; and
c) prejudgment and post-judgment interest awarded against an **Insured** on that part of any judgment paid or to be paid by the **Insurer**.

Damages does not include any:

a) of the **Insured's** future profits or royalties, restitution or disgorgement of any of the **Insured's** profits;
b) of the costs to comply with orders granting injunctive or non-monetary relief, including specific performance, or any agreement to provide such relief;
c) loss of any **Insured's** fees or profits, the return or offset of any **Insured's** fees or charges, or any **Insured's** commissions or royalties provided or contracted to be provided;
d) taxes, fines, penalties or sanctions;
e) contractual liquidated **Damages** that exceed the amount for which the **Insured** would have been liable in the absence of the contract;
f) any amount which an **Insured** is not financially or legally obligated to pay;
g) disgorgement of any remuneration or financial advantage to which an **Insured** was not legally entitled;
h) settlements negotiated without **Insurers** prior written approval;

i) monetary judgments, awards, settlements or any other amounts which are uninsurable under the law pursuant to which this Policy is construed or any legal fees and costs awarded pursuant to such judgments, awards or settlements; or
j) **PCI DSS Fines and Assessments**.

Data
means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a computer system.

Defence Costs
means all reasonable costs and expenses incurred, with the **Insurer's** prior written consent, in the investigation, defence and settlement of any **Claim**. **Defence Costs** does not include the **Insured's** own costs and expenses including any wages or salaries of an **Insured**, or fees, overhead or other charges incurred by or paid to any **Insured** for any time spent in co- operating in the investigation or defence of a **Claim** or a potential **Claim**.

Denial of Service Attack
means an event caused by unauthorised or unexpected interference or a malicious attack, which is intended by the perpetrator to overwhelm the capacity of a **Computer System** by sending an excessive volume of **Data** to such **Computer System** to prevent access to such **Computer System**.

Dependent System Failure
means an unplanned outage, interruption, failure, suspension or degradation of service of a **Service Provider Computer System**, however caused.

Digital Assets
means **Data** and computer programs that exist in an **Insured Computer System**. **Digital Assets** does not include computer hardware.

Digital Assets Loss
means reasonable and necessary expenses and costs that the **Named Insured** incurs to replace, recreate or restore **Digital Assets** to the same equivalent standard, condition and functionality as was the case immediately before the **Digital Assets** were damaged, destroyed, altered, misused or stolen, including research costs incurred in recreating **Digital Assets**, expenses for materials and machine time, and amounts representing **Employee** work time to replace, recreate or restore **Digital Assets**, which will be determined on a predefined billable hour or per-hour basis as based upon the **Named Insured's** schedule of **Employee** billable hours. **Digital Assets Loss** will be determined in accordance with the Loss Determination Section of this Policy.

Employee
means:
a) any person employed by the **Named Insured** under a contract of service, training or apprenticeship; and
b) any voluntary worker; and
c) any seasonal or temporary personnel; and
d) any self-employed person or entity acting as a freelance consultant;

but only if such person or entity is working under the **Named Insured's** direction, control and supervision.

Escrow Account
means a bank account held or maintained by the **Named Insured** on behalf of the **Named Insured's** client or customer.

Essential Service
means any service that is essential for the proper operation and maintenance of vital functions of a sovereign state, including, but not limited to, financial services (including services related to financial institutions and associated financial market infrastructure), health services, utility services, emergency services, and/or services that are essential for the proper operation of the food, energy and/or transportation sector.

Excess
means the first amount paid in respect of each **Claim** as stated in the Schedule, inclusive of **Defence Costs**. The **Cyber Limit of Liability** is additional to the **Excess**.

Executive
means any of the **Named Insured's** directors or officers, including any chief executive officer, chief financial officer, chief operations officer, chief technology officer, chief information officer, chief privacy officer, general counsel or other in-house lawyer, and risk manager, or any person in a functionally equivalent position.

Financial Account
means the **Named Insured's Account**, any **Client Account** and any **Escrow Account**.

Financial Fraud
means any of the following:
a) an intentional, unauthorised and fraudulent written, electronic or telephonic instruction transmitted to a financial institution, directing such institution to debit, transfer, withdraw or disburse **Money** or **Securities** from a **Financial Account**, which instruction purports to have been transmitted by the **Named Insured** or an **Executive** or **Employee**, but was in fact fraudulently transmitted by a third party without the **Named Insured's** knowledge or consent; or
b) the theft of **Money** or **Securities** from a **Financial Account** or the **Named Insured's** corporate credit cards as a result of a **Hacking Attack**.

Financial Fraud Loss
means:
a) the loss of the **Named Insured's Money** or **Securities** as a direct result of **Financial Fraud**, and
b) the loss of **Money** or **Securities** that the **Named Insured** sustains to reimburse the **Named Insured's** client or customer for the theft of their money or **Securities** as a direct result of **Financial Fraud**, provided such reimbursement is made with **Insurers'** prior written consent.

Financial Fraud Loss does not include any amounts reimbursed to the **Named Insured** by any financial institution.

First Party Insured Event
means with respect to:
a) Insuring Clause G, an **Adverse Media Report**, **Security Breach** or **Privacy Breach**;
b) Insuring Clauses H, a **Security Breach** or **Privacy Breach**;
c) Insuring Clause I, a **System Failure**;
d) Insuring Clause J, a **Cyber Extortion Threat**;
e) Insuring Clause K a), a **Financial Fraud**;
f) Insuring Clause K b), a **Telecommunications Fraud** or **Utilities Fraud**;
g) Insuring Clause K c), a **Phishing Fraud** or **Client Phishing Fraud**;
h) Insuring Clause L, a **Bricking Event**;
i) Insuring Clause M, a **Hacking Attack**;
j) Insuring Clause N, a **Security Breach**, **Privacy Breach**, **Phishing Attack**, **System Failure**, **Cyber Extortion Threat**,

Financial Fraud, **Telecommunications Fraud**, **Utilities Fraud**, **Phishing Fraud** or **Client Phishing Fraud**; and

k) Insuring Clause O, **Court Attendance Costs** incurred by the **Insured**.

Hacking Attack

means any of the following directed at or enacted upon an **Insured Computer System**:

a) unauthorised access to, or unauthorised use of, an **Insured Computer System**, including any such unauthorised access or unauthorised use resulting from the theft of a password from an **Insured Computer System** or from an **Insured**;
b) a **Denial of Service Attack** against an **Insured Computer System**;
c) infection of an **Insured Computer System** by malicious code, or the transmission of malicious code from an **Insured Computer System**; or
d) an **Act of Cyber Terrorism**.

Impacted State

means a sovereign state where a **Cyber Operation** has had a major detrimental impact on:

a) the functioning of that sovereign state due to disruption of the availability, integrity or delivery of an **Essential Service** in that sovereign state; and/or
b) the security or defence of that sovereign state;

Provided, however, that an **Impacted State** shall not result from an attack, or a related series of attacks, solely impacting the **Insured**.

Income Loss

means the net profit loss that the **Named Insured** sustains during the **Period of Restoration** as a direct result of a **System Failure**. **Income Loss** will be determined in accordance with the Loss Determination Section of this Policy.

Informant

means any person who provides information regarding an illegal act committed by another person which causes a **First Party Insured Event**, solely in return for **Money** that the **Named Insured** pays or promises to pay.

Informant does not include:

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

Initial Breach Consultation Costs

means reasonable and necessary fees that the **Named Insured** incurs on the **Named Insured's** behalf, or on behalf of a party for whom the **Named Insured** is **Vicariously Liable**, to retain qualified legal counsel to provide the **Named Insured** with initial advice regarding the appropriate response to an actual or suspected **Privacy Breach** or **Security Breach**. **Initial Breach Consultation Costs** will not be subject to an **Excess** if the **Named Insured** retains counsel pre-approved by **Insurers**.

Insured

means the **Named Insured** and the following as relating to the **Named Insured**:

a) the **Named Insured's** current or previous partners, directors, principals, members or **Employees**;
b) any other person who becomes a partner, director, principal, member or **Employee** of the **Named Insured**; and
c) any entity that becomes an additional **Insured** under the terms of the Material Changes section of this Policy.

Insured Computer System

means:

a) a **Computer System** that is owned and operated by the **Named Insured** or that is leased to the **Named Insured** and operated by the **Named Insured**; and any **Insured Telecommunications System**;
b) with respect to Insuring Clauses B, C, D, G and J only, **Insured Computer System** also includes a **Computer System** operated by a **BPO Service Provider** or an **Outsourced IT Service Provider**, which is used to provide services to the **Named Insured**, or for processing, maintaining, hosting or storing **Data** for the **Named Insured**, pursuant to a written contract with the **Named Insured** to provide such services; and
c) with respect to Insuring Clauses E and F only, **Insured Computer System** also includes **Business Equipment**, but only while owned and operated by the **Named Insured**.

Insured Location

means, and is limited to, the **Named Insured's** business premises.

Insured Telecommunications System

means any telecommunications system that is owned, rented, leased, licensed or borrowed by the **Named Insured** and under the **Named Insured's** direct operational control.

Insurer

means HCC International Insurance Company PLC.

Interruption Expenses

means reasonable and necessary expenses, excluding **Special Expenses**, incurred by the **Named Insured** to avoid or minimise the suspension of the **Named Insured's** business as a result of a **System Failure**, which the **Named Insured** would not have incurred in the absence of such **System Failure**, including, but not limited to, the use of rented/leased external equipment, substitution of other work or production procedures, use of third party services or additional staff expenditures or labour costs. The amount of **Interruption Expenses** recoverable shall not exceed the amount by which the covered **Income Loss** is reduced by such incurred expenses.

Media Material

means communicative material of any kind or nature used in the advertising, publicity or promotion of the **Named Insured's** own business, for which the **Named Insured** is responsible, including, but not limited to, words, pictures, sounds, images, graphics, code and **Data**, regardless of the method or medium of communication of such material or the purpose for which the communication is intended. **Media Material** does not include any tangible **Products.**

Merchant Services Agreement

means an agreement between the **Named Insured** and an **Acquiring Bank**, **Card Association**, brand, network, credit or debit card processor, independent sales organization, gateway, or membership service, which enables the **Named Insured** to accept payment by credit card, debit card or prepaid card.

Money

means a medium of exchange in current use and authorised or adopted by a domestic or foreign government, including, but not limited to, currency, coins, bank notes, bullion, travelers' cheques, registered cheques and money orders.

Multimedia Wrongful Act
means any of the following, whether actual or alleged, but only if directly resulting from the dissemination of **Media Material** by an **Insured**:

a) defamation or other tort related to disparagement of character, harm to reputation or feelings of any person or organisation including libel, slander or defamation, product disparagement and malicious falsehood, trade libel or any claim relating to outrage or emotional distress, if directly resulting from the foregoing;
b) unintentional breach of confidentiality or other invasion, infringement or interference with rights of privacy or publicity including false light, intrusion upon a person's seclusion and the public disclosure of private facts;
c) unintentional infringement of intellectual property rights including copyright, title, slogan, trademark, domain name or metatag, moral rights, misappropriation of, formats, characters, trade names, character names, titles, plots, musical compositions, voices, slogans, graphic material or artwork, passing off and plagiarism and commercial appropriation of name or likeness;
d) negligence in **Media Material**, including a **Claim** alleging harm to any person or entity that acted or failed to act in reliance upon such **Media Material**;
e) false arrest, detention or imprisonment;
f) trespass, wrongful entry or eviction, eavesdropping, or other invasion of the right of private occupancy; or
g) unfair competition, but only when arising out of a peril described in paragraphs a) through f) above.

Named Insured
means the company or firm stated in the Schedule as Insured, but shall not include:

a) the current or previous partners, directors, principals, members or **Employees** of any company or firm stated in the Schedule; or
b) any other person who becomes a partner, director, principal, member or **Employee** of any company or firm stated in the Schedule.

Named Insured's Account
means a business account maintained by the **Named Insured** at a financial institution from which the **Named Insured**, or any **Insured** authorized by the **Named Insured**, may request the transfer, payment or delivery of **Money** or **Securities**.

Notification
means the **Named Insured's** written notice to affected individuals in the event of a **Security Breach** or **Privacy Breach**, whether such written notice is made by the **Named Insured** voluntarily or to comply with **Privacy Regulations**.

Notification Expenses
means reasonable and necessary expenses that the **Named Insured** incurs on the **Named Insured's** own behalf, or on behalf of a party for whom the **Named Insured** is **Vicariously Liable**, to provide **Notification** of a **Security Breach** or **Privacy Breach**, including printing costs, mailing and postage expenses, and the costs to engage a third party to mail **Notification** letters and prepare substitute or website notices.

Occurrence
means the sum of all individual covered losses, or a series of individual covered losses, under Insuring Clause M that are directly caused by any one **Hacking Attack**.

Operations
means the **Named Insured's** business activities occurring at an **Insured Location** which rely on **Covered Property**.

Other Property
means any tangible property, other than **Money** or **Securities**, which has intrinsic value.

Outsourced IT Service Provider
means a third party that provides information technology services to the **Named Insured**, under a written contract with the **Named Insured** to provide such services, including, but not limited to, hosting, security management, co-location, and **Data** storage. **Outsourced IT Service Provider** includes any **Cloud Provider**.

PCI Data Security Standard (known as PCI DSS)
means the Payment Card Industry Security Standards Council Data Security Standard in effect now, or as hereafter amended, which all merchants and processors must follow when storing, processing and transmitting cardholder **Data**.

PCI DSS Demand
means a written demand for **PCI DSS Fines and Assessments** received by the **Insured** directly or indirectly from or through an **Acquiring Bank**, **Card Association** or payment card processor due to the **Insured's** non-compliance with the **PCI Data Security Standard**, or a request for information received by the **Insured** from an **Acquiring Bank**, **Card Association** or payment card processor regarding a suspected **Security Breach** or **Privacy Breach**.

PCI DSS Fines and Assessments
means monetary fines, penalties or assessments, including fraud recoveries, card reissuance costs, operational expenses or compliance case costs, which the **Insured** is legally obligated to pay under the terms of a **Merchant Services Agreement**, but only where such monetary fines, penalties or assessments result from a **Security Breach** or **Privacy Breach**.

Period of Indemnity
means the period beginning on the earlier of the date of **Notification** or the first **Adverse Media Report** (whichever applies), and ending on the earlier of:

a) the date when gross revenues are restored to the level they had been prior to **Notification** or the first **Adverse Media Report** (whichever applies); or
b) 180 consecutive days after the date of **Notification** or the first **Adverse Media Report** (whichever applies).

The **Period of Indemnity** shall not be affected by the expiration of the **Period of Insurance.**

Period of Insurance
means that as stated in the Schedule.

Period of Restoration
means the period beginning on the date when the **System Failure** began and ending on the earlier of:

a) the date when an **Insured Computer System** is restored or could have been repaired or restored with reasonable speed to the same condition, functionality and level of service that existed prior to the **System Failure**, plus a maximum of thirty (30) additional consecutive days after the restoration of an **Insured Computer System** to allow for restoration of the **Named Insured's** business; or

b) the last day of the period stated in the Schedule as the **Period of Restoration** for Insuring Clause I (System Failure).

Personally Identifiable Information

means any driving license or other government-issued identification number; unpublished telephone number; savings account, current account, credit card or debit card number each when in combination with the security code, access code, password or pin for such account or card number; any personal data as defined under the Data Protection Act 2018 or the General Data Protection Regulation 2016/679 or any amending or superseding legislation; any private personal information as defined under the law of a country other than the United Kingdom, which law is intended to provide for the protection of such private personal information; not including any lawfully available data accessible by the general public.

Phishing Attack

means the use by a third party of fraudulent and intentionally misleading telephone calls, emails, texts, instant messages or other electronic communications or malicious websites to impersonate the **Named Insured**, the **Named Insured's** brand, the **Named Insured's** services or **Products** to solicit **Private Information** from an **Executive** or **Employee**.

Phishing Fraud

means the malicious use of intentionally misleading telephone calls, emails, texts, instant messages or other electronic communications or malicious websites to fraudulently induce an **Insured** to:

a) transfer or deliver **Other Property** to an unintended party by impersonating another **Insured** or the **Named Insured's** client, the **Named Insured's** customer or the **Named Insured's** vendor; or
b) transfer or disburse **Money** or **Securities** from a **Financial Account** to an unintended party by impersonating another **Insured** or the **Named Insured's** client, the **Named Insured's** customer or the **Named Insured's** vendor.

Phishing Fraud Loss

means:

a) the loss of **Money**, **Securities** or **Other Property** that the **Named Insured** sustains due to **Phishing Fraud**;
b) the loss of **Money** or **Securities** that the **Named Insured** sustains to reimburse the **Named Insured's** client or customer for the loss of their **Money** or **Securities** as a direct result of **Phishing Fraud**, provided such reimbursement is made with **Insurers** prior written approval; and
c) expenses that the **Named Insured** incurs with **Insurers** prior written approval to create and issue a specific press release or to establish a specific website to advise the **Named Insured's** customers and prospective customers of **Phishing Fraud**.

Print Media

means newspapers, newsletters, magazines, books and literary works in any form, brochures or other types of publications, and advertising materials including packaging, photographs and digital images.

Privacy Breach

means any of the following:

a) the unauthorised collection, disclosure, use, access, destruction or modification of **Private Information**;
b) the inability to access or failure to provide **Private Information**;
c) the theft or loss of **Private Information**, including the theft or loss of **Private Information** stored on an unsecured **Data** storage or mobile device, including any smartphone, tablet or laptop which is owned by the **Named Insured** and operated by the **Insured**, or owned and operated by an **Employee** or **Executive** who has agreed in writing to the **Named Insured's** corporate mobile device acceptable use and security policy (also known as a "Bring Your Own Device" policy);
d) the surrender of **Private Information** in a **Phishing Attack**;
e) failure to implement, maintain or comply with privacy policies and procedures stating the **Named Insured's** obligations relating to **Private Information**, including but not limited to the **Named Insured's Privacy Policy**;
f) failure to develop or administer an identity theft prevention program;
g) failure to implement specific security practices with respect to **Private Information**, as required by any statute, rule, regulation or other law;
h) an infringement or violation of any rights to privacy;
i) breach of a person's right of publicity, false light or intrusion upon a person's seclusion;
j) failure to comply with **Privacy Regulations** pertaining to an **Insured's** responsibilities with respect to **Private Information**, but only with respect to an act listed in paragraphs (a) through (h) above; or
k) failure to comply with **Privacy Regulations** prohibiting unfair or deceptive trade practices or consumer fraud pertaining to an **Insured's** responsibilities with respect to **Private Information**, but only with respect to an act listed in paragraphs a) through h) above.

A series of continuing **Privacy Breaches**, related or repeated **Privacy Breaches**, or multiple **Privacy Breaches** resulting from the same event or incident will be considered a single **Privacy Breach** and will be considered to have occurred at the time the first of such **Privacy Breaches** occurred.

Privacy Breach Response Costs

means

a) **Initial Breach Consultation Costs**;
b) reasonable and necessary **Public Relations Expenses** that the **Named Insured** incurs, with **Insurers** prior written approval, prior to or following the publication of an **Adverse Media Report** to avert or mitigate any material damage to the **Named Insured's** reputation or the **Named Insured's** brand, which results or reasonably could result from the **Adverse Media Report**;
c) reasonable and necessary legal fees that the **Named Insured** incurs on the **Named Insured's** own behalf or on behalf of a party for whom the **Named Insured** is **Vicariously Liable** to:
   i) determine the scope, cause and extent of an actual or suspected **Privacy Breach** or **Security Breach**;
   ii) determine the applicability of, and the **Named Insured's** obligations to comply with, **Privacy Regulations** due to an actual or suspected **Privacy Breach**; and
   iii) draft a **Notification** letter to be sent to parties affected by a **Privacy Breach**.
d) reasonable and necessary fees and costs that the **Named Insured** incurs on the **Named Insured's** behalf, or on behalf of a party for whom the **Named Insured** is **Vicariously Liable**, to retain a qualified IT forensics firm or computer security expert to investigate and identify the source and scope of a **Security Breach** or **Privacy Breach**; and
e) overtime salaries of non-exempt **Employees** assigned to handle enquiries from parties affected by a **Privacy Breach**.

Privacy Policy
means the **Named Insured's** published policies provided to **Employees** or third parties that govern the collection, use, disclosure, correction, dissemination, confidentiality, integrity, accuracy or availability of **Private Information**.

Privacy Regulations
means foreign, federal, state or local statutes, rules, regulations and other laws, as they currently exist and as amended, associated with the confidentiality, access, control, and use of **Private Information**.

Privacy Regulatory Proceeding
means a civil or administrative proceeding, regulatory action, request for information or investigation instituted against an **Insured** by a **Regulatory Authority** because of a **Security Breach** or **Privacy Breach**. **Privacy Regulatory Proceeding** does not include a **PCI DSS Demand**.

Private Information
means:
a) proprietary or confidential information owned by a third party that is in the care, custody or control of the **Insured**, or is used by the **Insured** with the consent of such third party; and
b) **Personally Identifiable Information**.

Products
means any tangible goods or devices that are manufactured, produced, processed, prepared, assembled, packaged, labeled, sold, handled or distributed by the **Named Insured**, by others trading under the **Named Insured's** name, or by a person or organisation whose business or assets have been acquired by the **Named Insured**; and containers, materials, parts or equipment furnished in connection with such goods or devices.

Programming Error
means an error which occurs during the development or encoding of a computer program, software or application and which would, when in operation, result in a malfunction or incorrect operation of a **Computer System**

Property Damage
means physical injury to, or impairment, destruction or corruption of, any tangible property, including the loss of use thereof. **Data** is not considered tangible property. **Property Damage** does not include the loss of use of the **Named Insured's** computer hardware or electronic equipment which is caused by a **Bricking Event**.

Property Damage Claim
means any of the following alleging a **Property Damage Wrongful Act**:
a) a written demand for **Damages** or non-monetary relief made against an **Insured** for **Property Damage** caused by a **Security Breach** or **Privacy Breach**;
b) a written request received by an **Insured** to enter into a Standstill Agreement, a stay or to waive a statute of limitations relating to either a pre-action litigation correspondence or legal proceedings against an **Insured** for **Property Damage** caused by a **Security Breach** or **Privacy Breach**; or
c) the service of a civil lawsuit or the institution of arbitration or other alternative dispute resolution proceedings against an **Insured** seeking **Damages** for **Property Damage** caused by a **Security Breach** or **Privacy Breach**.

Property Damage Wrongful Act
means an **Insured's** actual or alleged failure to prevent or avoid **Property Damage** caused by a **Security Breach** or **Privacy Breach**.

Public Relations Expenses
means expenses that the **Named Insured** incurs to retain or hire a third party public relations consultant or public relations firm to protect or restore the **Named Insured's** reputation, which is damaged or reasonably could be damaged by an **Adverse Media Report**.

Regulatory Authority
means the governmental agency or regulatory authority responsible for investigating and enforcing **Privacy Regulations**, including an authorised Data Protection Authority under the EU General Data Protection Regulation.

Regulatory Compensatory Award
means a sum of **Money** which an **Insured** is legally obligated to pay as a **Regulatory Authority's** award or fund for parties affected by a **Privacy Breach**, due to an adverse judgment or settlement arising out of a **Privacy Regulatory Proceeding**, including consumer redress funds. **Regulatory Compensatory Award** does not include any criminal fines or penalties of any nature whatsoever.

Regulatory Fines and Penalties
means civil fines or penalties imposed by a **Regulatory Authority** against an **Insured** as a result of a **Privacy Regulatory Proceeding**. **Regulatory Fines and Penalties** does not include any amounts deemed uninsurable under the law pursuant to which this Policy is construed, criminal fines or penalties of any nature or **PCI DSS Fines and Assessments**.

Reward Expenses
means the reasonable amount that the **Named Insured** pays with **Insurers** prior written approval to an **Informant** for information not otherwise available which leads to the arrest and conviction of any person who commits an illegal act that causes a **First Party Insured Event**.

Securities
means negotiable or non-negotiable instruments or contracts representing Money or **Other Property** but does not include **Money**.

Security and Privacy Wrongful Act
means any of the following, but only if actually or allegedly committed by an **Insured**:
a) the failure to prevent or hinder a **Security Breach** or **Privacy Breach**;
b) the failure to timely disclose a **Security Breach** or **Privacy Breach** affecting **Private Information**;
c) the failure to dispose of **Private Information** within the required period in violation of **Privacy Regulations**;
d) the failure to prevent the transmission of malicious code or computer virus from an **Insured Computer System** to the **Computer System** of a third party;
e) a **Privacy Breach**;
f) the failure to prevent or hinder participation by an **Insured Computer System** in a **Denial of Service Attack** directed against the internet site or **Computer System** of a third party; or
g) infliction of emotional distress or mental anguish, but only if directly resulting from a peril described in paragraphs a) through f) above.

Security Breach
means any of the following, whether a specifically targeted attack or a generally distributed attack:
a) a **Hacking Attack**; or
b) the theft or loss of an unsecured **Data** storage or mobile device containing **Private Information**, including any smartphone, tablet or laptop which is owned by the **Named Insured** and operated by an **Insured**, or owned and operated by an **Employee** or **Executive** who has agreed in writing to the **Named Insured's** corporate mobile device acceptable use and security policy (also known as a "Bring Your Own Device" policy).

A series of continuing **Security Breaches**, related or repeated **Security Breaches**, or multiple **Security Breaches** resulting from a continuing attack, event, incident or failure of computer security will be considered a single **Security Breach** and will be considered to have occurred at the time the first of such **Security Breaches** occurred.

Service Provider Computer System
means a **Computer System** that is owned or leased by, and under the direct operational control of, a **BPO service provider** or **Outsourced IT Service Provider**.

Special Expenses
means reasonable and necessary costs and expenses that the **Named Insured** incurs to:
a) prevent, preserve, minimise, or mitigate any further damage to **Digital Assets**, including the reasonable and necessary fees and expenses of specialists, outside consultants or forensic experts;
b) preserve critical evidence of any criminal or malicious wrongdoing;
c) purchase replacement licenses for computer programs because the copy protection system or access control software was damaged or destroyed by a **System Failure**; or
d) notify affected parties of a **System Failure**.

System Failure
means an unplanned outage, interruption, failure, suspension or degradation of service of an **Insured Computer System**, including, but not limited to, any such outage, interruption, failure, suspension or degradation of service caused directly by a **Hacking Attack**, **Voluntary Shutdown**, administrative error or **Programming Error**. **System Failure** does not include any **Dependent System Failure**.

Telecommunications Fraud
means the intentional, unauthorised and fraudulent gaining of access to outgoing telephone service through infiltration and manipulation of an **Insured Telecommunications System**.

Telecommunications Fraud Loss
means the charges that the **Named Insured** incurs for unauthorised calls directly resulting from **Telecommunications Fraud**.

Unauthorised Trading
means trading, which, at the time of the trade, exceeds permitted financial limits or is outside of permitted product lines.

Utilities Fraud
means the intentional, unauthorised and fraudulent use of or access to an **Insured Computer System** as a direct result of a **Hacking Attack**, including **Cryptojacking**, which results in the fraudulent use of electricity, water, natural gas, oil, internet access, mobile **Data**, cable or satellite services, sewage, **Cloud Provider** services or other utilities, services or resources.

Utilities Fraud Loss
means the overage charges or increased expenses that the **Named Insured** incurs as a direct result of **Utilities Fraud**, provided that:
a) such overage charges or increased expenses are charged to the **Named Insured** in a periodic billing statement by the provider of the utility, service or resource, pursuant to a written contract or agreement executed between the **Named Insured** and such provider before the **Utilities Fraud** occurred; and
b) such overage charges or increased expenses are not charged at a flat fee which does not scale with the rate of use of the utility, service or resource.

In determining the amount of **Utilities Fraud Loss** payable, due consideration will be given to the **Named Insured's** prior utility expenses and the probable utility expenses the **Named Insured** would have incurred had no **Utilities Fraud** occurred.

Vicariously Liable
means the **Named Insured's** legal responsibility for the liability of others, including legal responsibility the **Named Insured** assumes in a contract. The existence of vicarious liability will not create or confer any rights or duties under this Policy to any third party, other than as provided in this Definition.

Voluntary Shutdown
means an intentional and discretionary total or partial shutdown of an **Insured Computer System** based upon an **Executive's** reasonable belief that such total or partial shutdown is necessary to mitigate, minimise or avoid the economic impact of a **Hacking Attack** on the **Named Insured's** business.

Waiting Period
means the amount of time, as set forth in the Schedule, that must elapse before any loss or expenses may be payable under Insuring Clauses H (BrandGuard) or I b) (System Failure: Non-Physical Business Interruption). The **Waiting Period** applies to each **Period of Restoration** and **Period of Indemnity**.

War
means:
a) armed conflict involving physical force by one sovereign state against another sovereign state, whether either such state is fully or partially recognised, and whether war has been declared or not; and/or
b) civil war, rebellion, revolution, insurrection, riot or civil commotion, military or usurped power or martial law.

Wrongful Act
means with respect to:
a) Insuring Clause A, a **Multimedia Wrongful Act**;
b) Insuring Clauses B, a **Security and Privacy Wrongful Act**;
c) Insuring Clauses C and D, a **Security Breach** or **Privacy Breach**;
d) Insuring Clause E, a **Bodily Injury Wrongful Act**; and
e) Insuring Clause F, a **Property Damage Wrongful Act**.

What isn't Covered

Exclusions applicable to all Insuring Clauses

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

1) made by or on behalf of an **Insured** against another **Insured**. However, this Exclusion does not apply to a **Claim** under Insuring Clause B (Security and Privacy Liability) which is brought by any past, present or future **Employee** against the **Named Insured**

2) based upon, arising from or in any way involving any of the following committed by an **Insured**, whether acting alone or in collusion with other persons:
   1. a willful, intentional, deliberate, malicious, fraudulent, dishonest or criminal act or omission;
   2. any intentional violation of law; or
   3. the gaining of any profit or advantage to which an **Insured** is not legally entitled.

   However, **Insurers** may pay **Defence Costs** incurred in connection with the defence of any conduct described in this Exclusion until such time as there is a final, non-appealable adjudication in a judicial, administrative or alternative dispute proceeding, or by an **Insured's** own admission in a proceeding or otherwise. **Insurers** will have the right to recover **Defence Costs** incurred in defending any such **Claim** from any **Insured** found to have committed the conduct described in this Exclusion. This Exclusion does not apply to any **Insured** who did not commit, participate in or have prior knowledge of any conduct to which this Exclusion would otherwise apply.

3) for **Bodily Injury** or **Property Damage**. However, this Exclusion does not apply to a **Bodily Injury Claim**, **Property Damage Claim** or **Occurrence**.

4) based upon, arising from or in any way involving any of the following, regardless of any other cause or event that contributes concurrently or in any sequence to the **Claim**:
   1. electrical or mechanical failures or interruption, including electrical disturbance, spike, brownout or blackout;
   2. any regional, countrywide or global outage, failure, disruption or reduction in supply of any utility service or infrastructure, including electricity, gas, water, telephone, cable, internet, satellite or telecommunications, or any failure, outage, disruption, degradation or termination of any critical part of such service or infrastructure; or
   3. the cessation of the **Named Insured's** business activities due to a shutdown by order of any public authority for whatever reason.

5) based upon, arising from or in any way involving the actual or alleged inaccurate, inadequate or incomplete description of the price of goods, **Products** or services.

6) based upon, arising from or in any way involving any breach of any express, implied, actual or constructive contract, warranty, guarantee or promise. However, this Exclusion does not apply to:
   1. any liability or obligation an **Insured** would have had in the absence of such contract, warranty, guarantee or promise;
   2. an actual or alleged breach of the **Named Insured's Privacy Policy**;
   3. an actual or alleged breach of an express, implied, actual or constructive contract, warranty, guarantee or promise to protect **Private Information**;
   4. a **Claim** under Insuring Clause B (Security and Privacy Liability) for an unintentional breach by an **Insured** of the provisions of a confidentiality or non-disclosure agreement relating to the confidentiality of **Private Information**; or
   5. a **Claim** under Insuring Clause D (PCI DSS Liability) for an unintentional breach of the provisions of a **Merchant Services Agreement** relating to compliance with the **PCI DSS Standard**.

7) based upon, arising from or in any way involving any liability assumed by any **Insured** under a contract or agreement. However, this Exclusion does not apply to:
   1. any liability an **Insured** would have had in the absence of such contract or agreement;
   2. a **Claim** under Insuring Clause A (Multimedia Liability) or Insuring Clause B (Security and Privacy Liability) for liability **Assumed Under Contract**; or
   3. a **Claim** under Insuring Clause D (PCI DSS Liability) for liability for **PCI DSS Fines and Assessments** assumed by the **Named Insured** under a **Merchant Services Agreement**.

8) based upon, arising from or in any way involving seepage, pollution or contamination of any kind, including but not limited to asbestos, smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. However, this Exclusion does not apply to a **Bodily Injury Claim** or **Property Damage Claim**

9) based upon, arising from or in any way involving **Income Loss** caused by or resulting from **Unauthorised Trading**.

10) based upon, arising from or in any way involving;
   1. the actual or alleged purchase or sale of **Securities**;
   2. the actual or alleged loss of value of any **Securities**;
   3. the offer of, or solicitation of an offer, to purchase or sell **Securities**; or
   4. the violation of any **Securities** law.

   However, Exclusion **10)** 4. does not apply to **a Privacy Regulatory Proceeding** or a **Claim** under Insuring Clause B (Security and Privacy Liability) alleging violation of **Securities** laws concerning the security, access or use of a customer's **Private Information** which was obtained in the course of a **Securities** transaction.

11) based upon, arising from or in any way involving the actual or alleged government enforcement of any local or foreign regulation. However, this Exclusion does not apply to a **Privacy Regulatory Proceeding.**

12) based upon, arising from or in any way involving:
   1. any employer-**Employee** relations, policies, practices, acts or omissions;
   2. any actual or alleged refusal to employ any person; or

3. any misconduct with respect to **Employees**.

However, this Exclusion does not apply to a **Claim** under Insuring Clauses B (Security and Privacy Liability), C (Privacy Regulatory Defence and Penalties) or G (Breach Event Costs) which is based upon or arising from a breach of the **Personally Identifiable Information** of any **Employee**.

13) based upon, arising from or in any way involving any actual or alleged harassment or discrimination including, but not limited to, discrimination based on age, color, race, gender, creed, national origin, marital status, sexual preferences, disability or pregnancy.

14) arising directly or indirectly from the operation or administration of any pension or other employee benefit scheme or trust fund, or the sale or purchase or dealing in any stocks, shares or securities or the misuse of any information relating to them or the breach of any related legislation or regulation.

15) for any loss, damage, liability, cost or expense:

1. directly or indirectly caused by, resulting from or in connection with any **War**;
2. resulting from a **Cyber Operation** carried out as part of any **War;** or
3. resulting from a **Cyber Operation** that causes a sovereign state to become an **Impacted State;**

Provided, however, that 3. above shall not apply to the direct or indirect effect of a **Cyber Operation** on an **Insured Computer System** or a **Service Provider Computer System** that is not physically located in an **Impacted State** but is affected by a **Cyber Operation.**

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

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

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

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

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

However, Exclusion **17)** 1. does not apply to:

1. allegations of unfair competition that form a part of a **Claim** under Insuring Clauses A (Multimedia Liability), B (Security and Privacy Liability) or C (Privacy Regulatory Defence and Penalties); or
2. allegations of deceptive trade practices that form a part of a **Claim** under Insuring Clauses B (Security and Privacy Liability) or C (Privacy Regulatory Defence and Penalties).

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

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

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

21) based upon, arising from or in any way involving any unsolicited communication of information or advertising by telephone, email, fax, text or any other means prohibited by law, or any actual or alleged violation of the Telephone Consumer Protection Act (47 U.S.C.§227), the Telemarketing and Consumer Fraud and Abuse Prevention Act (15 U.S.C. §§ 6101-6108), or the CAN-SPAM Act (15 U.S.C. §§ 7701-7713), each as amended, or any regulations promulgated under the foregoing statutes, or any similar U.S federal, state or local law.

22) arising directly or indirectly from:

1. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
2. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

23) arising from any act or omission that occurred prior to the Retroactive Date stated in the Schedule.

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

Exclusions applicable to all First Party Insuring Clauses

Insurers will not be liable under any First Party Insuring Clause of this Policy for:

25) any direct loss, costs or expenses incurred by any person falling within definition a) and b) of the **Insured**:

26) any liability to any third party for whatever reason, including contractual penalties, **Damages** or legal costs and expenses of any type.

27) sanctions, fines or penalties imposed by law.

28) any **Claim** based upon, arising from or in any way involving fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, force majeure or any other physical event, however caused. However, this Exclusion does not apply to an **Occurrence**.

29) business interruption loss or costs or expenses resulting from lost productivity, including the throttling or capping of bandwidth by an internet or mobile **Data** service provider due to **Utilities Fraud**.

Exclusions applicable to Insuring Clauses A (Multimedia Liability) and B (Security and Privacy Liability)

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

30) made directly by or on behalf of any client or customer of the **Insured** which is based upon a breach of any duty owed by the **Insured** under a contract to provide professional services. However, this Exclusion will not apply to any **Claim** made by a data subject relating to their own **Personally Identifiable Information**.

Exclusion applicable to Insuring Clauses E (Bodily Injury Liability Cover) and F (Property Damage Liability Cover)

Insurers will not be liable under Insuring Clauses E and F for:

31) any **Bodily Injury Claim** or **Property Damage Claim** based upon, arising from or in any way involving actual or alleged warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **Products**, or the providing of, or failure to provide, warnings or instructions for **Products**.

Exclusions applicable to Insuring Clause H (BrandGuard)

Insurers will not be liable under Insuring Clause H for any costs, liability or expense:

32) that the **Named Insured** incurs to re-establish the **Named Insured's** reputation, including **Public Relations Expenses**.

33) incurred in any **Claim** that is insured by any other insurance, except excess insurance.

34) incurred because of an **Adverse Media Report** that also affects or refers in similar terms to a general security issue, an industry, or the **Named Insured's** specific competitors without any specific allegations regarding a **Security Breach** or **Privacy breach** committed by the **Insured**, or by others acting on the **Named Insured's** behalf, for whom the **Named Insured** is legally responsible, including **BPO Service Providers** or **Outsourced IT Service Providers**.

35) or any amounts paid or payable under Insuring Clause G (Breach Event Costs).

Exclusions applicable to Insuring Clause I (System Failure)

Insurers will not be liable under Insuring Clause I for:

36) the cost of restoring, updating or replacing **Digital Assets** to a level beyond that which existed prior to the **System Failure**.

37) physical damage to, or the costs to repair or replace, any computer hardware or **Data** center.

38) the economic or market value of **Digital Assets**.

39) the costs or expenses incurred to identify, patch or remediate software **Programming Errors** or **Computer System** vulnerabilities.

40) the cost to upgrade, improve, repair, redesign, reconfigure or maintain an **Insured Computer System** to a level of functionality beyond that which existed prior to the **System Failure**.

41) the cost of restoring, replacing or repairing any electronic media.

42) the cost to upgrade, improve, repair, redesign, reconfigure or maintain a **Service Provider Computer System**.

43) loss of goodwill or harm to the **Named Insured's** reputation.

Exclusions applicable to Insuring Clause K (Cyber Crime)

Insurers will not be liable under Insuring Clause K for:

44) any **Claim** based upon, arising from or in any way involving any actual or alleged unauthorised acquisition, access, use or disclosure of **Private Information** that is held or transmitted in any form. However, this Exclusion does not apply to **Financial Fraud** which directly results from the use of **Private Information**.

45) any **Claim** based upon, arising from or in any way involving the seizure, confiscation, nationalisation, requisition or destruction of an **Insured Telecommunications System** by or under the order of any government or local authority.

46) amounts that have been wholly or partially reversed by a credit card company or financial institution.

47) loss of **Other Property** arising out of, resulting from or in any way involving the fraudulent or purportedly fraudulent use of a credit or debit card.

48) any **Claim** based upon, arising from or in any way involving any fraudulent instruction, if the sender, or any person or organisation acting in collusion with the sender, ever had authorised access to the **Named Insured's** password, PIN or other security code. However, this Exclusion does not apply to **Phishing Fraud Loss**.

49) for any **Claim** arising directly or indirectly from the giving or surrendering of money, **Securities** or **Other Property** in any exchange for or purchase of goods, products or services:

1. that are not yet delivered, whether or not fraudulent;
2. that fail to conform to advertised quality or performance; or
3. that fail to conform to the quality or performance expected from the standpoint of the **Insured**.

50) for any **Claim** arising directly or indirectly from any potential income, including interest and dividends, not realised by the **Named Insured**, the **Named Insured's** customers or clients

Exclusions applicable to Insuring Clause M (Property Damage Loss)

Insurers will not be liable under Insuring Clause M for:

51) any amounts which are covered in whole or in part under any other valid and collectible insurance.

52) costs to upgrade, redesign, reconfigure or maintain an **Insured Computer System** to a level of functionality beyond that which existed prior to a **Hacking Attack**.

53) loss of market or loss of use.

54) loss, damage or deterioration resulting from any delay.

55) loss, damage, cost or expense of whatsoever nature caused by or resulting from the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials, regardless of any other cause or event contributing concurrently or in any other sequence thereto.

56) loss resulting from the lack of any of the following services or systems:

1. incoming electricity, fuel, water, gas, steam or refrigerant;
2. outgoing sewerage; or
3. incoming or outgoing voice, **Data**, video or satellite services.

However, this Exclusion does not apply to loss resulting from an outage of any of the foregoing services or systems, if such services or systems are under the **Named Insured's** direct operational control and the outage is directly caused by a **Hacking Attack**.

57) loss resulting from damage caused by changes in temperature or changes in humidity, whether atmospheric or not.

Policy conditions

Notification and Claims Conditions

A. Claims Notification for all Insuring Clauses apart from Insuring Clauses H (BrandGuard) and M (Property Damage Loss)

As a condition precedent to their right to cover under this Policy, an **Executive** must provide written notice to **Insurers**, of any **Claim** as soon as practicable during the **Period of Insurance**, but no later than sixty (60) days after expiration of the **Period of Insurance**.

Notice must be provided to the **Insurers** at the email address or phone number as stated in the Schedule.

B. Claims Notification for Insuring Clause H (BrandGuard)

As a condition precedent to their right to cover under this Policy, an **Executive** must provide written notice to **Insurers**, of any **Claim** during the **Period of Indemnity**.

C. Claims Notification and Conditions for Insuring Clause M (Property Damage Loss)

1) The **Insured's** duties in the event of an **Occurrence** are as follows:
   a) As a condition precedent to their right to cover under this Policy, an **Executive** must provide immediate written notice to **Insurers**, of any **Occurrence**;
   b) The **Named Insured** must:
      i) make best efforts to protect the **Covered Property** from further loss or damage;
      ii) promptly separate the damaged and undamaged property, put it in the best possible order and furnish a complete inventory of the lost, destroyed, damaged and undamaged property showing in detail the quantities, costs, **Actual Cash Value**, replacement value and amount of loss claimed;
      iii) give a signed and sworn proof of loss to the **Insurers** within 120 days after the loss, unless that time is extended in writing by the **Insurers**. The proof of loss must state the **Named Insured's** knowledge and belief as to:
         (1) the time and origin of the loss;
         (2) the **Named Insured's** interest, and that of all others, in the **Covered Property**;
         (3) the **Actual Cash Value** and replacement value of each item and the amount of loss to each item; all encumbrances; and all other contracts of insurance, whether valid or not, covering any of the **Covered Property**;
         (4) any changes in the title, use, occupation, location, possession or exposures of the **Covered Property** since the effective date of the **Period of Insurance**; and
         (5) by whom and for what purpose any **Insured Location** was occupied on the date of the loss, and whether it then stood on leased ground;
      iv) include a copy of all descriptions and schedules in all policies and, if required, provide verified plans and specifications of any buildings, fixtures, machinery or equipment destroyed or damaged; and
      v) as often as may be reasonably required exhibit to any person designated by **Insurers** all that remains of any property, submit to examination under oath by any person designated by **Insurers** and sign all written records of examinations, and produce for examination, at the **Insurer's** request, all books of accounts, business records, bills, invoices and other vouchers, or certified copies if originals are lost, at such reasonable times and places that may be designated by the **Insurers** and permit extracts and machine copies to be made.
2) The **Insurers** have the option to take all or any part of damaged **Covered Property** at the agreed or appraised value. The **Insurers** must give written notice to the **Named Insured** of its intention to do so within thirty (30) days after receipt of proof of loss.
3) There may be no abandonment of any property to the **Insurer**.
4) This Policy gives control of **Covered Property** that suffers insured physical damage as follows:
   a) the **Named Insured** will have full rights to the possession and control of damaged **Covered Property** in the event of insured physical damage to such **Covered Property**, provided proper testing is done to show which **Covered Property** is physically damaged;
   b) using reasonable judgment, the **Named Insured** will decide if the physically damaged **Covered Property** can be reprocessed or sold;
   c) **Covered Property** so judged by the **Named Insured** to be unfit for reprocessing or selling will not be sold or disposed of except by the **Named Insured** or with the **Named Insured's** consent; and
   d) any salvage proceeds shall be paid to the **Insurers** at the time of loss settlement, or to the **Named Insured**, if received prior to loss settlement and such proceeds will reduce the amount of loss payable accordingly.
5) If the **Named Insured** and the **Insurers** disagree on the value of the **Covered Property** or the amount of loss to which the Property Damage Loss applies, either party may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to

agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will pay its chosen appraiser and bear the other expenses of the appraisal and umpire equally. If there is an appraisal, the **Insurers** will still retain the right to deny the **Claim**.

D. Notice of Potential Claim

If, during the **Period of Insurance**, an **Executive** becomes aware of any incident, act, fact or circumstance that could reasonably be a basis for a **Claim** under any Third Party Liability Insuring Clause of this Policy, and if the **Executive** gives written notice to the **Insurers** during the **Period of Insurance** that describes:

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

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

E. Defence, Settlement and Investigation of Claims under the Third Party Liability Insuring Clauses

1) **Insurers** have the right and duty to defend any **Claim** under any Third Party Liability Insuring Clause of this Policy, even if the allegations of the **Claim** are groundless, false or fraudulent, including the right to appoint a lawyer to defend any such **Claim**.
2) The **Insurer's** payment of **Defence Costs** or any other amounts reduces, and may completely exhaust, the **Cyber Limit of Liability** available to pay **Damages**, where applicable, under this Policy.
3) The **Insurer's** duty to defend any **Claim**, or pay any **Damages**, **Defence Costs** or other amounts, shall cease upon exhaustion of the applicable **Cyber Limit of Liability** or the Maximum Policy Aggregate Limit, whichever is first. Upon exhaustion, the **Insurers** will have the right to withdraw from the defence of a **Claim** by tendering control to the **Insured**.
4) No **Insured** shall pay any **Damages**, **Defence Costs**, **Regulatory Compensatory Award**, **Regulatory Fines and Penalties** or **PCI DSS Fines and Assessments**, or settle or offer to settle any **Claim**, assume any contractual obligation, admit liability, make any payment, or confess or otherwise consent to any judgment without **Insurers** prior written approval.
   Insurers shall not be liable for any **Damages**, **Defence Costs**, **Regulatory Compensatory Award**, **Regulatory Fines and Penalties**, **PCI DSS Fines and Assessments**, settlement, judgment, assumed obligation, admitted liability or payment to which the **Insurers** have not given their prior written approval.
5) **Insurers** will not settle any **Claim** or pay any **Damages**, **Regulatory Compensatory Award**, **Regulatory Fines and Penalties** or **PCI DSS Fines and Assessments** without the **Insured's** consent.
6) If an **Insured** refuses to consent to any settlement or compromise recommended by **Insurers** that is acceptable to the claimant, and such **Insured** elects to contest the **Claim** or continue any legal proceedings in connection with such **Claim**, the **Insurers** liability for such **Claim** shall not exceed:
   a) the amount for which the **Claim** could have been settled, less the remaining **Excess**, plus **Defence Costs** incurred up to the date such **Insured** withheld consent to such settlement, plus
   b) seventy percent (70%) of any **Defence Costs** and **Damages**, **Regulatory Compensatory Award**, **Regulatory Fines and Penalties** or **PCI DSS Fines and Assessments**, whichever applies, incurred after the date such **Insured** withheld consent to such settlement or compromise, subject always to all other terms and conditions of this Policy, including, but not limited to, the applicable **Excess** and the **Cyber Limit of Liability**.
      However, the above will not apply to any settlement where the total incurred **Defence Costs** and **Damages**, **Regulatory Compensatory Award**, **Regulatory Fines and Penalties** or **PCI DSS Fines and Assessments**, whichever applies, do not exceed the applicable **Excess**.

F. Choice of Counsel / Lawyer (applicable to all Insuring Clauses)

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

G. Related Claims

1) All **Claims** which arise out of the same, related or continuing **Wrongful Acts** or **First Party Insured Events** will be treated as follows:
   a) all such **Claims** will be considered to be a single **Claim**, regardless of the number of claimants or **Insureds**;
   b) all such **Claims** will be considered to have been first made on the date the earliest of all such **Claims** is first made and will be considered to be first reported to **Insurers** on the date the earliest of all such **Claims** is reported to **Insurers**;
   c) all such **Claims** will be subject to the applicable Limit of Liability of the Policy in effect when the earliest of all such **Claims** is first made; and
   d) only one **Excess** will apply to such **Claim**.
2) If multiple Insuring Clauses of this Policy apply to any **Claim**, the **Insurer's** total maximum Limit of Liability under this Policy for such **Claim** shall be the Maximum Policy Aggregate Limit. However, **Insurers** will never

pay more under any one Insuring Clause than the applicable Limit applicable to that Insuring Clause as stated in the Schedule. The **Insurers** have the sole discretion to allocate amounts paid, if any, against the appropriate Limit of Liability

H. Excess Applicable to Each Insuring Clause

1) The **Excess** amount for each Insuring Clause, as stated in the Schedule, applies separately to each **Claim**. The **Cyber Limit of Liability** shall not be reduced by the amount of any **Excess**.
2) If more than one Insuring Clause applies to a **Claim**, only the single highest **Excess** will apply to such **Claim.**
3) An **Insured's** payment of the applicable **Excess** is a condition precedent to payment by the **Insurers** of any amounts under this Policy, and the **Insurers** shall only be liable for the amount that exceeds the **Excess**, up to the applicable **Cyber Limit of Liability** stated in the Schedule.
4) An **Insured** must make direct payments within the **Excess** to the appropriate parties designated by the **Insurer**.

I. Waiting Period

The **Waiting Periods** set forth in the Schedule apply solely to Insuring Clauses H (BrandGuard) and I b) (System Failure Coverage: Non-Physical Business Interruption). The **Waiting Period** applies to each **Period of Restoration** and **Period of Indemnity**.

J. Territorial Limits

This Policy applies to **Claims** brought or maintained, **Wrongful Acts** committed and **First Party Insured Events** taking place anywhere in the world other than in relation to Insuring Clause M (Property Damage Loss) where cover applies only to **Covered Property** and **Operations** at an **Insured Location**.

K. Loss Determination

1) Brand Loss

The **Brand Loss** payable under Insuring Clause H (BrandGuard) will be calculated by taking into account:

a) the prior experience of the **Named Insured's** business preceding the date of the **Adverse Media Report** or **Notification**, whichever applies, and the **Named Insured's** likely net profit had no **Adverse Media Report** been published or **Notification** occurred;
b) income derived from substitute methods, facilities or personnel the **Named Insured** uses to maintain the **Named Insured's** revenue stream;
c) the **Named Insured's** documentation of the trends in the **Named Insured's** business and variations in or other circumstances affecting the **Named Insured's** business before or after the **Adverse Media Report** or **Notification**, which would have affected the **Named Insured's** business had no **Adverse Media Report** been published or **Notification** occurred; and
d) any fixed operating expenses, including ordinary payroll, but only to the extent that such operating expenses must continue during the **Period of Indemnity**.

For purposes of calculating **Brand Loss** net profit will include the amount of **Money** paid or payable to the **Named Insured**, including donations, for goods, **Products** or services sold, delivered or rendered in the normal course of the **Named Insured's** business.

2) Digital Asset Loss

Digital Assets Loss under Insuring Clause I a) (System Failure: Data Recovery) will be determined as follows:

a) If the impacted **Digital Asset** was purchased from a third party, the **Insurers** will pay only the lesser of the original purchase price of the **Digital Asset** or the reasonable and necessary **Digital Assets Loss**.
b) If it is determined that the **Digital Assets** cannot be replaced, restored or recreated, the **Insurers** will only reimburse the actual and necessary **Digital Assets Loss** incurred up to such determination.

3) Income Loss

The **Income Loss** payable under Insuring Clause I b) (System Failure: Non-Physical Business Interruption) will be calculated as follows:

a) the **Named Insured's** net profit, as could have been reasonably projected, but which has been lost as a direct result of a **System Failure**; plus
b) any fixed operating expenses incurred, including ordinary payroll, but only to the extent that such operating expenses must continue during the **Period of Restoration**.

Income Loss will be calculated by taking into account:

a) the prior experience of the **Named Insured's** business preceding the date of the **System Failure** and the **Named Insured's** likely net profit had no such **System Failure** occurred;
b) income derived from substitute methods, facilities or personnel the **Named Insured** uses to maintain the **Named Insured's** revenue stream; and
c) the **Named Insured's** documentation of the trends in their business and variations in or other circumstances affecting the **Named Insured's** business before or after the **System Failure**, which would have affected the **Named Insured's** business had no such **System Failure** occurred.

For purposes of calculating **Income Loss**, net profit will include the amount of **Money** paid or payable to the **Named Insured**, including donations, for goods, **Products** or services sold, delivered or rendered in the normal course of the **Named Insured's** business.

4) Property Damage Loss Adjustment and Settlement

a) Loss Adjustment

   Loss, if any, under Insuring Clause M (Property Damage Loss) will be adjusted with and payable to the **Named Insured**, or as may be directed by the **Named Insured**. The interests of any lender, mortgagee and/or loss payee will also be included in loss payments as their interests may appear, when named on this Policy as a lender, mortgagee and/or loss payee.

b) Valuation

   i) Adjustment of the physical loss amount payable under Insuring Clause M (Property

Damage Loss) will be computed as of the date of the loss at the location of the loss. The **Insurers** shall not pay more than the **Named Insured's** financial interest in the **Covered Property**, subject to the provisions below.

ii) For all **Covered Property**, the loss amount will not exceed the lesser of the following:

(1) the cost to repair **Covered Property**; the cost to rebuild or replace **Covered Property** on the same site with new materials of like size, kind and quality; the cost of rebuilding, repairing or replacing **Covered Property** on the same or another site, but not to exceed the size and operating capacity that existed on the date of loss; or the cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement;

(2) the selling price of real property or machinery and equipment, other than stock, offered for sale on the date of loss;

(3) the increased cost of demolition, if any, resulting from loss covered by Insuring Clause M (Property Damage Loss), if **Covered Property** is scheduled for demolition;

(4) the unamortized value of improvements and betterments, if **Covered Property** is not repaired or replaced at the **Named Insured's** expense; or

(5) the **Actual Cash Value** if the **Covered Property** is useless to the **Named Insured** or is not repaired, replaced or rebuilt on the same or another site within two (2) years from the date of the loss.

c) The **Insured** may elect not to repair or replace **Covered Property** that is lost, damaged or destroyed. Loss settlement may be elected on the lesser of repair or replacement cost basis if the proceeds of such loss settlement are expended on other capital expenditures related to the **Named Insured's Operations** within two (2) years from the date of loss. As a condition of collecting under this provision, such expenditure must be unplanned as of the date of the loss and must be made at an **Insured Location**.

Material Changes

A. Mergers and Acquisitions

If, during the **Period of Insurance**, the **Named Insured**:

1) purchases assets or acquires liabilities from another entity in an amount no greater than 10% of the **Named Insured's** assets as listed in its most recent financial statement; or
2) acquires another entity whose annual revenues are no more than 10% of the **Named Insured's** annual revenues for their last completed financial year; and
3) there is no material deviation to the **Named Insured's** business activities; and
4) prior to the acquisition, not being aware of any cyber claims or circumstances that could give rise to such a claim;

then this Policy shall automatically include such entity as an **Insured** but only in respect of any **Claims** for **Wrongful Acts** or **First Party Insured Events** that occur after the acquisition date of such entity.

B. Sold Subsidiaries

If, during the **Period of Insurance**, the **Named Insured** sells a subsidiary then that subsidiary will continue to be an **Insured** for the duration of the **Period of Insurance**, but only with respect to **Claims** for **Wrongful Acts** or **First Party Insured Events** that occur on or after the applicable Retroactive Date and prior to the effective date of the sale. The **Named Insured** must give **Insurers** written notice of any such sale within sixty (60) days of the effective date of the sale. There will be no return premium.

General Conditions

A. Assistance and Cooperation

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

admission, if it is a circumstance that could lead to a **Claim**.

B. Subrogation

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

C. Other Insurance

If other valid and collectible insurance is available to any **Insured** for a **Claim** to which this Policy applies, the **Insurer's** obligations are limited as follows:

1) **Primary Insurance** - All First Party Insuring Clauses of this Policy except Insuring Clause M (Property Damage Loss) are primary to any other valid and collectible insurance available to any **Insured**.
2) **Excess Insurance** - All Third Party Insuring Clauses of this Policy are excess over any other valid and collectible insurance (including the amount of any **Excess** and/or retentions) available to any **Insured**, including any insurance under which there is a duty to defend and regardless of whether such other policy or policies are stated to be primary, contributory, excess, contingent or otherwise, unless such insurance is written specifically as excess insurance of this Policy by reference in such other policy to the Policy number set forth in the Schedule.
3) **Contingent Insurance** - Insuring Clause M (Property Damage Loss) provides coverage for physical loss of or damage to **Covered Property** only in the absence of other valid and collectible insurance.

D. Cancellation

This Policy may be cancelled by or on behalf of the **Insurers** by fourteen days notice given in writing to the **Insured**.

E. Dishonest or Fraudulent Act or Omission

In the event of a loss or **Claim** which involves the dishonest, fraudulent or malicious act or omission of any former or present **Employee**, the **Named Insured** shall take all reasonable action (including legal proceedings) to obtain reimbursement from the **Employee** concerned (and from any **Employee** who may have conspired to commit or have condoned such act or omission) or from the estate or legal representatives of such **Employee**. Any monies which but for such dishonest, fraudulent or malicious act or omission would be due to such **Employee** from the **Named Insured** or any monies held by the **Named Insured** for such **Employee** shall be deducted from any amount payable under this Policy.

F. Fraudulent Claims

If the **Insured** shall make any **Claim** knowing the same to be fraudulent or false as regards the amount or otherwise (including the provision of false or fraudulent documents or statements) then the **Insurers** will:

1) refuse to pay the whole of the **Claim**; and
2) recover from the **Insured** any sums that it has already paid in respect of the **Claim**.

The **Insurers** may also notify the **Insured** that it will be treating (all sections of) this Policy as having terminated with effect from the date of the earliest of any of the fraudulent act. In that event the **Insured** will:

1) have no cover under the Policy from the date of termination; and
2) not be entitled to any refund of premium.

G. Invalidity

If any provision of this Policy is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable this will not affect the other provisions of this Policy which will remain in full force and effect.

H. Notices

Notice shall be deemed to be duly received in the course of post if sent by pre-paid letter post properly addressed to:

1) in the case of the **Named Insured**, the **Named Insured's** last known address;
2) in the case of the **Insurer**, to HCC International Insurance Company PLC at The St Botolph Building, 138 Houndsditch, London, EC3A 7BT, United Kingdom.
3) In the case of Qdos, to Qdos at The Grange, Grange Avenue, Rearsby, Leicester, LE7 4FY

I. Other Parties

The **Insured** and the **Insurers** are the only parties to this contract and no other person has any rights to enforce any term of this Policy.

J. Policy Construction and Disputes

Any phrase or word in this Policy and the Schedule will be interpreted in accordance with the laws of England and Wales. The Policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or the Schedule shall bear such specific meaning wherever it may appear.

Any dispute concerning the interpretation of the terms, conditions or exclusions contained herein is understood and agreed by both the **Insured** and the **Insurers** to be subject to the laws of England and Wales. Each party agrees to refer any such dispute to a mediator to be agreed between the **Insured** and the **Insurers** within 14 working days of any dispute arising under the Policy. If a mediator is not agreed then either party may apply to the Centre for Effective Dispute Resolution ('CEDR') for the appointment of a mediator. The parties agree to share equally the costs of CEDR and of the mediator and that the reference of the dispute to mediation will be conducted in confidence.

The **Insured** and the **Insurers** agree to perform their respective continuing obligations under this Policy while the dispute is resolved unless the nature of the dispute prevents such continued performance of those obligations. If any such dispute is not resolved by mediation or the **Insured** and the **Insurers** cannot agree upon the appointment of a mediator or the form that the mediation will take the dispute will be submitted to the jurisdiction of any court of competent jurisdiction within England and Wales and each party agrees to comply with all requirements necessary to give such court jurisdiction.

K. International Sanctions

The **Insurers** will not provide cover, be liable to pay any claim or provide any benefit if to do so would expose the **Insurers** (or any parent company, direct or indirect holding company of the **Insurers**) to any penalty or restriction (including extraterritorial penalties or restrictions so far as such do not contradict laws applicable to the **Insurers**), arising out of any trade and economic sanctions laws or regulations which are applicable to it.

L. Assignment

This policy of insurance (including any benefits it provides) are not assignable to any third party without the express approval of the **Insurers** confirmed by way of an endorsement in writing by the **Insurers**.

Complaints

We want to ensure that you are always dealt with promptly, efficiently, and fairly. At all times providing you with the highest standard of service.

In the event that you are dissatisfied with any aspect of this Policy or the services provided by Qdos, please write to:

Email
feedback@goqdos.com

Telephone
0116 269 0999

Post
The Nominated Complaints Handler
Qdos, The Grange. Grange Avenue, Rearsby,
Leicester, LE7 4FY

If it is not possible to reach an agreement, you have the right to make an appeal to the Financial Ombudsman Service. This also applies if you are insured in a business capacity and have an annual turnover of less than €2 million and fewer than ten staff. You may contact the Financial Ombudsman Service at:

Post
The Financial Ombudsman Service
Exchange Tower, Harbour Exchange Square , London
E14 9SR

Telephone
0845 080 1800

Email
complaint.info@financial-ombudsman.org.uk

Website
www.financial-ombudsman.org.uk

The above complaints procedure is in addition to your statutory rights as a consumer. For further information about your statutory rights contact your local authority Trading Standards Service or Citizens Advice Bureau.

Compensation Scheme

HCC International Insurance Co PLC is covered by the Financial Services Compensation Scheme (FSCS). If they are unable to meet their obligations, you may be entitled to compensation from the scheme, depending on the type of insurance and the circumstances of the claim. Further information is available from the FSCS at www.fscs.org.uk or by contacting them 10th Floor Beaufort House 15 St Botolph Street London EC3A 7QU or by telephone on 0800 678 1100.

Data Protection Notice

Tokio Marine HCC respects your right to privacy. In our Privacy Notice (available at https://www.tmhcc.com/en/legal/privacy-policy) we explain who we are, how we collect, share and use personal information about you, and how you can exercise your privacy rights. If you have any questions or concerns about our use of your personal information, then please contact DPO@tmhcc.com.

We may collect your personal information such as name, email address, postal address, telephone number, gender and date of birth. We need the personal information to enter into and perform a contract with you. We retain personal information we collect from you where we have an ongoing legitimate business need to do so (please note that reference to "you" or "your" herein encompasses non-exhaustively "you, your company, employees and/or customers").

We may disclose your personal information to:

a) our **group companies**;
b) **third party services providers and partners** who provide data processing services to us or who otherwise process personal information for purposes that are described in our Privacy Notice or notified to you when we collect your personal information;
c) any **competent law enforcement body, regulatory, government agency, court or other third party** where we believe disclosure is necessary (i) as a matter of applicable law or regulation, (ii) to exercise, establish or defend our legal rights, or (iii) to protect your interests or those of any other person;
d) a **potential buyer** (and its agents and advisers) in connection with any proposed purchase, merger or acquisition of any part of our business, provided that we inform the buyer it must use your personal information only for the purposes disclosed in our Privacy Policy; or
e) any **other person with your consent** to the disclosure.

Your personal information may be transferred to, and processed in, countries other than the country in which you are resident. These countries may have data protection laws that are different to the laws of your country. We transfer data within the Tokio Marine group of companies by virtue of our Intra Group Data Transfer Agreement, which includes the EU Standard Contractual Clauses.

We use appropriate technical and organisational measures to protect the personal information that we collect and process about you. The measures we use are designed to provide a level of security appropriate to the risk of processing your personal information.

You are entitled to know what data is held on you and to make what is referred to as a Data Subject Access Request **('DSAR')**. You are also entitled to request that your data be **corrected** in order that we hold accurate records. In certain circumstances, you have other data protection rights such as that of **requesting deletion, objecting to processing, restricting processing** and in some cases **requesting portability**. Further information on your rights is included in our Privacy Policy.

You can **opt-out of marketing communications** we send you at any time. You can exercise this right by clicking on the "unsubscribe" or "opt-out" link in the marketing e-mails we send you. Similarly, if we have collected and processed your personal information with your consent, then you can **withdraw your consent** at any time. Withdrawing your consent will not affect the lawfulness of any processing we conducted prior to your withdrawal, nor will it affect processing of your personal information conducted in reliance on lawful processing grounds other than consent. You have the **right to complain to a data protection authority** about our collection and use of your personal information.