

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**INSURANCE AGENTS AND BROKERS NETWORK SECURITY AND PRIVACY  
LIABILITY ENDORSEMENT**

**DECLARATIONS**

<b>INSURING AGREEMENTS:</b>	<b>LIMIT OF LIABILITY</b>
A. Network Security and Privacy Liability Coverage	\$ Annual Aggregate
B. Data Incident Response Expense Coverage	\$ Annual Aggregate
<b>Annual Aggregate Limit of Liability for this Endorsement:</b>	<b>\$</b>
<b>DEDUCTIBLE:</b>	
Each Event Deductible:	\$1,000
<b>RETROACTIVE DATE:</b>	

The Annual Aggregate Limit of Liability for this Endorsement is in addition to the Each Claim and Aggregate Limits of Liability shown on the Policy Declarations. This Endorsement is subject to all other applicable terms of this Policy unless stated herein.

**I. INSURING AGREEMENTS:**

**A. NETWORK SECURITY AND PRIVACY LIABILITY**

We will pay on behalf of an **Insured**, **Damages** and **Claim Expenses**, in excess of the deductible, that an **Insured** becomes legally obligated to pay, because of a **Claim** that is:

- a. first made against an **Insured** during the **Policy Period**;
- b. for a **Network Security Breach** or **Privacy Violation** occurring on or after the **Retroactive Date** and prior to the end of the **Policy Period**; and
- c. reported to **Us** pursuant to the terms of this Endorsement.

**B. DATA INCIDENT RESPONSE EXPENSE**

We will pay **Data Incident Response Expense**, in excess of the deductible incurred by the **Insured**, directly resulting from a **Network Security Breach** or **Privacy Violation**:

- a. occurring on or after the **Retroactive Date**;
- b. discovered during the **Policy Period**; and
- c. reported to **Us** pursuant to the terms of this Endorsement.

**II. LIMITS OF LIABILITY AND DEDUCTIBLE**

**A. LIMITS OF LIABILITY**

- a. **Our** maximum liability in the aggregate under each Insuring Agreement of this Endorsement shall not exceed the applicable Limit of Liability specified in the

Declarations of this Endorsement. **We** shall not be obligated to pay any **Data Incident Response Expense** or continue to defend any **Claim** after the applicable Limit of Liability has been tendered into court or exhausted by the payment of **Damages**.

- b. **Claim Expenses** shall be part of, and not in addition to, each applicable Limit of Liability in Insuring Agreements A and B. Payment of **Claim Expenses, Damages, or Data Incident Response Expenses** by **Us** shall reduce each applicable Limit of Liability.
- c. The Annual Aggregate Limit of Liability for all Insuring Agreements combined under this Endorsement shall not exceed the Annual Aggregate Limit of Liability specified in the Declarations of this Endorsement.
- d. The Annual Aggregate Limit of Liability specified in the Declarations of this Endorsement is the most **We** will pay under this Endorsement, regardless of the number of **Insureds, Claims, Wrongful Acts**, individuals or entities making **Claims, Network Security Breaches, or Privacy Violations**.
- e. The Annual Aggregate Limit of Liability for this Endorsement, specified in the Declarations of this Endorsement, shall be in addition to and not shared with the Aggregate Limits of Insurance shown in the Declarations of the Policy to which this Endorsement is attached.
- f. **We** shall not be obligated to pay any **Damages** or continue to defend any **Claim** after the Annual Aggregate Limit of Liability for this Endorsement, specified in the Declarations of this Endorsement, has been tendered into court or exhausted by payment of **Damages**.

#### **B. DEDUCTIBLE**

- a. As a condition precedent to **Our** liability under this Endorsement, the applicable deductible specified as the Each Event Deductible in this Endorsement will be paid by the **Insured**, and be applicable to each **Network Security Breach, each Privacy Violation, or Data Incident Response Expenses** under Insuring Agreements A and B.
- b. In the event more than one Insuring Agreement is triggered by a **Network Security Breach, Privacy Violation or Claim**, the Each Event Deductible specified in this Endorsement will apply.
- c. The total deductible for all **Claims, Network Security Breaches, Privacy Violations, or series of Claims, Network Security Breaches, or Privacy Violations** that have a common nexus of facts, circumstances, situations, events, transactions, causes or series of causally connected facts, circumstances, situations, events, transactions or causes, will not exceed the Each Event Deductible specified in this Endorsement.
- d. The deductible will be applied first to **Claim Expenses and Data Incident Response Expense** with any remainder applied to **Damages**. The **Named Insured** will pay the deductible within thirty (30) days of demand by **Us**.

#### **C. RELATED CLAIMS**

With regard to Insuring Agreement A, all related **Claims** will be considered to be a single **Claim**, regardless of the number of **Insureds** involved or the number of people or entities

making **Claims**. Such **Claim** will be deemed to have been first made on the date the earliest of the related **Claims** was first made and will be deemed to have been first reported to **Us** on the date the earliest of the related **Claims** was first reported to **Us**. If the earliest of the related **Claims** was made prior to the **Policy Period**, no coverage shall apply to the subsequent **Claims** made during the **Policy Period**. Appeals and any post-trial proceedings will be considered part of the original **Claim**. **Claims** will be deemed related if they are logically or causally connected by any common fact, circumstance, situation, event, transaction or a series of facts, circumstances, situations, events, or transactions.

#### D. MULTIPLE POLICIES

If this policy and any other policy issued by **Us** including any extended claims reporting period coverage afforded by such policy or policies, provides coverage to the same **Network Security Breach** or **Privacy Violation** or **Claim**, the maximum limit of liability available shall be the greater of the limit available under this Endorsement or any other policy issued by **Us**.

### III. DEFINITIONS

A. Solely with respect to the coverage provided under this Endorsement, Section VI. **DEFINITIONS A. Claim** is deleted and replaced by the following:

**Claim** means any:

1. written demand or notice for civil monetary damages or other civil non-monetary relief commenced by the **Insured's** receipt of such demand or notice;
2. civil proceeding, including but not limited to any arbitration proceeding or other alternative dispute resolution (ADR) proceeding, commenced by the service upon the **Insured** of a complaint, demand for arbitration, or similar pleading;
3. written request to an **Insured** to toll or waive the statute of limitations regarding a potential **Claim** as described in 1. and 2. above commenced by the **Insured's** receipt of such request; or
4. a **Regulatory Action**.

B. Solely with respect to the coverage provided under this Endorsement, the following definitions are added:

A. **Cyberterrorism** means the premeditated use of disruptive activities against any **Computer System** by an individual or group of individuals, or the explicit threat by an individual or group of individuals to use such activities, with the intention to cause harm, further social, ideological, religious, political or similar objectives, or to intimidate any person(s) in furtherance of such objectives. **Cyberterrorism** does not include any such activities which are part of or in support of any military action, war or warlike operation.

B. **Regulatory Action** means a civil administrative or regulatory proceeding commenced by service of a complaint or pleading, civil investigative demand or civil request for information brought or made by a governmental agency or authority that alleges a Privacy Violation. A **Regulatory Action** will not mean or include any criminal demands, requests or proceedings.

### IV. POLICY PROVISIONS

Solely with respect to the coverage provided under this Endorsement, the following policy provisions of the policy will not apply:

- A. Section I. Paragraph B. **DEFENSE, INVESTIGATION, AND SETTLEMENT**
- B. Section III. **EXCLUSIONS C.**
- C. Section III. **EXCLUSIONS Y.**
- D. Section V. **AUTOMATIC AND SUPPLEMENTAL EXTENDED REPORTING PERIODS**

V. **CONDITIONS**

Solely with respect to the coverage provided under this Endorsement, Section IV. **CONDITIONS** of the policy is amended as follows:

- A. **ASSISTANCE AND COOPERATION OF THE INSURED** is deleted and replaced by the following:

All **Insureds** will cooperate with **Us**, including providing all information requested by **Us** regarding any **Network Security Breach** or **Privacy Violation**, and cooperating fully with **Us**. Upon **Our** request, all **Insureds** will submit to examination by **Our** representative, under oath if required.

- B. **REPORTING OF POTENTIAL AND ACTUAL CLAIMS** is deleted and replaced by

1. **REPORTING OF ACTUAL CLAIMS**

- a. Regarding Insuring Agreement A. Network Security and Privacy Liability Coverage, **You** must give **Us** notice of any **Claim** as soon as practicable, but, in no event, later than sixty (60) days after the end of the **Policy Period**.
- b. Regarding Insuring Agreement B. Data Incident Response Expense Coverage, **You** must give **Us** written notice of any **Network Security Breach** or **Privacy Violation** as soon as practicable after it is discovered, but, in no event, later than sixty (60) days after the end of the **Policy Period**.
- c. Regarding both Insuring Agreement A. and B., if written notice of a **Network Security Breach** or **Privacy Violation** has been given to **Us** pursuant to b. above, then any subsequent related event arising out of, based upon or attributable to such **Network Security Breach** or **Privacy Violation** for which notice has been given, shall be considered made at the time such notice was given.

**REPORTING OF POTENTIAL CLAIMS**

2. Regarding Insuring Agreement A. Network Security and Privacy Liability Coverage if, during the **Policy Period**, **You** first become aware of any facts, circumstances, situations, transactions, events, or **Wrongful Acts** which might reasonably be expected to give rise to a **Claim** covered under this endorsement, and **You** provide **Us** with written notice that includes all of the following during the **Policy Period**:
- a. the details regarding such facts, circumstances, situations, transactions, events, or **Wrongful Acts** including the reason for anticipating such **Claim**;
  - b. the nature and date of the alleged or potential damages;

- c. the identity of the potential claimant(s) and **Insured(s)** and all other potentially involved persons or entities;
- d. the manner in which an **Insured** first became aware of the facts, circumstances, situations, transactions, events, or **Wrongful Acts**; and

then any **Claim** subsequently arising from such reported facts, circumstances, situations, transactions, events, or **Wrongful Acts** will be deemed to be a **Claim** first made on the date such notice was received by **Us**.

## VI. EXCLUSIONS

Section III. **EXCLUSIONS** of the policy will apply to all coverage provided under this Endorsement and for purposes of this Endorsement only, coverage does not apply to any **Claim** or **Data Incident Response Expense** based upon or arising out of, in whole or in part:

- A. any demand, suit or proceeding pending or order, decree or judgment made or initiated against the **Insured** on or prior to the inception date of this policy or any **Network Security Breach** or **Privacy Violation** specified in such prior demand, suit or proceeding which has a common nexus, fact, circumstance, situation, event, transaction, cause or series of causally connected facts, circumstances, situations, events, transactions or causes underlying or alleged therein;
- B. any fact, circumstance or situation that, before the inception date of this policy, was the subject of any notice given under any policy of which this policy is a renewal or replacement;
- C. any actual or alleged unauthorized or illegal collection or intentional sharing of **Personal Information**, including but not limited to the collection of **Personal Information** using cookies, spyware, or other malicious code, or the failure to provide adequate notice that **Personal Information** is being collected or shared;
- D. any actual or alleged misappropriation, theft, plagiarism, infringement or violation of any patent, copyright, trademark, trade secret, trade dress, trade name, service mark, service name, title or slogan; however this exclusion will not apply to a **Network Security Breach**;
- E. any unsolicited electronic faxes, emails, telephone calls or unsolicited communications, including without limitation, **Claims** arising out of unsolicited electronic messages, chat room postings, bulletin board postings, newsgroup postings, "pop-up" or "pop-under" Internet advertising or fax-blasting, direct mailing or telemarketing, or **Claims** involving actual or alleged violations of: (i) the Telephone Consumer Protection Act (TCPA); (ii) the Controlling the Assault of Non-Solicited Pornography and Marketing Act (CAN-SPAM Act of 2003); (iii) the Drivers Privacy Protection Act, (iv) the Fair Credit Reporting Act (FCRA), (v) the Fair and Accurate Credit Transaction Act (FACTA of 2003); or (vi) any other foreign, federal, state or local statute, regulation or ordinance that addresses, limits or prohibits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information; however this exclusion will not apply to a **Network Security Breach**;
- F. any actual or alleged wrongful employment practice, including, without limitation, any discrimination, harassment, hostile work environment, wrongful dismissal, discharge or termination, retaliation, wrongful disciplinary action, deprivation of career opportunity, failure to employ or promote, inadequate work place policies or procedures, the Fair Labor Standard Act or negligent evaluation of employees,

- G. any actual or alleged discrimination, humiliation or harassment in any form or manner, including, but not limited to, race, creed, color, religion, ethnic background, national origin, age, handicap, disability, gender, sex, sexual orientation or preference, pregnancy, marital status, retaliation, or any other protected class under any federal, state, local or other law;
- H. any actual or alleged:
  - a. price fixing, restraint of trade, monopolization, including violations of the Sherman Anti-Trust Act, the Clayton Act, or any similar provision of any federal, state, or local statutory law or common law anywhere in the world;
  - b. unfair trade practices or violation of consumer protection laws; provided, however that this exclusion does not apply to any **Privacy Violation**;
- I. any war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war is declared or not), strike, lockout, riot, civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, however, this exclusion will not apply to **Cyberterrorism**;
- J. any **Insured's** service at any time as a director, officer, trustee, regent, governor, independent contractor or equivalent executive, or as an employee, of any entity other than an **Insured** even if such service is with the knowledge and consent, or at the request, of an **Insured**;
- K. any inaccurate, inadequate or incomplete description of the price of goods, products or services, the authenticity of any goods, products or services, or the failure of any goods or services to conform with any represented quality or performance;

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: