



COMMERCIAL LINES COMMON POLICY DECLARATIONS

INSURANCE IS PROVIDED BY THE COMPANY DESIGNATED BY AN "X":

Stock
Company

- PENN-AMERICA INSURANCE COMPANY
- PENN-STAR INSURANCE COMPANY
- PENN-PATRIOT INSURANCE COMPANY

State Control Number

Bala Cynwyd, Pennsylvania 19004

Renewal of Number _____

POLICY NUMBER: **PAC7081456**

1. **NAMED INSURED:** FOR KIDS BY PARENTS

DBA:

MAILING ADDRESS: 1385 KIMBLEWICK ROAD

POTOMAC MD 20854

2. **POLICY PERIOD:** From 03/14/2018 To 03/14/2019 at 12:01 A.M.
Standard Time at your mailing address shown above.

3. **FORM OF BUSINESS:** CORPORATION **OTHER DESC:**

4. **BUSINESS DESCRIPTION:** MANUFACTURING JUVENILE PRODUCTS

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

5. **THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.**

		PREMIUM
Commercial General Liability Coverage Part	\$	<u>1,059.00</u>
Commercial Property Coverage Part	\$	<u>NOT COVERED</u>
Commercial Crime Coverage Part	\$	<u>NOT COVERED</u>
Commercial Inland Marine Coverage Part	\$	<u>NOT COVERED</u>
Professional Liability Coverage Part	\$	<u>NOT COVERED</u>
Liquor Liability Coverage Part	\$	<u>NOT COVERED</u>
Commercial Umbrella Coverage Part	\$	<u>NOT COVERED</u>
Owners Contractors Protective Coverage Part	\$	<u>NOT COVERED</u>
TRIA	\$	<u>NOT COVERED</u>

6. **TOTAL PREMIUM PAYABLE AT INCEPTION** \$ 1,059.00

POLICY FEE: \$ 250.00

TAX: \$ 31.77

\$ _____

\$ _____

\$ _____

\$ _____

TOTAL \$ 1,340.77

7. **FORM(S) AND ENDORSEMENT(S) MADE A PART OF THIS POLICY AT THE TIME OF ISSUE:***
AS PER FORM COMSCHED(10/00) ATTACHED

*Omits applicable Forms and Endorsements if shown in specific Coverage Part/Coverage Form Declarations.

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

Agency Code: 02421
All Risks Limited
10150 York Rd, 5th Floor
Hunt Valley, MD 21030
SOL 04/26/18

By _____

Authorized Representative

**Required Notice of Disclosure
Maryland**

Information Regarding all Policy Charges:

Policy Number: PAC7081456
Insuring Company: PENN-AMERICA INSURANCE COMPANY
Named Insured: FOR KIDS BY PARENTS

The total policy charges, including inspection fee, policy fee and premium tax are summarized below:

Total Premium	\$	1,059.00
3% Tax on Premium and Inspection Fee	\$	31.77
Policy Fee (Not to exceed \$250.00)	\$	250.00
Inspection Fee	\$	
Total Charges (Premium, Tax, Policy and Inspections Fees)	\$	1,340.77

** All Risks does not receive any compensation from the inspection company. The insured has the option to obtain an inspection from another inspection company who meets the requirements and is approved by the Surplus Lines Insurer.

***In accordance with MD Insurance code, Title 27, Subtitle 2, § 27-216, the policy fee charged in accordance with this subsection must be reasonable related to the cost of underwriting, issuing, processing, and servicing the policy by the Surplus Lines Broker for the Surplus Lines insurer or the authorized insurer.

This insurance is issued by a non-admitted insurer not under the jurisdiction of the Maryland Insurance Commissioner.

**STATEMENT CONCERNING SURPLUS LINES
PLACEMENT IN THE STATE OF MARYLAND**

As your policy indicates: "THIS INSURANCE IS ISSUED BY A NON-ADMITTED INSURER NOT UNDER THE JURISDICTION OF THE MARYLAND INSURANCE COMMISSIONER."

We point out that, although the Maryland Insurance Commissioner does not have jurisdiction over rates and forms used on this coverage, this insurance company has qualified with the Department of Licensing and Regulations as an acceptable Surplus Lines Carrier in the State of Maryland. Qualification is done yearly and in order to maintain its status as an acceptable Surplus Lines Carrier, your insurance company must file and have its financial data approved by the Department of Licensing and Regulations; and as well, must appoint the Maryland Insurance Commissioner as agent for purposes of receiving suit papers in the event of a law suit.

**YOUR INSURANCE COMPANY HAS QUALIFIED IN MARYLAND AS AN
ACCEPTABLE SURPLUS LINES CARRIER.**

ARFA527

GLOBAL INDEMNITY GROUP, INC.

PRIVACY NOTICE

We at Global Indemnity Group, Inc., which includes Diamond State Insurance Company, Penn-America Insurance Company, Penn-Patriot Insurance Company, Penn-Star Insurance Company, United National Insurance Company, and our affiliated companies and subsidiaries, are required to protect our customers' nonpublic personal financial information.

We collect your nonpublic personal financial information from the following sources:

Information obtained from you, including information from your application, such as name, address, telephone number, social security number, assets and income.

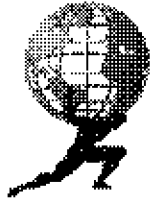
Information about transactions and experiences, such as your premium payment and claims history.

Information from a consumer reporting agency, such as your credit history.

WE DO NOT DISCLOSE YOUR NONPUBLIC PERSONAL FINANCIAL INFORMATION, EXCEPT AS PERMITTED OR REQUIRED BY LAW. WE RESERVE THE RIGHT, HOWEVER, TO CHANGE THIS POLICY AT ANY TIME. SHOULD THIS POLICY CHANGE, WE WILL GIVE AFFECTED CUSTOMERS AN OPPORTUNITY TO DIRECT THAT THEIR NONPUBLIC PERSONAL FINANCIAL INFORMATION NOT BE DISCLOSED.

We maintain electronic, physical and procedural safeguards that comply with Federal regulations to protect your nonpublic personal financial information. We limit access to your nonpublic personal financial information to those employees who need to know that information to perform their job responsibilities.

We disclose nonpublic personal financial information of former customers to affiliated and nonaffiliated third parties as permitted by law.



GLOBAL INDEMNITY
GROUP, INC.

Penn-America Insurance Company ☼
Penn-Star Insurance Company ☼
Penn-Patriot Insurance Company ☼
United National Insurance Company ☼
Diamond State Insurance Company ☼

CLAIMS REPORTING PROCEDURES

The Member Companies of Global Indemnity Group, Inc. strive to provide quality claims service. In the event of a claim or potential claim, please submit information about the claim immediately to us. Claims can be submitted via company web site, e-mail, facsimile, phone or mail.

Information for submitting:

Web address	http://www.Unitednat.com Click on Report a Claim.
Email address	Claims@global-indemnity.com
Fax number	610-660-8885
Phone numbers	800-788-4780 or 610-660-8877
Mailing address:	Global Indemnity Group, Inc. / Claims P.O. Box 532 Willow Grove, PA 19090

For Emergency Services after normal business hours, please call 866-765-0474.

COMMERCIAL LINES COMMON POLICY DECLARATIONS SCHEDULE OF FORMS AND ENDORSEMENTS

**POLICY NUMBER:
PAC7081456**

**NAMED INSURED
FOR KIDS BY PARENTS**

Form/Endorsement No./Edition Date

Form/Endorsement No./Edition Date

Forms Applicable - PAC COVERAGE

ADDITIONAL FORMS ATTACHED
NAA105[06-16] GLOBAL INDEMNITY PRIVACY NOTICE

PA01412[03-01] POLICY ISSUANCE CHECKLIST
 IL0017[11-98] COMMON POLICY CONDITIONS
 IL0985[01-15] DISCLOSURE PURSUANT TO TERRORISM RISK ACT
 S1003[08-91] MINIMUM EARNED PREMIUM
 EAA100[01-12] IN WITNESS CLAUSE
 EAA146[12-09] TERRORISM EXCLUSION
 EAA230[02-15]AllRisks SERVICE OF SUIT
 IL0003[09-08] CALCULATION OF PREMIUM

Forms Applicable - GL COVERAGE

S2000[06-01] GL SUBDEC
 IL0021[09-08] NUCLEAR ENERGY LIAB EXCL
 CG0001[04-13] CGL COVERAGE FORM
 CG2107[05-14] EXCL - ACCESS/DISCLOSURE OF CONFIDENTIAL/PERSONAL INFO
 CG2109[06-15] EXCL - UNMANNED AIRCRAFT
 CG2133[11-85] EXCL. - DESIGNATED PROD
 CG2147[12-07] EMPLOYMENT RELATED PRAC EXCL
 CG2155[09-99] TOTAL POLLUTION EXCLUSION
 CG2167[12-04] FUNGI OR BACTERIA EXCLUSION
 CG2196[03-05] SILICA OR SILICA-RELATED DUST EXCL
 CG2426[04-13] AMENDMENT OF INSURED CONTRACT DEF
 EPA1797[04-17] CYBER LIABILITY INSURANCE ENDORSEMENT
 NAA223[10-17] CYBER LIABILITY RESOURCES NOTICE
 S2002[08-02] COMBINED PROVISIONS END'T
 S2051[04-97] LIMITATION-DESIGNATED PRODUCTS

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

SCHEDULE – PART I	
Terrorism Premium (Certified Acts)	\$ 100
<p>This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies):</p> <p>Additional information, if any, concerning the terrorism premium:</p>	
SCHEDULE – PART II	
Federal share of terrorism losses	<u>82</u> % Year: 20 <u>18</u>
(Refer to Paragraph B. in this endorsement.)	
Federal share of terrorism losses	<u>81</u> % Year: 20 <u>19</u>
(Refer to Paragraph B. in this endorsement.)	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

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



MINIMUM EARNED PREMIUM CANCELLATIONS AND AUDITS

It is hereby understood and agreed that in the event of cancellation of coverage by the insured, the minimum earned premium under this policy shall be 25 % of the policy premium.

It is further understood the minimum earned premium of this policy shall be 100 % of the policy premium if the policy is in effect for the full term and the audit shows a lower exposure than estimated.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM EXCLUSION

This endorsement modifies insurance provided under the following:

ALL PARTS OF THE POLICY

Notwithstanding any other provision of this policy to the contrary, this insurance does not apply to any loss, cost, expense, damage, injury or economic detriment, whether arising by contract, operation of law or otherwise whether or not concurrent or in any sequence with any other cause or event, that in any way, form or manner, directly or indirectly, arises out of, results from or is caused by "terrorism", and also including any action taken in hindering or defending against "terrorism".

"Terrorism" means any act of force or violence or other illegal means, whether actual, alleged or threatened, by any person, persons, group, private or governmental entity or entities, or any other type of organization of any nature whatsoever, whether the identity of which is known or unknown, that appears to be for political, religious, racial, ethnic, ideological, ecological or social purposes, objectives or motives and that causes or appears to be intended to cause:

1. alarm, fright, fear of danger, concern or apprehensions for public safety;
2. the interference or disruption of an electronic, communication, information or mechanical system;
3. the intimidation or coercion of the civilian population, or any governmental body; or
4. the alteration of the policies, foreign or domestic of any governmental body,

This exclusion does not affect the applicability of, and is in addition to, any exclusion of war, warlike or military action, whether or not specifically denominated as such.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT CLAUSE

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS IN THIS POLICY

We appoint the highest State official in charge of insurance affairs (Commissioner of Insurance, Director of Insurance, Insurance Commissioner, Executive Secretary, Superintendent of Insurance, or such other official title as designated by the State) of the State of **MARYLAND** and his successor or successors in office as his and their duly authorized deputies, as our true and lawful attorney in and for the aforesaid State, upon whom all lawful process may be served in any action, suit or proceeding instituted in the said State by or on behalf of any insured or beneficiary against us, arising out of this insurance policy, provided a copy of any process, suit complaint or summons is sent by certified or registered mail to Stephen Ries, Esquire **PENN-AMERICA** Insurance Company, Three Bala Plaza East, Suite 300, Bala Cynwyd, PA 19004.

CALCULATION OF PREMIUM

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.



COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

Stock
Company

POLICY NUMBER: PAC7081456

1. **NAMED INSURED:** FOR KIDS BY PARENTS
2. **LIMITS OF INSURANCE - INSURANCE APPLIES ONLY FOR COVERAGE FOR WHICH A LIMIT OF INSURANCE IS SHOWN.**

General Aggregate Limit (Other than Products/Completed Operations)	\$ <u>2,000,000</u>
Products/Completed Operations Aggregate Limit	\$ <u>1,000,000</u>
Each Occurrence Limit	\$ <u>1,000,000</u>
Personal & Advertising Injury Limit	\$ <u>1,000,000</u>
Damage to Premises Rented to You Limit	\$ <u>100,000</u> any one premises
Medical Expense Limit	\$ <u>5,000</u> any one person

3. **LOCATIONS** of all premises you Own, Rent, or Occupy

	Address	City	State	Zip
No. 01	1385 KIMBLEWICK ROAD	POTOMAC	MD	20854

4.	CLASS **	PREMIUM BASIS Code / Exposure	RATES		ADVANCE PREMIUM	
			Prod/CO	All Other	Prod/CO	All Other
No. 01	58057	s) 10,000	1.324	0.409	996.00 MIN PREM	4.00
Plastic or Rubber Goods Mfg. - Household - NOC						

No. 01	33900	FLAT		59.00
CYBER - Miscellaneous Manufacturing				

No.

No.

No.

** If Classifications are Numbered, the coverage applies to the corresponding Location No.

TOTAL: \$ 1,059.00

- | | | | |
|------------------------------|-----------------------------|---------------------------|-----------|
| (s) gross sales - per \$1000 | (c) total cost - per \$1000 | (m) admissions - per 1000 | (e) each |
| (p) payroll - per \$1000 | (a) area - per 1000 sq. ft. | (u) units | (o) other |

5. **Policy may be AUDITABLE** (t) see classification notes in company or ISO Commercial Lines Manual

6. **SPECIFIC GENERAL LIABILITY FORMS/ENDORSEMENTS**
AS PER FORM COMSCHD(10/00) ATTACHED

This page alone does not provide coverage and must be attached to a Commercial Lines Common Policy Declarations Common Policy Conditions, Coverage Part Coverage Form(s) and any other applicable forms and endorsements.

S2000 (06/01)

INSURED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**NUCLEAR ENERGY LIABILITY EXCLUSION
ENDORSEMENT
(Broad Form)**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:
 - A. Under any Liability Coverage, to "bodily injury" or "property damage":
 - (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
 - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
 - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
 - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
 - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.
2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

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

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

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

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph 1. of Section II .Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II .Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II .Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1)** "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a)** At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i)** "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii)** "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii)** "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b)** At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c)** Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i)** Any insured; or
 - (ii)** Any person or organization for whom you may be legally responsible; or
- (d)** At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i)** "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii)** "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii)** "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e)** At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

- (5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

q. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions **C.** through **N.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section **III** .Limits Of Insurance.

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section **III** – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B**.

- b.** This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a., b. and c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

p. Recording And Distribution Of Material Or Information In Violation Of Law

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

COVERAGE C – MEDICAL PAYMENTS

1. Insuring Agreement

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1)** On premises you own or rent;
- (2)** On ways next to premises you own or rent; or
- (3)** Because of your operations;

provided that:

- (a)** The accident takes place in the "coverage territory" and during the policy period;
- (b)** The expenses are incurred and reported to us within one year of the date of the accident; and
- (c)** The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1)** First aid administered at the time of an accident;
- (2)** Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3)** Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a.** All expenses we incur.
- b.** Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c.** The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d.** All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e.** All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- f.** Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

b. This insurance applies to such liability assumed by the insured;

c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

f. The indemnitee:

(1) Agrees in writing to:

(a) Cooperate with us in the investigation, settlement or defense of the "suit";

(b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";

(c) Notify any other insurer whose coverage is available to the indemnitee; and

(d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

(a) Obtain records and other information related to the "suit"; and

(b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I - Coverage A - Bodily Injury And Property Damage Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:

a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a.** Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b)** To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;
- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **(1)(a)** or **(b)** above; or
- (d)** Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a)** Owned, occupied or used by;
- (b)** Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
- you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b.** Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c.** Any person or organization having proper temporary custody of your property if you die, but only:

- (1)** With respect to liability arising out of the maintenance or use of that property; and
- (2)** Until your legal representative has been appointed.

- d.** Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

- 3.** Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a.** Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b.** Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c.** Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

- 1.** The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a.** Insureds;
- b.** Claims made or "suits" brought; or
- c.** Persons or organizations making claims or bringing "suits".

- 2.** The General Aggregate Limit is the most we will pay for the sum of:

- a.** Medical expenses under Coverage **C**;
- b.** Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- c.** Damages under Coverage **B**.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph **2.** above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph **2.** or **3.** above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage **A**; and
 - b. Medical expenses under Coverage **C**
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph **5.** above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph **5.** above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
 You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
 - c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
 - d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **C.** below.

b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** - Coverage **A** - Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;

- b.** Those statements are based upon representations you made to us; and
- c.** We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a.** As if each Named Insured were the only Named Insured; and
- b.** Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

- 1.** "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a.** Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b.** Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
- 2.** "Auto" means:
 - a.** A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b.** Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

- 3.** "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- 4.** "Coverage territory" means:
 - a.** The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b.** International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph **a.** above; or
 - c.** All other parts of the world if the injury or damage arises out of:
 - (1)** Goods or products made or sold by you in the territory described in Paragraph **a.** above;
 - (2)** The activities of a person whose home is in the territory described in Paragraph **a.** above, but is away for a short time on your business; or
 - (3)** "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph **a.** above or in a settlement we agree to.
- 5.** "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 6.** "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
- 7.** "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
- 8.** "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a.** It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b.** You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1)** Power cranes, shovels, loaders, diggers or drills; or
 - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2)** Cherry pickers and similar devices used to raise or lower workers;
- f.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a)** You;
 - (b)** Others trading under your name; or
 - (c)** A person or organization whose business or assets you have acquired; and
- (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2)** The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- (1)** Work or operations performed by you or on your behalf; and
- (2)** Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2)** The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY – LIMITED BODILY INJURY EXCEPTION NOT INCLUDED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion **2.p.** of **Section I - Coverage A - Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

p. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability

Damages arising out of:

- (1)** Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2)** The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph **(1)** or **(2)** above.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

B. The following is added to Paragraph **2. Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability**:

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – UNMANNED AIRCRAFT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** Exclusion **2.g. Aircraft, Auto Or Watercraft** under **Section I - Coverage A - Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

g. Aircraft, Auto Or Watercraft

(1) Unmanned Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This Paragraph **g.(1)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This Paragraph **g.(2)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This Paragraph **g.(2)** does not apply to:

- (a)** A watercraft while ashore on premises you own or rent;
- (b)** A watercraft you do not own that is:
 - (i)** Less than 26 feet long; and
 - (ii)** Not being used to carry persons or property for a charge;
- (c)** Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (d)** Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(e) "Bodily injury" or "property damage" arising out of:

(i) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or

(ii) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

B. The following exclusion is added to Paragraph **2. Exclusions of Coverage B - Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

Unmanned Aircraft

"Personal and advertising injury" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the "personal and advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

This exclusion does not apply to:

a. The use of another's advertising idea in your "advertisement"; or

b. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

C. The following definition is added to the **Definitions** section:

"Unmanned aircraft" means an aircraft that is not:

1. Designed;

2. Manufactured; or

3. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

POLICY NUMBER: PAC7081456

**CL 270
(11-85)**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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EXCLUSION – DESIGNATED PRODUCTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Designated Product(s):

ALL WORK INVOLVING AEROSPACE, AGRICULTURAL
AIRCRAFT, AUTOMOTIVE, CHEMICAL, MARINE, MILITARY
MINING AND GAS INDUSTRIES; AND LATEX GLOVES

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

This insurance does not apply to "bodily injury" or "property damage" included in the "products-completed operations hazard" and arising out of any of "your products" shown in the Schedule.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

INSURED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION WITH A HOSTILE FIRE EXCEPTION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion **f.** under Paragraph **2.**, **Exclusions** of **Section I - Coverage A - Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

f. Pollution

- (1)** "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
This exclusion does not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:
 - (a)** At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or
 - (b)** At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants".
- (2)** Any loss, cost or expense arising out of any:
 - (a)** Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
 - (b)** Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

B. The following exclusion is added to Paragraph 2. Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

C. The following definition is added to the Definitions Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA OR SILICA - RELATED DUST EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I -Coverage A -Bodily Injury And Property Damage Liability:

2. Exclusions

This insurance does not apply to:

Silica Or Silica-Related Dust

- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
- b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

Silica Or Silica-Related Dust

- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

C. The following definitions are added to the Definitions Section:

- 1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
- 2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF INSURED CONTRACT DEFINITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The definition of "insured contract" in the **Definitions** section is replaced by the following:

"Insured contract" means:

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

**CYBER LIABILITY INSURANCE ENDORSEMENT
 COVERAGE PROVIDES CLAIMS-MADE COVERAGE.
 PLEASE READ THE ENTIRE FORM CAREFULLY.**

POLICY NUMBER: **PAC7081456**

ENDORSEMENT EFFECTIVE DATE: 03/14/2018

RETROACTIVE DATE: 03/14/2018

SCHEDULE

Coverage Agreements	Limits	
Multimedia Liability Coverage	\$ 50,000	Each Claim/Aggregate
Security and Privacy Liability Coverage	\$ 50,000	Each Claim/Aggregate
Privacy Regulatory Defense and Penalties Coverage	\$ 50,000	Each Claim/Aggregate
PCI DSS Assessment Coverage	\$ 50,000	Each Claim/Aggregate
Privacy Breach Response Costs, Notification Expenses and Breach Support and Credit Monitoring Expenses Coverage	\$ 50,000	Each Claim/Aggregate
Proactive Privacy Breach Responses Costs Sublimit	\$ 50,000	Each Claim/Aggregate
Voluntary Notification Expenses Sublimit	\$ 50,000	Each Claim/Aggregate
Network Asset Protection Coverage	\$ 50,000	Each Claim/Aggregate
Cyber Extortion Coverage	\$ 50,000	Each Claim/Aggregate
Cyber Terrorism Coverage	\$ 50,000	Each Claim/Aggregate
BrandGuard Coverage	\$ 50,000	Each Claim/Aggregate
Annual Aggregate Limit	\$ 50,000	

This endorsement amends "your" policy to provide Cyber Liability insurance on a Claims-Made and Reported basis. Read the entire endorsement carefully to determine "your" rights and duties and what is and is not covered.

Company as used in this endorsement means the Company providing this insurance. All words and phrases in this endorsement that appear in quotation marks have special meaning. Refer to Section **V-DEFINITIONS**. To the extent any words or phrases used in this endorsement are also defined elsewhere in the policy, such definitions do not apply or give meaning to the words or phrases used in this endorsement.

The Limits of Insurance are specified in the Schedule above. Such limits are in addition to, and will not erode, the limits of insurance provided elsewhere in the policy. "Defense costs" paid under this endorsement are included in, and will erode the limits shown in the Schedule.

SECTION I - COVERAGE AGREEMENTS

A. MULTIMEDIA LIABILITY COVERAGE

Subject to the limits shown in the Schedule, the Company will pay "damages", including liability "assumed under contract", which an "insured" becomes legally obligated to pay, and related "defense costs", because of a "claim" for a "multimedia peril", provided that:

- (1) Such "claim" is first made against the "insured" during the "endorsement period";
- (2) Such "claim" is reported to the Company no later than sixty (60) days after the "claim" is first made against the "insured"; and
- (3) The "multimedia peril" takes place or first commences on or after the "retroactive date".

B. SECURITY AND PRIVACY LIABILITY COVERAGE

Subject to the limits shown in the Schedule, the Company will pay "damages", including liability "assumed under contract", which an "insured" becomes legally obligated to pay, and related "defense costs", because of a "claim" for a "security and privacy wrongful act", provided that:

- (1) Such "claim" is first made against the "insured" during the "endorsement period";
- (2) Such "claim" is reported to the Company no later than sixty (60) days after the "claim" is first made against the "insured"; and
- (3) The "security and privacy wrongful act" takes place or first commences on or after the "retroactive date".

C. PRIVACY REGULATORY DEFENSE AND PENALTIES COVERAGE

Subject to the limits shown in the Schedule, the Company will pay "regulatory fines and penalties" and "regulatory compensatory awards" which an "insured" becomes legally obligated to pay, and related "defense costs", because of a "claim" for a "security breach" or "privacy breach", provided that:

- (1) Such "claim" is first made against the "insured" during the "endorsement period";
- (2) Such "claim" is reported to the Company no later than sixty (60) days after the "claim" is first made against the "insured"; and
- (3) The "security breach" or "privacy breach" takes place or first commences on or after the "retroactive date".

D. PCI DSS ASSESSMENT COVERAGE

Subject to the limits shown in the Schedule, the Company will pay "PCI DSS assessments" which an "insured" becomes legally obligated to pay, and related "defense costs", because of a "claim" for a "security breach" or "privacy breach", provided that:

- (1) Such "claim" is first made against the "insured" during the "endorsement period";
- (2) Such "claim" is reported to the Company no later than sixty (60) days after the "claim" is first made against the "insured"; and
- (3) The "security breach" or "privacy breach" takes places or first commences on or after the "retroactive date".

E. PRIVACY BREACH RESPONSE COSTS, NOTIFICATION EXPENSES, AND BREACH SUPPORT AND CREDIT MONITORING EXPENSES COVERAGE

Subject to the limits shown in the Schedule, the Company will pay reasonable and necessary "privacy breach response costs", notification expenses", and breach support and credit monitoring expenses" which "you" incur as a direct result of an "adverse media report", "security breach" or "privacy breach", provided that:

- (1) The "adverse media report", security breach" or "privacy breach" takes place or first commences on or after the "retroactive date";
- (2) An "insured" first discovers the "adverse media report", "security breach" or "privacy breach" during the "endorsement period"; and
- (3) "You" report the "adverse media report", security breach" or "privacy breach" to the Company no later than sixty (60) days from the date an "insured" first discovers the "adverse media report", "security breach" or "privacy breach".

F. NETWORK ASSET PROTECTION COVERAGE

(1) Data Recovery

Subject to the limits shown in the Schedule, the Company agrees to pay "digital assets loss" and "special expenses" which "you" incur as a direct result of a "covered cause of loss" that causes damage, alteration, corruption, distortion, theft, misuse or destruction of "your" "digital assets", provided that:

- (a) The "covered cause of loss" takes place or first commences on or after the "retroactive date";
- (b) An "insured" first discovers the "covered cause of loss" during the "endorsement period";
- (c) "You" report the "covered cause of loss" to the Company no later than sixty (60) days from the date an "insured" first discovers the "covered cause of loss"; and
- (d) "You" provide clear evidence that the "digital assets loss" and "special expenses" directly resulted from the "covered cause of loss".

The Company will pay "digital assets loss" and "special expenses" for a period of up to twelve (12) months following the discovery of the damage to, or alteration, corruption, distortion, theft, misuse or destruction of, "your" "digital assets".

(2) Non-Physical Business Interruption and Extra Expense

Subject to the limits shown in the Schedule, the Company agrees to pay "income loss", "interruption expenses" and "special expenses" which "you" incur during the "period of restoration", but after the "waiting period", as a direct result of a "covered cause of loss that causes a total or partial interruption, degradation in service or failure of an "insured computer system", provided that:

- (a) The "covered cause of loss" takes place or first commences on or after the "retroactive date";
- (b) An "insured" first discovers the "covered cause of loss" during the "endorsement period";
- (c) "You" report the "covered cause of loss" to the Company no later than sixty (60) days from the date an "insured" first discovers the "covered cause of loss"; and
- (d) "You" provide clear evidence that the "digital assets loss" and "special expenses" directly resulted from the "covered cause of loss".

G. CYBER EXTORTION COVERAGE

Subject to the limits shown in the Schedule, the Company agrees to pay "cyber extortion expenses" and "cyber extortion monies" which "you" incur as a direct result of a "cyber extortion threat", provided that:

- (1) Such "cyber extortion threat" is first made against an "insured" during the "endorsement period";
- (2) "You" report the "cyber extortion threat" to the Company no later than sixty (60) days from the date the "cyber extortion threat" is made against an "insured"; and
- (3) "You" provide clear evidence that the "cyber extortion expenses" and "cyber extortion monies" directly resulted from the "cyber extortion threat".

The "insured" shall not incur "cyber extortion expenses" or "cyber extortion monies" without the Company's prior consultation and written authorization. "You" must make every reasonable effort to notify local law enforcement authorities and the Federal Bureau of Investigation or any similar equivalent foreign agency before surrendering any "cyber extortion monies" in response to a "cyber extortion threat".

H. CYBER TERRORISM COVERAGE

Subject to the limits shown in the Schedule, the Company agrees to pay "income loss", "interruption expenses" and "special expenses" which "you" incur during the "period of restoration", but after the "waiting period", as a direct result of an "act of cyber terrorism" that causes a total or partial interruption, degradation in service or failure of an "insured computer system", provided that:

- (1) The "act of cyber terrorism" takes place or first commences on or after the "retroactive date";
- (2) An "insured" first discovers the "act of cyber terrorism" during the "endorsement period";
- (3) "You" report the "act of cyber terrorism" to the Company no later than sixty (60) days from the date an "insured" first discovers the "act of cyber terrorism"; and
- (4) "You" provide clear evidence that the "income loss", "interruption expenses" and "special expenses" directly resulted from the "act of cyber terrorism".

I. BRANDGUARD COVERAGE

Subject to the limits shown in the Schedule, the Company will reimburse "you" for provable and ascertainable "brand loss" which "you" sustain during the "period of indemnity", but after the "waiting period", as a direct result of an "adverse media report" or "notification", provided that:

- (1) The "adverse media report" or "notification" results from a "privacy breach" or "security breach" that takes place or first commences on or after the "retroactive date";
- (2) "You" discover the "brand loss" during the endorsement period";
- (3) "You" report the "brand loss" to the Company no later than sixty (60) days from the date "you" first discover the "brand loss"; and
- (4) "You" provide clear evidence that the "brand loss" directly resulted from the "adverse media report" or "notification".

SECTION II – DEFENSE, INVESTIGATION, AND SETTLEMENT

The Company will have the right and duty to defend any "claim" under Coverage Agreements **A. MULTIMEDIA LIABILITY COVERAGE, B. SECURITY AND PRIVACY LIABILITY COVERAGE, C. PRIVACY REGULATORY DEFENSE AND PENALTIES COVERAGE** and **D. PCI DSS ASSESSMENT COVERAGE** of **SECTION I-COVERAGE AGREEMENTS** even if the allegations of the "claim" are groundless, false or fraudulent. The Company has the right to appoint counsel to defend any such "claim".

The Company may investigate or settle any "claim" at its sole discretion. The applicable limit of insurance will be reduced and may be completely exhausted by payment of "defense costs". The Company will not be obligated to pay or defend any "claim" after the applicable limit of insurance has been exhausted.

No "insured" will incur any "defense costs" or other expenses, or settle any "claim", assume any contractual obligation, admit liability, voluntarily make any payment, or otherwise consent to any settlement or judgment with respect to any "claim" without the Company's prior written consent, which will not be unreasonably withheld. The Company will not be liable for any "defense costs" or other expenses, settlement or judgment to which the Company has not consented.

SECTION III – EXCLUSIONS

This insurance does not apply to:

- A.** Any "claim" based upon, arising out of, resulting from, in consequence of, or in any way involving any "multimedia peril", "security and privacy wrongful act", "security breach", "privacy breach", "adverse media report", "covered cause of loss", "cyber extortion threat", or "act of cyber terrorism":
- (1) Which was the subject of written notice given to us or to any other insurer prior to the original inception date of this coverage;
 - (2) Which was the subject of any prior or pending written demand made against an "insured", or a civil, administrative or arbitration proceeding commenced against an "insured", prior to the original inception date of this coverage, or that involved the same or substantially the same fact, circumstance, or situation underlying or alleged in such prior demand or proceeding;
 - (3) That was identified in any summary or statement of "claims" or potential "claims" submitted in connection with "your" application for insurance; or
 - (4) Which an "insured" had knowledge of prior to the original inception date of this coverage.
- B.** Any "claim" based upon, arising out of, resulting from, in consequence of, or in any way involving any actual, alleged or threatened discharge, dispersal, release or escape of pollutants, or any direction, request or voluntary decision to test for, abate, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, nuclear material or nuclear waste. For purposes of this exclusion, "pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including mold, smoke, vapor, soot, fumes, acids, alkalis, chemicals, odors, noise, lead, oil or oil products, radiation, asbestos or asbestos-containing products and waste, and any electric, magnetic or electromagnetic field of any frequency. "Waste" includes, but is not limited to, material that is, or is to be, recycled, reconditioned or reclaimed.
- C.** Any "claim" for liability assumed by an "insured" under any oral or written contract or agreement, except where such liability would apply apart from such contract or agreement and is otherwise covered by this endorsement. With respect to any "multimedia peril", "security breach" or "privacy breach", this exclusion does not apply to any "claim" alleging liability "assumed under contract".
- D.** Any "claim" for breach of any express, implied, actual or constructive contract, warranty, guarantee, or promise except where such liability would apply apart from such contract, warranty, guarantee or promise and is otherwise covered by this endorsement. This exclusion does not apply to any "claim" alleging breach of "your" privacy policy or liability "assumed by contract".

- E. Any business, joint venture or enterprise which is not named on the Declarations or by endorsement to the policy.
- F. Any "claim" for violation of the False Claims Act or any similar federal or state law, rule, or regulation concerning billing errors or fraudulent billing practices or abuse.
- G. Any "claim" for infringement of any patent or the misappropriation, theft, copying, display, or publication of any trade secret.
- H. Any "claim" for unfair competition, price fixing, deceptive trade practices, restraint of trade, or violation of any anti-trust laws.
- I. Any "claim" based upon, arising out of, resulting from, in consequence of, or in any way involving:
 - (1) Any employment or employment-related matters, including, but not limited to, employer-employee relations, policies, acts or omissions;
 - (2) Any actual or alleged refusal to employ any person or any other actual or alleged misconduct with respect to employees; or
 - (3) Any actual or alleged obligations of an "insured" under any workers' compensation, unemployment insurance, social security, disability benefits or other similar law.

This exclusion does not apply to an otherwise covered "claim" under Coverage Agreement **B. SECURITY AND PRIVACY LIABILITY COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**, which is brought by "your past", present or future employee alleging a "security and privacy wrongful act".

- J. Any "claim" for "bodily injury" or "property damage".
- K. Any "claim" for harassment or discrimination because of, or relating to, race, creed, color, age, sex, sexual orientation or preference, national origin, religion, handicap, disability, political affiliation, marital status, or any other basis prohibited by federal, state or local law.
- L. Any "claim" based upon, arising out of, resulting from, in consequence of, or in any way involving:
 - (1) Satellite failures;
 - (2) Electrical or mechanical failure or interruption including, but not limited to, electrical disturbance, spike, brownout, or blackout;
 - (3) Outages to gas, water, telephone, cable, telecommunications or other infrastructure, unless such infrastructure is under "your" direct operational control and such "claim" is otherwise covered under Coverage Agreements **F. NETWORK ASSET PROTECTION COVERAGE** and **H. CYBER TERRORISM COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**;
 - (4) The failure of overhead transmission and distribution lines; or
 - (5) The gradual deterioration of subterranean insulation.
- M. Any "claim" for violation of any of United States of America's economic or trade sanctions, including, but not limited to, sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").
- N. Any "criminal proceeding".
- O. Any "claim" based upon, arising out of, resulting from, in consequence of, or in any way involving any of the following, if committed by an "insured", whether acting alone or in collusion with other persons:
 - (1) Any willful, deliberately dishonest, malicious, or fraudulent act or omission;
 - (2) Any intentional violation of the law or "your" privacy policy; or

- (3)** The gaining in fact of any profit, remuneration or financial advantage to which an "insured" was not legally entitled.

Notwithstanding the foregoing, the insurance afforded by this endorsement will apply to "defense costs" incurred in defending any such "claim" until such time as there is a judgment or other final adjudication adverse to the "insured" establishing such willful, dishonest, fraudulent, or malicious conduct. The Company will have the right to recover "defense costs" incurred in defending such "claim" from those parties found to have committed the conduct described in this exclusion.

This exclusion does not apply to:

- (1)** Any "insured" that did not commit, participate in, or have knowledge of any conduct described in this exclusion; or
(2) A "claim" resulting from sabotage by "your" employee.

P. Any "claim" based upon, arising out of, resulting from, in consequence of, or in any way involving:

- (1)** Any actual or alleged "multimedia peril", "security and privacy wrongful act", "security breach", "privacy breach", "covered cause of loss", "cyber extortion threat", "act of cyber terrorism", or "adverse media report" that took place or first commenced prior to the "retroactive date"; or
(2) Any actual or alleged "multimedia peril", "security and privacy wrongful act", "security breach", "privacy breach", "covered cause of loss", "cyber extortion threat", "act of cyber terrorism", or "adverse media report" that took place on or after the "retroactive date", which, together with an actual or alleged "multimedia peril", "security and privacy wrongful act", "security breach", "privacy breach", "covered cause of loss", "cyber extortion threat", "act of cyber terrorism", or "adverse media report" that took place prior to the "retroactive date", would constitute related "multimedia perils", "security and privacy wrongful acts", "security breaches", "privacy breaches", "covered causes of loss", "cyber extortion threats", "acts of cyber terrorism", or "adverse media reports".

For purposes of this exclusion, "multimedia perils", "security and privacy wrongful acts", "security breaches", "privacy breaches", "covered causes of loss", "cyber extortion threats", "acts of cyber terrorism" or "adverse media reports" will be deemed related if we determine that they are logically or causally connected by any common fact, circumstance, situation, event, transaction or series of facts, circumstances, situations, events or transactions.

Q. Any claim based upon, arising out of, resulting from, in consequence of, or in any way involving any conduct, act, error or omission of any individual serving in any capacity other than as "your" officer, director, partner, stockholder, trustee or employee.

R. Any "claim" based upon, arising out of, resulting from, in consequence of, or in any way involving an "insured's" insolvency or bankruptcy, the insolvency or bankruptcy of any other individual or entity, or the failure, inability or unwillingness to make payments because of the insolvency, liquidation, or bankruptcy of any individual or entity.

S. Any "claim" based upon, arising out of, resulting from, in consequence of, or in any way involving the wear and tear, drop in performance, progressive deterioration, or aging of "your" electronic equipment or "computer hardware".

T. Any "claim" based upon, arising out of, resulting from, in consequence of, 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.

U. Any "claim" based upon, arising out of, resulting from, in consequence of, or in any way involving the gradual deterioration or wear and tear of an "insured computer system".

V. Any "claim" based upon, arising out of, resulting from, in consequence of, or in any way involving the actual or alleged inaccurate, inadequate or incomplete description of the price of goods, products or services.

W. Any "claim" based upon, arising out of, resulting from, in consequence of, or in any way involving cost guarantees, cost representations, contract price or cost estimates being exceeded.

X. Any "claim" brought by or on behalf of:

- (1) An "insured" against another "insured";
- (2) Any entity which is owned, in whole or in part, by an "insured", or any entity directly or indirectly controlled, operated or managed by an "insured";
- (3) Any entity which is a parent, affiliate or subsidiary of any business, organization or joint venture in which an "insured" is a partner; or
- (4) Any individual or entity who is a partner of any business, organization or joint venture in which an "insured" is also a partner.

This exclusion does not apply to an otherwise covered "claim" under Coverage Agreement **B. SECURITY AND PRIVACY LIABILITY COVERAGE of SECTION I-COVERAGE AGREEMENTS**, which is brought by "your" past, present or future employee alleging a "security and privacy wrongful act".

Y. Any "claim" based upon, arising out of, resulting from, in consequence of, or in any way involving unauthorized trading. For purposes of this exclusion, unauthorized trading means trading, which at the time of the trade is:

- (1) In excess of permitted financial limits; or
- (2) Outside of permitted product lines.

Z. Any "claim" based upon, arising out of, resulting from, in consequence of, or in any way involving:

- (1) The actual or alleged purchase or sale of securities, or an offer, or solicitation of an offer, to purchase or sell securities;
- (2) The actual or alleged loss of value of any securities; or
- (3) Any actual or alleged violation of any securities law such as the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, the Sarbanes-Oxley Act of 2002 or any regulation promulgated under the foregoing statutes, or any federal, state, local, or foreign laws similar to the foregoing statutes, including "Blue Sky" laws, whether such law is statutory, regulatory or common law.

AA. Any "claim" for violation of the Organized Crime Control Act of 1970 (commonly known as 'Racketeer Influenced And Corrupt Organizations Act' or 'RICO'), as amended, or any regulation promulgated under the foregoing statutes, or any similar federal, state, local or foreign laws, whether such law is statutory, regulatory or common law.

BB. Any "claim" which is brought by the Federal Trade Commission, the Federal Communications Commission or any other federal, state or local governmental entity, in such entity's regulatory or official capacity. This exclusion does not apply to an otherwise covered "claim" under Coverage Agreement **C. PRIVACY REGULATORY DEFENSE AND PENALTIES COVERAGE of SECTION I-COVERAGE AGREEMENTS**.

CC. Any "claim" alleging:

- (1) The violation of any pension, healthcare, welfare, profit sharing or mutual or investment plans, funds or trusts; or
- (2) The violation of any provision of the Employee Retirement Income Security Act of 1974 and its amendments

and/or the Pension Protection Act of 2006 and its amendments, or any regulation, ruling or order issued pursuant thereto.

DD. Any "claim" based upon, arising out of, resulting from, in consequence of, or in any way involving:

- (1) Strikes or similar labor actions, war, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, mutiny, civil commotion assuming the proportions of, or amounting to, a popular uprising, military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions;
- (2) The confiscation, commandeering, nationalization, requisition or destruction of, or damage to, property, including "computer hardware", by or under the order of any government or public authority for whatever reason; or
- (3) Any action taken in controlling, preventing, suppressing or in any way relating to **DD.(1)** or **DD.(2)** above.

This exclusion does not apply to an "act of cyber terrorism".

EE. Any "claim" based upon, arising out of, resulting from, in consequence of, or in any way involving "your" commercial decision to cease providing a particular product or service, but only if "you" are contractually obligated to continue providing such products or services.

FF. Any "claim" based upon, arising out of, resulting from, in consequence of, or in any way involving:

- (1) Gambling or pornography;
- (2) Prizes, awards or coupons; or
- (3) The sale or provision of prohibited, restricted or regulated items such as alcoholic beverages, tobacco or drugs.

GG. Any "claim" based upon, arising out of, resulting from, in consequence of, or in any way involving the use of programs that are not "operational programs" or "delivered programs".

HH. Any "claim" based upon, arising out of, resulting from, in consequence of, or in any way involving an insured's intentional use of illegal or unlicensed programs.

II. Any "claim" based upon, arising out of, resulting from, in consequence of, or in any way involving the existence, emission or discharge of any electromagnetic field, electromagnetic radiation or electromagnetism that affects the health, safety or condition of any person or the environment or that affects the value, marketability, condition or use of any property.

JJ. Any claim based upon, arising out of, resulting from, in consequence of, or in any way involving any 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), as amended, or any regulations promulgated thereunder, or any similar federal, state, local or foreign laws, whether such laws are statutory, regulatory or common law, including any anti-spam law or other law concerning the use of telephonic or electronic communications for solicitation purposes, or any allegations of invasion or violation of any rights to privacy derived therefrom. This exclusion does not apply to an otherwise covered "claim" under Coverage Agreements **B. SECURITY AND PRIVACY LIABILITY COVERAGE** and **C. PRIVACY REGULATORY DEFENSE AND PENALTIES COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**, alleging a violation of the CAN-SPAM Act as amended, or any regulations promulgated thereunder, or any similar federal, state, local or foreign law, whether such law is statutory, regulatory or common law, but only if such violation arises out of a "security breach".

KK. Any "claim" based upon, arising out of, resulting from, in consequence of, or in any way involving:

- (1) Any violation of the "PCI Data Security Standard" or any payment card company rules; or

- (2) The failure to implement, maintain or comply with any security measures or standards related to payment card "data", including any fine or penalty imposed by a payment card company on a merchant bank or payment processor that "you" have paid or agreed to reimburse or indemnify.

This exclusion does not apply to an otherwise covered "claim" under Coverage Agreement **D. PCI DSS ASSESSMENT COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**.

LL. With respect to subparagraph (1) of Coverage Agreement **F. NETWORK ASSET PROTECTION COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**:

- (1) Any amount incurred in restoring, updating or replacing "digital assets" to a level beyond that which existed prior to the "covered cause of loss";
- (2) Physical damage to the "computer hardware" or "data" center, other than accidental physical damage or destruction of "electronic media" so that stored "digital assets" are no longer machine-readable;
- (3) Contractual penalties or consequential damages;
- (4) Any liability to third parties for whatever reason, including legal costs and expenses of any type;
- (5) Fines or penalties imposed by law;
- (6) The economic or market value of "digital assets";
- (7) Costs or expenses incurred to identify, patch or remediate software program errors or "computer system" vulnerabilities;
- (8) Costs to upgrade, redesign, reconfigure or maintain an "insured computer system" to a level of functionality beyond that which existed prior to the "covered cause of loss"; or
- (9) Any losses paid under subparagraph (2) of Coverage Agreement **F. NETWORK ASSET PROTECTION COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**.

MM. With respect to subparagraph (2) of Coverage Agreement **F. NETWORK ASSET PROTECTION COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**:

- (1) Any loss arising out of updating or replacing "digital assets" to a level beyond that which existed prior to the "covered cause of loss";
- (2) Contractual penalties or consequential damages;
- (3) Any liability to third parties for whatever reason, including legal costs and expenses of any type;
- (4) Fines or penalties imposed by law;
- (5) Costs or expenses incurred to identify, patch or remediate software program errors or "computer system" vulnerabilities;
- (6) Loss of goodwill and reputational harm;
- (7) Costs to upgrade, redesign, reconfigure or maintain an "insured computer system" to a level of functionality beyond that which existed prior to the "covered cause of loss"; or
- (8) Any losses paid under subparagraph (1) of Coverage Agreement **F. NETWORK ASSET PROTECTION COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**.

NN. With respect to Coverage Agreement **I. BRANDGUARD COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**:

- (1) Any amounts incurred by "you" in an effort to re-establish "your reputation", including "public relations expenses";
- (2) Any amounts incurred in any "claim" that is insured by any other insurance, except excess insurance;
- (3) Any amounts incurred in connection with an "adverse media report" that also affects or refers in similar terms to a general security issue, an industry or "your" specific competitors without any specific allegations regarding a "privacy breach" or "security breach" by an "insured", a "BPO service provider", an "outsourced IT service provider", or by others acting on "your" behalf and for whom "you" are legally responsible;
- (4) Any civil or regulatory liability to third parties for whatever reason, including legal costs and expenses of any type;

- (5) Contractual penalties or consequential damages;
- (6) "Privacy breach response costs", "notification expenses" or "breach support and credit monitoring expenses" paid under Coverage Agreement **E. PRIVACY BREACH RESPONSE COSTS, NOTIFICATION EXPENSES, AND BREACH SUPPORT AND CREDIT MONITORING EXPENSES COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**; or
- (7) Fines or penalties imposed by law or regulation.

SECTION IV - LIMITS OF LIABILITY

- A. The limit of insurance shown in the Schedule as applicable to a Coverage Agreement is the most the Company will pay for each "claim" and in the aggregate under that Coverage Agreement, including "defense costs" where applicable, regardless of the number of "insureds" involved or affected, the number of individuals or entities making a "claim", or the number of "claims" made.
- B. Subject to the provisions respecting each Coverage Agreement, the limit of insurance shown in Schedule as the Annual Aggregate Limit is the most the Company will pay for all "claims" made during the "endorsement period" under all Coverage Agreements combined. The Annual Aggregate Limit includes "defense costs".
- C. If the Annual Aggregate Limit is exhausted, then the Company's obligations under this endorsement will be deemed completely fulfilled and extinguished.
- D. All "claims" made under any one Coverage Agreement which arise out of the same, related, or continuing acts, facts or circumstances, will be considered a single "claim" without regard to the number of "insureds", "claims", or persons or entities making a "claim", and only one Each Claim limit will apply. Such "claim" will be deemed to have been first made on the date the earlier of the related "claims" was first made and will be deemed to have been first reported to the Company on the date the earlier of the related "claims" was first reported to the Company in writing. Appeals and any post-trial proceedings or consolidated proceedings approved by us will be considered to be part of the original "claim".
- E. In the event that a "claim" is made and applies to more than one Coverage Agreement, only one Each Claim limit will apply. The Company has the sole discretion to allocate amounts paid, if any, against the appropriate limit of liability.

SECTION V - DEFINITIONS

- A. "Acquiring bank" means a bank or financial institution that accepts credit and debit card payments (including stored value cards and pre-paid cards) for products or services on behalf of a merchant, including processing and crediting those payments to a merchant's account.
- B. "Act of cyber terrorism" means the premeditated use of information technology to organize and execute attacks, or the threat thereof, against computers, "computer systems", networks or the internet by any person or group, whether acting alone, on behalf of, or in connection with any organization or government, which is committed for political, religious, or ideological purposes, with the intention to influence any government, put the public in fear, or cause destruction or harm to critical infrastructure or "data".
- C. "Adverse media report" means any report or communication of an actual or potential "security breach" or "privacy breach", which:
 - (1) Has been publicized through any media channel including, but not limited to, television, "print media", radio or electronic networks, the internet, or electronic mail; and
 - (2) Threatens material damage to "your reputation" or brands.
- D. "Assumed under contract" means liability for "damages" resulting from a "multimedia peril", "security breach" or "privacy

breach" where such liability has been assumed by you" in the form of a written hold harmless or indemnity agreement, provided that such agreement was executed prior to the date the "multimedia peril", "security breach", or "privacy breach" occurred.

- E. "Bodily injury" means physical injury, sickness, disease, pain or death, and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or emotional distress sustained by a person at any time.
- F. "BPO service provider" means any third-party independent contractor that provides business process outsourcing services for "your" benefit under a written contract with "you", including, but not limited to, call center services, fulfillment services, and logistical support.
- G. "Brand loss" means "your" net profit as could have been reasonably 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 as a direct result of such "notification" or "adverse media report". "Brand loss" will be determined in accordance with paragraph **C. BRANDGUARD OF SECTION-VII. LOSS DETERMINATION.**
- H. "Breach support and credit monitoring expenses" means those reasonable and necessary costs and expenses "you" incur, with the Company's prior written consent, for the provision of support activity to affected individuals in the event of a "privacy breach", including the cost to provide a maximum of twelve (12) months of credit monitoring and identity theft education or assistance.
- I. "Card association" means Visa International, Mastercard, Discover, JCB American Express and any similar credit or debit card association that is a participating organization of the Payment Card Industry Security Standards Council.
- J. "Claim" means:

(1) With respect to Coverage Agreements **A. MULTIMEDIA LIABILITY COVERAGE and **B. SECURITY AND PRIVACY LIABILITY COVERAGE** of SECTION I-COVERAGE AGREEMENTS:**

- (a)** Any written demand for monetary or non-monetary relief made against an "insured";
- (b)** Any civil proceeding or arbitration proceeding initiated against an "insured", commenced by the service of a summons, complaint or similar pleading or notice; or
- (c)** Any written request to toll or waive a statute of limitations relating to a potential "claim" against an "insured", including any appeal therefrom.

A "claim" under Coverage Agreements **A. MULTIMEDIA LIABILITY COVERAGE** and **B. SECURITY AND PRIVACY LIABILITY COVERAGE** of **SECTION I-COVERAGE AGREEMENTS** will be deemed to be first made when an "insured" first receives notice of any of **(1)(a)** through **(1)(c)** above.

(2) With respect to Coverage Agreement **C. PRIVACY REGULATORY DEFENSE AND PENALTIES COVERAGE of SECTION I-COVERAGE AGREEMENTS, a "government investigation" commenced against an "insured" by letter, notice, complaint or order of investigation. A "claim" under paragraph **C.** will be deemed to be first made when it is first received by an "insured".**

(3) With respect to Coverage Agreement **D. PCI DSS ASSESSMENT COVERAGE of SECTION I-COVERAGE AGREEMENTS, a written demand made against an "insured" by an "acquiring bank" or "card association" for a "PCI DSS assessment" due to the "insured's" non-compliance with the "PCI Data Security Standard". A "claim" under Coverage Agreement **D. PCI DSS ASSESSMENT COVERAGE** of **SECTION I-COVERAGE AGREEMENTS** will be deemed to be first made when such written demand is received by an "insured".**

- (4) With respect to Coverage Agreement **E. PRIVACY BREACH RESPONSE COSTS, NOTIFICATION EXPENSES, AND BREACH SUPPORT AND CREDIT MONITORING EXPENSES COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**, "your" written report to the Company of an "adverse media report", "security breach" or "privacy breach".
- (5) With respect to Coverage Agreement **F. NETWORK ASSET PROTECTION COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**, "your" written report to the Company of a "covered cause of loss".
- (6) With respect to Coverage Agreement **G. CYBER EXTORTION COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**, "your" written report to the Company of a "cyber extortion threat".
- (7) With respect to Coverage Agreement **H. CYBER TERRORISM COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**, "your" written report to the Company of an "act of cyber terrorism".
- (8) With respect to Coverage Agreement **I. BRANDGUARD COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**, "your" written report to the Company of "brand loss" directly caused by an "adverse media report" or "notification".

K. "Computer hardware" means the physical components of any "computer system", including CPU's, memory, storage devices, storage media, input/output devices and other peripheral devices and components, including, but not limited to, cables, connectors, fiber optics, wires, power supply units, keyboards, display monitors and audio speakers.

L. "Computer program" means an organized set of instructions that, when executed, causes a computer to behave in a predetermined manner. "Computer program" includes, but is not limited to, communication systems, networking systems, operating systems, and related computer programs" used to create, maintain process, retrieve, store, or transmit electronic "data".

M. "Computer system" means interconnected electronic, wireless or web systems, or similar systems (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", electronic "data", operating systems, "firmware", servers, media libraries, associated input and output devices, mobile devices, networking equipment, websites, extranets, off line storage facilities (to the extent that they hold electronic "data"), and electronic backup equipment.

N. "Computer virus" means a program that possesses the ability to create replicas of itself (commonly known as an "auto-reproduction" program) within other programs or operating system areas, and which is capable of spreading copies of itself, wholly or in part, to other "computer systems".

O. "Covered cause of loss" means, and is limited to, the following:

- (1) Accidental Damage or Destruction
 - (a) Accidental physical damage or destruction of "electronic media", so that stored digital assets" are no longer machine-readable;
 - (b) Accidental damage or destruction of "computer hardware", so that stored "data" is no longer machine-readable;
 - (c) Failure in power supply or under/over voltage, but only if such power supply, including back-up generators, is under "your" direct operational control;
 - (d) "Programming error" of "delivered programs"; or
 - (e) Electrostatic build-up and static electricity.

(2) Administrative or Operational Mistakes

An accidental, unintentional, or negligent act, error or omission by an "insured", a "BPO service provider" or "outsourced IT service provider" in:

- (a)** The entry, or modification of "your" electronic data", which causes damage to such "data"; or
- (b)** The creation, handling, development, modification or maintenance of "your" digital assets"; or
- (c)** The on-going operation or maintenance of an insured computer system" excluding the design, architecture, or configuration of an "insured computer system".

(3) Computer Crime and Computer Attacks

A negligent act, error or omission in the operation of an insured computer system" or in the handling of "your" "digital assets" by an "insured", a "BPO service provider" or "outsourced IT service provider", which fails to prevent or hinder any of the following attacks on an insured computer system":

- (a)** A "denial of service attack";
- (b)** "Malicious code";
- (c)** "Unauthorized access"; or
- (d)** "Unauthorized use".

P. "Criminal proceeding" means any governmental action for enforcement of criminal laws, including those offenses for which conviction could result in imprisonment or criminal fine.

Q. "Cyber extortion expenses" means all reasonable and necessary costs and expenses "you" incur, with the Company's prior written consent, as a direct result of a "cyber extortion threat", other than "cyber extortion monies".

R. "Cyber extortion monies" means any funds or property "you" pay, with the Company's prior written consent, to a person or organization reasonably believed to be responsible for a "cyber extortion threat", in order to terminate such "cyber extortion threat".

S. "Cyber extortion threat" means a credible threat or series of related credible threats, including, but not limited to, a demand for "cyber extortion monies", directed at "you" to:

- (1)** Release, divulge, disseminate, destroy or use the confidential information of a third party taken from an "insured" as a result of "unauthorized access" to, or "unauthorized use" of, an insured computer system";
- (2)** Introduce "malicious code" into an insured computer system";
- (3)** Corrupt, damage or destroy an insured computer system";
- (4)** Restrict or hinder access to an "insured computer system", including, but not limited to, the threat of a "denial of service attack"; or
- (5)** Electronically communicate with "your" customers and falsely claim to be "you" or to be acting under "your" direction in order to falsely obtain personal or confidential information of a customer (also known as "pharming", "phishing", or other types of false communications).

T. "Damages" means the amount of money which an insured" is legally obligated to pay as a result of a covered "claim" under Coverage Agreements **A. MULTIMEDIA LIABILITY COVERAGE** and **B. SECURITY AND PRIVACY LIABILITY COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**, including judgments, legal fees and costs awarded against an insured" pursuant to such judgments, and settlements negotiated with the Company's consent.

"Damages" does not include:

- (1) Taxes;
- (2) Any amount for which an insured is absolved from legal responsibility to make payment to a third party;
- (3) Amounts owed under contract;
- (4) "Your" future profits or royalties or any return, withdrawal, restitution or reduction of "your" professional fees, profits or other charges;
- (5) Punitive, liquidated or exemplary damages or the multiplied portion of multiplied damages;
- (6) Fines, sanctions or penalties;
- (7) Any matters that are deemed uninsurable under applicable law;
- (8) The costs to comply with orders granting injunctive or non-monetary relief, including specific performance or any agreement to provide such relief;
- (9) Disgorgement of any remuneration or financial advantage to which "you" were not legally entitled; or
- (10) Settlements negotiated without the Company's consent.

- U.** "Data" means any and all machine-readable information, including, but not limited to, ready-for-use programs, applications, account information, personal information, health and medical information, or electronic information subject to back-up procedures, irrespective of the way it is used or rendered.
- V.** "Defense costs" means reasonable and necessary legal fees and related costs and expenses incurred with the Company's consent in the investigation, defense and appeal of any "claim" under Coverage Agreements **A. MULTIMEDIA LIABILITY COVERAGE, B. SECURITY AND PRIVACY LIABILITY COVERAGE, C. PRIVACY REGULATORY DEFENSE AND PENALTIES COVERAGE** and **D. PCI DSS ASSESSMENT COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**. "Defense costs" does not include any wages, salaries, fees, overhead or other charges incurred by, or paid to, any "insured" for time spent in cooperating in the defense and investigation of any "claim" or potential "claim" under this endorsement.
- W.** "Delivered programs" means programs, applications, and software where the development stage has been finalized, having passed all test-runs and been proven successful in a live environment.
- X.** "Denial of service attack" means an event caused by unauthorized or unexpected interference or a malicious attack intended by the perpetrator to overwhelm the capacity of a "computer system" by sending an excessive volume of electronic "data" to such "computer system" in order to prevent authorized access to such "computer system".
- Y.** "Digital assets" means data and computer programs that exist in an insured computer system". "Digital assets" does not include computer hardware".
- Z.** "Digital assets loss" means reasonable and necessary expenses and costs "you" incur to replace, recreate or restore "digital assets" to the same state and with the same contents immediately before it was damaged, destroyed, altered, misused, or stolen, including expenses for materials and machine time. "Digital assets loss" also includes amounts representing employee work time to replace, recreate or restore "digital assets", which shall be determined on a predefined billable hours or per hour basis as based upon "your" schedule of employee billable hours.
- AA.** "Electronic media" means floppy disks, CD ROMs, flash drives, hard drives, solid state drives, magnetic tapes, magnetic discs, or any other media on which electronic "data" is recorded or stored.
- BB.** "Endorsement period" means the period of coverage beginning on the effective date specified on this endorsement and ending on the earlier of the termination, expiration or cancellation date of the policy to which this endorsement attaches. "Endorsement period" does not include any extended reporting period.
- CC.** "Firmware" means the fixed programs that internally control basic low-level operations in a device.

DD. "Government investigation" means a formal investigation instituted against an "insured" by any federal, state or local government agency or authority, the subject matter of which is a "privacy breach" or "security breach".

EE. "Income loss" means financial loss "you" sustain, as determined in accordance with the provisions of subparagraph **(2)** of Coverage Agreement **F. NETWORK ASSET PROTECTION COVERAGE** and Coverage Agreement **H. CYBER TERRORISM COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**.

FF. "Insured" means the "named insured" and current executive officers, partners, directors, stockholders, trustees, or employees of the "named insured", but only while such individuals are acting within the scope of their duties on behalf of the "named insured".

GG. "Insured computer system" means:

- (1)** A "computer system" operated by, and either owned by or leased to, "you";
- (2)** With respect to Coverage Agreement **B. SECURITY AND PRIVACY LIABILITY COVERAGE** of **SECTION I-COVERAGE AGREEMENTS** only, a "computer system" operated by a "BPO service provider" or "outsourced IT service provider" and used for the sole purpose of providing hosted computer application services to "you" or for processing, maintaining, hosting, or storing "your" electronic "data", pursuant to a written contract with "you" to provide such services.

HH. "Interruption expenses" means those expenses, excluding "special expenses", which "you" incur in accordance with the provisions of subparagraph **(2)** of Coverage Agreement **F. NETWORK ASSET PROTECTION COVERAGE** and Coverage Agreement **H. CYBER TERRORISM COVERAGE** of **SECTION I-COVERAGE AGREEMENTS** to:

- (1)** Avoid or minimize the suspension of "your" business as a result of a total or partial interruption, degradation in service, or failure of an insured computer system" caused directly by a "covered cause of loss" or "act of cyber terrorism", which "you" would not have incurred had no "covered cause of loss" or "act of cyber terrorism" occurred, including, but not limited to, the use of rented/leased external equipment, substitution of other work or production procedures, use of third party services, or additional staff expenditures or labor costs; and
- (2)** Minimize or avoid a "covered cause of loss" or an "act of cyber terrorism" and continue "your" business.

The amount of "interruption expenses" recoverable under paragraph **A.** above shall in no case exceed the amount by which the covered "income loss" is reduced by such incurred expenses.

II. "Malicious code" means software intentionally designed to insert itself into and damage a computer system" without the owner's informed consent by a variety of forms including, but not limited to, viruses, worms, Trojan horses, spyware, dishonest adware, and crimeware.

JJ. "Multimedia peril" means the release of or display of any "electronic media" on "your" internet site or "print media" for which "you" are responsible, which directly results in any of the following:

- (1)** Any form of defamation or other tort related to the disparagement or harm to the reputation or character of any person or organization, including libel, slander, product disparagement or trade libel;
- (2)** Invasion, infringement or interference with an individual's right of privacy or publicity, including false light, intrusion upon seclusion, commercial misappropriation of name, person or likeness, or public disclosure of private facts;
- (3)** Plagiarism, piracy or misappropriation of ideas under an implied contract;
- (4)** Infringement of copyright, trademark, trade name, trade dress, title, slogan, service mark or

- service name; or
- (5) Domain name infringement, improper deep linking, or framing.
- KK.** "Named insured" means the person or organization listed as such on the Declarations of the policy to which this endorsement attaches.
- LL.** "Notification" means written notice to affected individuals in the event of a security breach" or a "privacy breach".
- MM.** "Notification expenses" means:
- (1) Those reasonable and necessary legal expenses, computer forensic and investigation fees, postage expenses and related advertising expenses incurred by "you", with the Company's prior written consent, to comply with governmental privacy legislation mandating notice to affected individuals in the event of a "security breach" or privacy breach"; and
 - (2) Voluntary notification expenses" incurred with the Company's prior written consent, subject to the "voluntary notification expenses sublimit".
- NN.** "Operational programs" means programs and software which are ready for operational use, having been fully developed, tested, and accepted by "you".
- OO.** "Outsourced IT service provider" means a third party independent contractor that provides information technology services for "your" benefit under a written contract with "you". "Outsourced IT service provider" services include, but are not limited to, hosting, security management, co-location, and "data" storage.
- PP.** "PCI Data Security Standard" (known as "PCI DSS") means the published data security standards of the Payment Card Industry Standards Council, in effect now, or as hereafter amended, which all merchants and processors must follow when storing, processing and transmitting cardholder "data".
- QQ.** "PCI DSS assessment" means monetary fines, penalties or assessments, such as fraud recoveries, card reissuance costs, operational expenses or compliance case costs, which are imposed against an "insured" by an "acquiring bank" or "card association" as a result of a "security breach" or "privacy breach".
- RR.** "Period of indemnity" means the period beginning with the earlier of the date of "notification" or the first publication of an -adverse media report" (whichever applies), and ending on the earlier of:
- (1) The date that gross revenues are restored to the level they had been prior to "notification" or the first "adverse media report" (whichever applies); or
 - (2) One hundred eighty (180) consecutive days after the notice of "brand loss" is received by the Company.
- SS.** "Period of restoration" means the period of time beginning on the date when the interruption, degradation or failure of an -insured computer system" began and ending on the earlier of:
- (1) The date when the insured computer system" is restored or could have been repaired or restored to the same condition, functionality, and level of service that existed prior to the "covered cause of loss" or "act of cyber terrorism" with reasonable diligence, plus up to thirty (30) additional consecutive days after restoration of the insured computer system" to allow for restoration of "your" business; or
 - (2) One hundred twenty (120) consecutive days after the notice of "covered cause of loss" or "act of cyber terrorism" is received by the Company.
- TT.** "Print media" means newspapers, newsletters, magazines, brochures, books and literary works in any form, or other types of publications and advertising materials, including packaging, photographs, and digital images.

UU. "Privacy breach" means any of the below, whether actual or alleged, but only if committed or allegedly committed by an "insured" or by others acting on "your" behalf for whom "you" are legally responsible, including "BPO service providers" and "outsourced IT service providers":

- (1)** A common law breach of confidentiality, infringement, or violation of any right to privacy, including, but not limited to, a breach of "your" privacy policy, false light, intrusion upon a person's seclusion, commercial misappropriation of name, person, or likeness, or public disclosure of a person's private information; or
- (2)** Any breach or violation of U.S. federal, state or local privacy statutes or regulations, as they currently exist and as amended, associated with confidentiality, access, control, and use of personally identifiable, non-public information, including, but not limited to:
 - (a)** The Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191), known as HIPAA, and related state medical privacy laws;
 - (b)** The Gramm-Leach-Bliley Act of 1999 (GLBA), also known as the Financial Services Modernization Act of 1999;
 - (c)** State and federal statutes and regulations regarding the security and privacy of consumer information;
 - (d)** Governmental privacy protection regulations or laws associated with the control and use of personal information;
 - (e)** Privacy provisions of consumer protection laws, including the Federal Fair Credit Reporting Act (FCRA) and similar state laws;
 - (f)** Title XIII, the Health Information Technology for Economic and Clinical Health Act ("HITECH"), of the American Recovery and Reinvestment Act of 2009 ("ARRA").

A series of continuing "privacy breaches", related or repeated "privacy breaches", or multiple "privacy breaches" resulting from the same facts or circumstances will be considered a single "privacy breach" and will be deemed to have occurred at the time the first of such "privacy breaches" occurred.

VV. "Privacy breach response costs" means:

- (1)** Those reasonable and necessary "public relations expenses" "you" incur, with the Company's prior written consent, to avert or mitigate any material damage to "your reputation" or brands, which results or reasonably will result from an "adverse media report"; and
- (2)** "Proactive privacy breach response costs" incurred with the Company's prior written consent, subject to the "proactive privacy breach response costs sublimit".

WW. "Proactive privacy breach response costs" means those reasonable and necessary "public relations expenses" "you" incur in response to an actual or potential "security breach" or privacy breach", but prior to the publication of an "adverse media report", in an effort to avert or mitigate the potential impact of such "adverse media report". "Proactive privacy breach response costs" must be incurred with our prior written consent.

XX. "Proactive privacy breach response costs sublimit" means the maximum amount that the Company will pay for "proactive privacy breach response costs". The "proactive privacy breach response costs sublimit" is included within, and will erode, the limits of liability applicable to Coverage Agreement **E. PRIVACY BREACH RESPONSE COSTS, NOTIFICATION EXPENSES, AND BREACH SUPPORT AND CREDIT MONITORING EXPENSES COVERAGE OF SECTION I-COVERAGE AGREEMENTS**.

YY. "Programming error" means an error that occurs during the development or encoding of a "computer program", software, or application, which would, when in operation, result in a malfunction or incorrect operation of a "computer system".

ZZ. "Property damage" means injury to tangible property, including all resulting loss of use of that property, and loss of use of tangible property that is not physically injured. "Data" is not considered tangible property.

AAA. "Public relations expenses" means reasonable and necessary fees and expenses "you" incur in the employment of a public relations consultant to re-establish "your reputation" which was damaged as a direct result of an "adverse media report".

BBB. "Regulatory compensatory award" means a sum of money an "insured" is legally obligated to pay as an award or fund for affected individuals, including a regulatory agency's monetary award to a third party, due to an adverse judgment or settlement arising out of a "government investigation". "Regulatory compensatory award" does not include any criminal penalty or fine issued by a regulatory agency of any kind, including federal, state, or local governmental agencies.

CCC. "Regulatory fines and penalties" means civil or administrative fines and penalties imposed against an "insured" as a result of a "government investigation".

"Regulatory fines and penalties" does not include:

- (1) Any criminal fines or penalties of any nature;
- (2) Any fines or penalties imposed against an "insured" for failure to comply with or follow the "PCI Data Security Standard" or any payment card company rules; or
- (3) Any interest assessed on "regulatory fines and penalties".

DDD. "Retroactive date" means the date specified as such on this endorsement, on or after which any "multimedia peril", "security and privacy wrongful act", "security breach", "privacy breach", "covered cause of loss", "act of cyber terrorism", or "adverse media report" must have taken place in order to be considered for coverage under this endorsement.

EEE. "Security and privacy wrongful act" means any of the following acts, whether actual or alleged, but only if committed or allegedly committed by an "insured":

- (1) The failure to prevent or hinder a "security breach", which in turn results in:
 - (a) The alteration, copying, corruption, destruction or deletion of, or damage to, electronic "data" stored on an "insured computer system";
 - (b) Theft, loss or unauthorized disclosure of electronic or non-electronic confidential commercial, corporate, personally identifiable, or private information that is in an "insured's" care, custody or control;
 - (c) Theft, loss or unauthorized disclosure of electronic or non-electronic confidential commercial, corporate, personally identifiable, or private information that is in the care, custody or control of a "BPO service provider" or "outsourced IT service provider" that is holding, processing or transferring such information on "your" behalf; provided, however, that the theft, loss or unauthorized disclosure occurs while "your" written contract with such "BPO service provider" or "outsourced IT service provider" is in effect; or
 - (d) "Unauthorized use" of or "unauthorized access" to a "computer system" other than an "insured computer system";
- (2) The failure to timely disclose a "security breach" affecting personally identifiable, nonpublic information, or the failure to dispose of personally identifiable, nonpublic information within the required time period, in violation of privacy regulations in effect now or in the future;
- (3) 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;
- (4) A "privacy breach";
- (5) The failure to prevent or hinder participation by an insured computer system" in a "denial of service attack" directed against internet sites or the "computer system" of any third party; or

(6) The loss of "your" employee's information.

FFF. "Security breach" means any of the following, whether a specifically targeted attack or a generally distributed attack:

- (1) "Unauthorized access" to, or "unauthorized use" of, an insured computer system", including "unauthorized access" or "unauthorized use" resulting from the theft of a password from an insured computer system" or from an "insured";
- (2) A "denial of service attack" against an insured computer system"; or
- (3) Infection of an insured computer system" by "malicious code" or the transmission of "malicious code" from an insured computer system".

A series of continuing "security breaches", related or repeated "security breaches", or multiple "security breaches" resulting from a continuing failure of computer security will be considered a single "security breach" and will be deemed to have occurred at the time the first of such "security breaches" occurred.

GGG. "Special expenses" means reasonable and necessary costs and expenses "you" incur to:

- (1) Prevent, preserve, minimize, or mitigate any further damage to "your" "digital assets", including the reasonable and necessary fees and expenses of specialists, outside consultants or forensic experts;
- (2) Preserve critical evidence of any criminal or malicious wrongdoing;
- (3) Purchase replacement licenses for "computer programs" because the copy protection system or access control software was damaged or destroyed by a covered cause of loss" or "act of cyber terrorism"; or
- (4) Notify customers of a total or partial interruption, degradation in service, or failure of an insured computer system" resulting from a "covered cause of loss" or "act of cyber terrorism".

HHH. "Unauthorized access" means the gaining of access to a "computer system" by an unauthorized person.

III. "Unauthorized use" means the use of a "computer system" by unauthorized persons or by authorized persons in an unauthorized manner.

JJJ. "Voluntary notification expenses" means reasonable and necessary legal expenses, computer forensic and investigation fees, postage expenses and related advertising expenses "you" incur to provide written notice to any individual or organization of a "privacy breach" or "security breach" where there is no specific legal requirement in the applicable jurisdiction mandating such notice.

KKK. "Voluntary notification expenses sublimit" means the maximum amount that the Company will pay for "voluntary notification expenses". The "voluntary notification expenses sublimit" is included within, and will erode, the limits of liability applicable to **E. PRIVACY BREACH RESPONSE COSTS, NOTIFICATION EXPENSES, AND BREACH SUPPORT AND CREDIT MONITORING EXPENSES COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**

LLL. "Waiting period" means:

- (1) With respect to subparagraph (2) of Coverage Agreement **F. NETWORK ASSET PROTECTION COVERAGE** and Coverage Agreement **H. CYBER TERRORISM COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**, the 8-hour period which must elapse before "income loss", "interruption expenses" and "special expenses" may be payable. The "waiting period" applies to each "period of restoration".
- (2) With respect to Coverage Agreement **I. BRANDGUARD COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**, the two-week period which must elapse after "notification", or in the event of an "adverse media report", after publication of the first "adverse media report", before "brand loss" may be payable. The "waiting period" applies to each "period of indemnity".

MMM. "You" and "your" mean the "named insured".

NNN. "Your reputation" means the estimation of trust that customers or clients have in doing business with "you" or in purchasing "your" products or services.

SECTION VI – NOTICE PROVISIONS

A. NOTICE OF A CLAIM

- (1) As a condition precedent to coverage under Coverage Agreements **A. MULTIMEDIA LIABILITY COVERAGE, B. SECURITY AND PRIVACY LIABILITY COVERAGE, C. PRIVACY REGULATORY DEFENSE AND PENALTIES COVERAGE** and **D. PCI DSS ASSESSMENT COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**, an "insured" must give the Company written notice of any "claim" made against the "insured" no later than sixty (60) days after the "claim" is first made against the "insured".
- (2) As a condition precedent to coverage under Coverage Agreements **E. PRIVACY BREACH RESPONSE COSTS, NOTIFICATION EXPENSES, AND BREACH SUPPORT AND CREDIT MONITORING EXPENSES COVERAGE, F. NETWORK ASSET PROTECTION COVERAGE, G. CYBER EXTORTION COVERAGE, H. CYBER TERRORISM COVERAGE** and **I. BRANDGUARD COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**, "you" must give the Company written notice of any "claim" no later than sixty (60) days from the date an "insured" first discovers the event or incident giving rise to such "claim".
- (3) "You" must provide the Company with copies of all documentation comprising the "claim" as well as any authorization, cooperation, or assistance as the Company may require.
- (4) The Company will not be obligated to pay any amounts incurred prior to notice of a "claim" to the Company or amounts incurred without the Company's prior written consent.

B. NOTICE OF A POTENTIAL CLAIM

If, during the "endorsement period", any "insured" first becomes aware of any facts or circumstances which could give rise to a "claim" covered under this endorsement, and if the "insured" provides the Company with written notice during the "endorsement period" of:

- (1) The details regarding such facts or circumstances;
- (2) The nature of the loss incurred;
- (3) The identity of the potential claimant(s) involved;
- (4) The manner in which the "insured" first became aware of the facts or circumstances; and
- (5) The consequences which have resulted or may result,

then any "claim" subsequently made arising out of such reported facts or circumstances will be deemed to be a "claim" first made on the date notice complying with the foregoing requirements was first received by the Company.

SECTION VII - LOSS DETERMINATION

A. LOSS OF DIGITAL ASSETS

For any and all coverage provided under subparagraph (1) of Coverage Agreement **F. NETWORK ASSET PROTECTION COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**, "digital assets loss" will be determined as follows:

- (1) If the impacted "digital asset" was purchased from a third party, the Company will pay only the lesser of the original purchase price of the "digital asset" or the reasonable and necessary "digital assets loss".
- (2) If it is determined that the "digital assets" cannot be replaced, restored or recreated, then the Company will only reimburse the actual and necessary "digital assets loss" incurred up to

such determination.

B. NON-PHYSICAL BUSINESS INTERRUPTION AND EXTRA EXPENSE AND CYBER TERRORISM

For any and all coverage provided under subparagraph **(2)** of Coverage Agreement **F. NETWORK ASSET PROTECTION COVERAGE** and Coverage Agreement **H. CYBER TERRORISM COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**, "income loss" will be determined as the reduction of "your" income during the period of restoration", which is:

- (1)** "Your" net income (net profit or loss before income taxes) that would have been reasonably projected, but which has been lost directly as a result of a total or partial interruption, degradation in service or failure of an insured computer system" caused directly by a "covered cause of loss" or "act of cyber terrorism", whichever applies. The income projection will take into account the prior experience of "your" business preceding the date of the "covered cause of loss" or "act of cyber terrorism" and the probable experience had no "covered cause of loss" or "act of cyber terrorism" occurred. Income includes the amount of money paid or payable to "you" for goods, products or services sold, delivered or rendered in the normal course of "your" business. The income projection will be reduced by the extent to which "you" use substitute methods, facilities or personnel to maintain "your" revenue stream. The Company will take into consideration "your" documentation of the trends in "your" business and variations in, or other circumstances affecting, "your" business before or after the "covered cause of loss" or "act of cyber terrorism", which would have affected "your" business had no "covered cause of loss" or "act of cyber terrorism" occurred; and
- (2)** Any fixed operating expenses (including ordinary payroll) incurred, but only to the extent that such operating expenses must continue during the "period of restoration".

C. BRANDGUARD

For any and all coverage provided under Coverage Agreement **I. BRANDGUARD COVERAGE** of **SECTION I-COVERAGE AGREEMENTS**, "brand loss" will be calculated by taking into account the prior experience of "your" business preceding the date of the "adverse media report" or "notification", whichever applies, and the probable experience had no "adverse media report" been published or "notification" occurred. Income includes the amount of money paid or payable to "you" for goods, products or services sold, delivered or rendered in the normal course of "your" business. The income projection will be reduced by the extent to which "you" use substitute methods, facilities, or personnel to maintain its revenue stream. The Company will take into consideration "your" documentation of the trends in "your" business and variations in, or other circumstances affecting, "your" business before or after the adverse media report" or "notification", which would have affected "your" business had no "adverse media report" been published or "notification" occurred. Any fixed operating expenses (including ordinary payroll) incurred will be considered in calculating brand loss", but only to the extent that such operating expenses must continue during the "period of indemnity".

SECTION VIII – EXTENDED REPORTING PERIOD

A. AUTOMATIC EXTENDED REPORTING PERIOD

In the event of non-renewal or termination of this policy for any reason other than non-payment of premium, the Company will provide an Automatic Extended Reporting Period of sixty (60) days during which "claims" otherwise covered by this endorsement may be reported. Such Automatic Extended Reporting Period will commence immediately upon termination or expiration of this policy and will apply to:

- (1)** A "claim" under Coverage Agreements **A. MULTIMEDIA LIABILITY COVERAGE, B. SECURITY AND PRIVACY LIABILITY COVERAGE, C. PRIVACY REGULATORY DEFENSE AND PENALTIES COVERAGE** and **D. PCI DSS ASSESSMENT COVERAGE** of **SECTION I-COVERAGE AGREEMENTS** which:

- (a) Arises out of an actual or alleged "multimedia peril", "security and privacy wrongful act", "security breach" or "privacy breach", whichever applies, that takes place or first commences on or after the "retroactive date", but prior to the expiration or termination of the policy; and
 - (b) Is first made against an insured" during the "endorsement period", but prior to the policy termination or expiration date; and
 - (c) Is reported in writing to the Company during the Automatic Extended Reporting Period.
- (2) A "claim" under Coverage Agreements **E. PRIVACY BREACH RESPONSE COSTS, NOTIFICATION EXPENSES, AND BREACH SUPPORT AND CREDIT MONITORING EXPENSES COVERAGE, F. NETWORK ASSET PROTECTION COVERAGE, G. CYBER EXTORTION COVERAGE, H. CYBER TERRORISM COVERAGE and I. BRANDGUARD COVERAGE of SECTION I-COVERAGE AGREEMENTS** which:
- (a) Arises out of an "adverse media report", security breach", privacy breach", covered cause of loss", "cyber extortion threat" or "act of cyber terrorism", whichever applies, that takes place or first commences on or after the "retroactive date", but prior to the expiration or termination of the policy; and
 - (b) Is reported in writing to the Company during the Automatic Extended Reporting Period.

B. SUPPLEMENTAL EXTENDED REPORTING PERIOD

- (1) "You" shall have the option, upon payment of the required additional premium, to purchase a Supplemental Extended Reporting Period of 12 months, 24 months, or 36 months following the effective date of termination of coverage. The Supplemental Extended Reporting Period will extend the time during which "claims" otherwise covered by this endorsement may be made and reported. If the Supplemental Extended Reporting Period is purchased, the Automatic Extended Reporting Period will be included within the Supplemental Extended Reporting Period. Such Supplemental Extended Reporting Period will apply only to:
- (a) A "claim" under Coverage Agreements **A. MULTIMEDIA LIABILITY COVERAGE, B. SECURITY AND PRIVACY LIABILITY COVERAGE, C. PRIVACY REGULATORY DEFENSE AND PENALTIES COVERAGE and D. PCI DSS ASSESSMENT COVERAGE of SECTION I-COVERAGE AGREEMENTS** which:
 - (i) Arises out of an actual or alleged "multimedia peril", "security and privacy wrongful act", "security breach" or "privacy breach", whichever applies, that takes place or first commences on or after the "retroactive date", but prior to the expiration or termination of the policy; and
 - (ii) Is first made against an insured" during the Supplemental Extended Reporting Period; and
 - (iii) Is reported in writing to the Company no later than 60 days after the "claim" is first made against an "insured".
 - (b) A "claim" under Coverage Agreements **E. PRIVACY BREACH RESPONSE COSTS, NOTIFICATION EXPENSES, AND BREACH SUPPORT AND CREDIT MONITORING EXPENSES COVERAGE, F. NETWORK ASSET PROTECTION COVERAGE, G. CYBER EXTORTION COVERAGE, H. CYBER TERRORISM COVERAGE and I. BRANDGUARD COVERAGE of SECTION I-COVERAGE AGREEMENTS** which:
 - (i) Arises out of an "adverse media report", security breach", privacy breach", covered cause of loss", "cyber extortion threat" or "act of cyber terrorism", whichever applies, that takes place or first commences on or after the "retroactive date", but prior to the expiration or termination of the policy; and

- (ii) Is reported in writing to the Company during the Supplemental Extended Reporting Period, but no later than 60 days from the date any "insured" discovers the "adverse media report", security breach", privacy breach", covered cause of loss", "cyber extortion threat", "act of cyber terrorism" or "brand loss", whichever applies.
 - (2) The right to purchase the Supplemental Extended Reporting Period shall terminate unless written notice of such election, together with full payment of the required additional premium due, is received by us no later than sixty (60) days after the effective date of non-renewal or termination of the policy.
 - (3) The additional premium for the Supplemental Extended Reporting Period shall be a percentage of the rates for such coverage in effect on the later of the date the policy was issued or last renewed.
 - (4) If "you" do not elect to purchase a Supplemental Extended Reporting Period, then coverage under this endorsement will terminate at the end of the Automatic Extended Reporting Period. If "you" elect to purchase a Supplemental Extended Reporting Period, coverage will terminate at the end of the Supplemental Extended Reporting Period.
 - (5) Once in effect, the Supplemental Extended Reporting Period may not be canceled, and the entire premium will be deemed fully earned. We will not be liable to return any portion of the premium to "you" for such Supplemental Extended Reporting Period. If "you" have not paid the required additional premium for the Supplemental Extended Reporting Period when due, then such Supplemental Extended Reporting Period shall be void.
- C. All terms and conditions of this endorsement, including the limits of insurance, will continue to apply during any extended reporting period.
- D. The existence of any extended reporting period will not increase or reinstate the limits of insurance shown in the Schedule.

SECTION IX – OTHER INSURANCE

The coverage provided by this endorsement will be excess insurance over any other valid and collectible insurance available, including any self insured retention or deductible portion thereof, whether such insurance is stated to be primary, pro rata, contributory, excess, contingent or otherwise, unless such insurance specifically applies as excess insurance over the insurance provided under this endorsement.

SECTION X – ARBITRATION

Notwithstanding any other provision of this endorsement or the policy, any irreconcilable dispute between the Company and an insured" is to be resolved by arbitration in accordance with the then current rules of the American Arbitration Association, except that the arbitration panel shall consist of one arbitrator selected by the "insured", one arbitrator selected by the Company, and a third independent arbitrator selected by the first two arbitrators. Judgment upon the award may be entered in any court having jurisdiction. The arbitrator has the power to decide any dispute between the Company and the insured" concerning the application or interpretation of this endorsement. However, the arbitrator shall have no power to change or add to the provisions of this endorsement. The "insured" and the Company will share equally in the cost of arbitration.



Penn-America Group

CYBER LIABILITY RESOURCES NOTICE

Congratulations on safeguarding your business by purchasing our Cyber Liability coverage. Your purchase of this coverage also includes access to our comprehensive resource website Penn-America Group's NAS CyberNET which helps you and your organization prevent or mitigate the risk and impact of a cyber security breach. The site includes, but is not limited to:

- Cyber Training Courses
- Sample Policies, Procedures and Vendor Agreements
- Step-by-Step Guidance on Implementing an Incident Response Plan
- Data Security Best Practices
- Risk Assessments & Fitness Checklist
- State & Federal Regulations
- Industry Specific Data Protection

To access, please go to <https://penn.nascybernet.com> and login with the following username and password:

Username: marketing@penn-america.com

Password: Cyber123



COMBINED PROVISIONS ENDORSEMENT

This endorsement modifies insurance provided under the following:

**Commercial General Liability Coverage Part ▪ Commercial Professional Liability Coverage Part
Liquor Liability Coverage Form**

In consideration of the premium charged it is agreed that the following special provisions apply to this policy.

PUNITIVE DAMAGES EXCLUSION

It is part of the conditions of this policy that the Company shall not be liable for any damages awarded against an insured as punitive or exemplary damages.

ASBESTOS EXCLUSION

In consideration of the premium charged, it is hereby understood and agreed that this policy will not provide coverage, meaning indemnification or defense costs arising out of:

- (A) Asbestos or any asbestos related bodily injury or property damage; or
- (B) Any alleged act, error, omission or duty involving asbestos, its use, exposure, presence, existence, detection, removal, elimination, transportation, disposal or avoidance; or
- (C) The use, exposure, presence, existence, detection, removal, elimination or avoidance of asbestos in any environment, building or structure.

EARTH MOVEMENT EXCLUSION

In consideration of the premium charged, it is understood and agreed that this policy specifically excludes and does not extend to or provide coverage or indemnity for any claim of liability for bodily injury or property damage caused by, resulting from, attributable or contributed to, or aggravated by the subsidence or movement of land as a result of earthquake, landslide, mudflow, earth sinking or shifting, resulting from, aggravated by or contributed to by operations of the named insured or any subcontractor of the named insured.



LIMITATION - DESIGNATED PRODUCTS

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

SCHEDULE

DESIGNATED PRODUCT(S):

P-FLECTOR - PLASTIC SHIELDING DEVICE

This insurance applies only to "bodily injury" or "property damage" included in the "products-completed operations hazard" arising out of any of "your products" shown in the above Schedule.