



C Y B E R A S S I S T

Cyber and Data Security Insurance Policy
designed with small businesses in mind



As part of your policy with us, your company now has access to the **eRiskHub**[®], powered by NetDiligence[®].

The eRiskHub is a private web-based portal containing information and technical resources that can assist you in the prevention of network, cyber and privacy losses and support you in the timely reporting and recovery of losses if an incident occurs.

The eRiskHub portal is an internet-based service that features news, content and services from leading practitioners in risk management, computer forensics, forensic accounting, crisis communications, legal counsel, and other highly-specialized segments of cyber risk.

Please note the following:

1. The eRiskHub portal is a private site for **OUR** customers. Do not share portal access instructions with anyone outside your organisation. You are responsible for maintaining the confidentiality of the **Access Code** provided to you.
2. **Up to three individuals** from your organisation may register and use the portal. Ideal candidates include your company's Risk Manager, Compliance Manager, Privacy Officer, IT Operations Manager or Legal Counsel.
3. This portal contains a directory of experienced providers of cyber risk management. We do not endorse these companies or their respective services. Before you engage any of these companies, we urge you to conduct your own due diligence to ensure the companies and their services meet your needs. Unless otherwise indicated or approved, payment for services provided by these companies is your responsibility.
4. Should you experience a cyber incident, you should call one of the Cyber Incident Managers listed in the portal for immediate triage assistance. Please be aware that the Cyber Incident Manager service is provided by a third-party law firm. Contacting a Cyber Incident Manager will satisfy the claim notification requirements of your policy.



NetDiligence[®] is a leading cyber security and e-risk assessment services company.
For more information, visit www.NetDiligence.com.

CONTENTS

SECTION 1A: INSURING AGREEMENTS	2
SECTION 1B: COSTS.....	3
SECTION 2: EXCLUSIONS.....	4
SECTION 3: NOTIFICATION AND CLAIMS	8
SECTION 4: GENERAL CONDITIONS	9
SECTION 5: COMPLAINTS RESOLUTION PROCESS & CONSUMER RIGHTS AND RESPONSIBILITIES	13
SECTION 6: PRIVACY	16
SECTION 7: DEFINITIONS	17

THIS IS A CLAIMS MADE INSURANCE CONTRACT WITH DEFENCE COSTS INCLUDED IN THE LIMIT OF INDEMNITY.

SECTION 1A: INSURING AGREEMENTS

Subject to the provisions of the **policy**, including any applicable **retention** or **waiting period** and any applicable **limit of indemnity/sub-limit**, **WE** will:

- | | | |
|-----------------------------|-----|--|
| CYBER RISK LIABILITY | 1.1 | indemnify the insured for any claim and defence costs first made against the insured during the policy period which arises out of any actual or alleged cyber risk of which the insured first becomes aware during the policy period . |
| ONLINE MEDIA LIABILITY | 1.2 | indemnify the insured for any media claim and defence costs first made against the insured during the policy period of which the insured first becomes aware during the policy period . |
| CYBER BUSINESS INTERRUPTION | 1.3 | indemnify the insured for loss of business income incurred by the insured during the period of reinstatement directly as a result of a failure by the insured or the service provider to protect against a breach of network security .

WE will not provide an indemnity for any losses incurred during the waiting period commencing when the total or partial interruption, material degradation in service, or failure of computer systems began.
OUR liability will not exceed the lesser of:
(i) the amount of business income the insured would have earned during the period of reinstatement but for the total or partial interruption, material degradation in service, or failure of computer systems ; or
(ii) the limit of indemnity . |
| DATA RESTORATION | 1.4 | indemnify the insured for costs and expenses:

incurred in repairing, replacing or restoring electronic data discovered by the insured to be lost, damaged or destroyed when:

(i) the loss, damage or destruction was a result of a breach of network security ; and
(ii) the discovery of such loss, damage or destruction occurred during the policy period .

Such indemnity shall be limited to the costs and expenses of whatsoever nature incurred by the insured with OUR prior written consent in relation to the replacement and/or restoration of such electronic data. Any claim for such costs and expenses shall be supported by invoices. |
| CYBER EXTORTION | 1.5 | indemnify the insured to the extent insurable by law for cyber extortion expenses arising from a cyber extortion threat during the policy period when:

(i) the insured can demonstrate to OUR satisfaction that the insured has taken all reasonable efforts to determine that the cyber extortion threat is genuine and not a hoax;
(ii) if a ransom is demanded by a hacker , at least one insured's director has agreed to the payment of the ransom ; and
(iii) WE have provided prior written consent to the payment of the ransom . |
| CYBER CRIME | 1.6 | indemnify you for any theft of your money or property of which you first become aware during the policy period directly caused by a breach of network security. |

SECTION 1B: COSTS

Subject to the provisions of the policy including any applicable retention or waiting period, any applicable limit of indemnity/sub-limit and OUR prior written consent, WE will:

DATA BREACH LEGAL COSTS	1.7	<p>pay on behalf of the insured for an actual or suspected cyber risk of which the insured first becomes aware during the policy period:</p> <ul style="list-style-type: none"> (i) legal expenses incurred by a panel adviser to assess whether the insured is in breach of data protection law; and (ii) data breach notification costs.
FORENSIC COSTS	1.8	<p>pay forensic costs incurred by a panel adviser as a result of a cyber risk or a cyber extortion threat of which the insured first becomes aware during the policy period to:</p> <ul style="list-style-type: none"> (i) establish the cause and extent of the cyber risk or cyber extortion threat; (ii) assess the insured's network security and recommend security improvement; and (iii) temporarily store the insured's electronic data at a third-party host location when the insured's computer systems remain vulnerable to damage, destruction, alteration, corruption, copying, stealing or misuse.
PUBLIC RELATIONS COSTS	1.9	<p>pay reasonable costs the insured incurs for a panel adviser to avert or mitigate any significant damage to any of the insured's brands and business operations resulting from a cyber risk of which the insured first becomes aware during the policy period.</p>
CREDIT MONITORING OR IDENTITY THEFT COSTS	1.10	<p>Pay the costs of offering credit monitoring or identity theft services the insured incurs for a maximum period of twelve (12) months to those affected by a breach of privacy of which the insured first becomes aware during the policy period.</p>
REGULATORY DEFENCE AND PENALTY COSTS	1.11	<p>to the extent insurable by law pay on behalf of the insured those amounts which the insured is legally obliged to pay as a result of a breach of data protection law directly arising from a breach of privacy of which the insured first becomes aware during the policy period for any legal and investigation costs, as a result of a civil regulatory action, regulatory compensatory award, civil penalty or fines imposed by a data protection regulator against the insured.</p>

SECTION 2: EXCLUSIONS

We shall have no liability to make payments under this **policy** directly or indirectly attributable to any:

BETTERMENT	2.1	costs in repairing, replacing or restoring the insured's computer system to a level beyond that which existed prior to any claim or loss.
BODILY INJURY OR PROPERTY DAMAGE	2.2	<ul style="list-style-type: none"> (i) bodily injury unless arising from any claim seeking compensatory damages for mental anguish or distress where such damages arise from claims covered under this policy; (ii) physical loss, destruction or damage of tangible property (including the loss of use).
BREACH OF LEGISLATION/ANTI-TRUST	2.3	<p>breach of taxation, competition, restraint of trade, anti-trust or unsolicited communications legislation or regulation including but not limited to:</p> <ul style="list-style-type: none"> (i) the Employment Retirement Income Security Act 1974 and any amendment thereto, or any rules or regulations promulgated thereunder, any similar Act, or any similar common law; (ii) any actual or alleged violations of the Racketeer Influenced and Corrupt Organisation Act 18 USC Sections 1961 et seq and any amendments thereto, or any rules or regulations promulgated thereunder, or any similar Act, or any similar common law; (iii) any actual or alleged violation of the provisions of the Securities Act of 1933, the Securities Exchange Act 1934 or any similar Act or any similar common law; (iv) Canada's Anti-Spam Legislation (CASL), the CAN-SPAM Act of 2003 or any subsequent amendments to such legislation, the Telephone Consumer Protection Act 1991, or any similar Act, or any similar common law; (v) any other law, regulation or statute relating to unsolicited communications, distributions, sending or transmitting of any communication via telephone or any other electronic or telecommunications device.
CLAIM BY AN INSURED	2.4	<p>claim brought directly or indirectly by or on behalf of:</p> <ul style="list-style-type: none"> (i) any insured or the insured's parent or subsidiary (as defined in the Companies Act 2006); or (ii) any entity in which the insured or the insured's partner or member has an executive interest or responsibility or has a shareholding or other financial interest representing more than 15% of the issued share capital <p>provided that this exclusion shall not apply to such claims by employees for breach of privacy.</p>
CONDUCT	2.5	dishonest, fraudulent, deliberate or reckless act or omission of the insured . This exclusion shall not apply in respect of wilful misconduct of an employee .
CONTRACTUAL LIABILITY	2.6	liability arising under a contract except to the extent that such liability would have attached in the absence of such contract.

EXISTING CLAIMS OR CIRCUMSTANCES	2.7	<p>occurrence:</p> <ul style="list-style-type: none"> (i) prior to the retroactive date; or (ii) notified to any other insurer(s) covering the same subject matter as this insurance for a preceding policy period. (iii) known to the insured prior to inception of this policy that may reasonably have been expected to result in a loss under this policy.
FALSE ADVERTISING	2.8	False or misleading advertising or deceptive trade practices arising from media content .
FINES AND PENALTIES	2.9	<ul style="list-style-type: none"> (i) fines, penalties, liquidated damages or contractual penalties other than those that are covered under Regulatory Defence and Penalty Costs or PCI DSS costs; or (ii) punitive, multiple or exemplary damages awarded by a court or tribunal or reflected in a settlement.
GAMING, GAMBLING OR LOTTERIES	2.10	use or provision of any gaming, gambling or lottery except when such services are identified as business services .
GOVERNMENT INTERVENTION	2.11	confiscation, commandeering, requisition, destruction of or damage to a computer system or personally identifiable information by a government or public authority.
INACCURATE PRICING	2.12	inaccurate, inadequate or incomplete description or pricing of goods, products or services.
INSOLVENCY OF THE INSURED	2.13	insolvency event .
LIABILITY ARISING OUT OF EMPLOYMENT	2.14	violation relating to any individual's actual or prospective employment by the insured . This exclusion will not apply to the extent that the insured would be liable to such employees other than in their capacity as employees or a breach of privacy or breach of data protection law directly affecting employees .
MANAGEMENT LIABILITY	2.15	<p>personal liability incurred by an insured in the role of the director or officer when:</p> <ul style="list-style-type: none"> (i) acting in that capacity; or (ii) in breach of their fiduciary duty, or (iii) making or issuing any statement, representation or information concerning the insured and the business services contained in any accounts, reports or financial statements.
NATURAL PERILS	2.16	physical cause or natural peril, including but not limited to fire, storm, wind, water, flood, subsidence, or earthquake, that results in physical damage to property including to computer systems .
NUCLEAR RISK AND IONISING RADIATION	2.17	<ul style="list-style-type: none"> (i) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or (ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
PATENTS/TRADE SECRETS	2.18	the infringement of any patent or unauthorised use of trade secrets.

PENSIONS	2.19	insured acting as a trustee, fiduciary or administrator of the insured's own pension, profit sharing or employee benefits programme, including any actual or alleged breach or violation of any Federal or provincial pension standards law, the Employee Retirement Income Security Act of 1974, or any successor, amending or subordinate legislation of either, or any similar or equivalent law or regulation in any other jurisdiction.
POLLUTION, ASBESTOS OR ELECTROMAGNETIC FIELDS	2.20	<p>claim:</p> <ul style="list-style-type: none"> (i) for bodily injury, sickness, disease, death or physical loss, destruction or damage of tangible property (including the loss of use) directly or indirectly caused by pollution; (ii) for removing nullifying or cleaning-up seeping, polluting or contaminating substances; (iii) directly or indirectly arising out of, resulting from, in consequence of or in any way involving asbestos or any materials containing asbestos in whatever form or quantity; (iv) directly or indirectly arising out of electromagnetic fields, electromagnetic radiation or electromagnetism.
PRODUCTS LIABILITY	2.21	goods or products (being tangible property or merchandise) sold, supplied, repaired, altered, treated, manufactured, installed or maintained by the insured or on behalf of the insured .
RETURN OF FEES OR COMMISSIONS	2.22	return, restitution or offset of fees, commissions, expenses or costs either by service level credits or by any other means.
SANCTION LIMITATION	2.23	claim or any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose US or any member of OUR group of companies to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any country.
THEFT	2.24	claim or loss sustained by the insured or a third party by the transfer of money or securities (or equivalent thereof).
TRADING LOSS AND LIABILITIES	2.25	<ul style="list-style-type: none"> (i) of the insured's lost profit, mark-up or tax liability or its equivalent; or (ii) of the insured's trading loss or trading liability including those arising from the loss of any client, account or business <p>other than covered under Section 1.3 Cyber Business Interruption.</p>
UNLICENSED SOFTWARE	2.26	use by the insured of software in breach of any intellectual property rights of another party, beyond the terms permitted by a licence granted to the insured , or in breach of applicable legislation or regulation.
UNSUPPORTED SOFTWARE	2.27	claim caused by a cyber risk to software which is no longer supported by the producer of the software and where security updates are no longer being provided.
UTILITY SERVICE PROVIDER	2.28	failure of an internet, telecommunications or electricity provider or other utility provider, except when such services are your business services .
WAR & TERRORISM	2.29	bodily injury , damage, claim , loss, liability, expenses, costs or defence costs of whatsoever nature caused by war (whether declared or not) or terrorism . Any unlawful act of a third party resulting in a breach of network security shall not be regarded as

an act of terrorism.

SECTION 3: NOTIFICATION AND CLAIMS

NOTIFICATION OF A CLAIM	3.1	<p>It is a condition precedent to all of the obligation and/or liability of US under this policy that notice shall be given to US after discovery by the insured of any claim or circumstance or occurrence which may give rise to a claim under this policy as soon as practicable within the policy period or, if applicable, the extended reporting period. Such notice shall be given in writing to the notification address specified in the schedule. Where applicable, the insured shall be entitled to Emergency Costs prior to notification having been made.</p> <p>In addition, immediately upon discovery of an actual or alleged cyber risk, the insured should contact the Breach Coach 24-hour hotline using the details set out in the schedule.</p>
INSURED'S DUTIES	3.2	<p>The insured must before and after any notification under this policy:</p> <ul style="list-style-type: none"> (i) not admit responsibility, liability, make an offer or promise, nor offer payment or indemnity without the written consent of US; (ii) not incur any expense without the written consent of US except at the insured's own cost, unless expressly provided to the contrary; (iii) give all such information, co-operation and assistance, and forward all documents and information as requested to enable US to investigate, settle or resist any claim, as WE may reasonably require; (iv) not destroy evidence or supporting information or documents without OUR prior written consent; nor destroy property relating to an occurrence, loss or suit that may give rise to a claim under this policy.
DUTY TO DEFEND	3.3	<p>It shall be your duty to defend any claim. We shall have the right and be given the opportunity to participate with you in the defence and settlement of any claim that appears likely to involve us.</p>
CLAIMING UNDER MORE THAN ONE SECTION	3.4	<p>If it is possible for the insured to bring a claim under more than one section then the insured may elect to submit a claim against Section 1A and 1B: Insuring Agreements and Costs respectively which offers the maximum amount of payment subject to any applicable sub-limit.</p>
INTERRELATED CLAIMS	3.5	<p>Two or more claims under this policy arising from the same originating cause shall be deemed to constitute a single claim notwithstanding that they might involve different claimants, insureds and causes of action. Only one retention and any applicable limit of indemnity/sub-limit shall apply to that single claim. All such claims shall be deemed to have been first made when the first of them was notified to US.</p>
FRAUDULENT CLAIMS	3.6	<p>If the insured or anyone acting on its behalf makes a fraudulent claim under this policy, WE:</p> <ul style="list-style-type: none"> (i) are not liable to pay the claim; (ii) may recover any part of the claim already paid from the relevant insured; and (iii) may by notice to the insured treat this policy as having been terminated with effect from the time of the first fraudulent act, in which case WE are not liable to that insured in respect of a relevant event occurring after that time and may retain any premium. <p>These remedies shall not be available against any other entity which is an insured under this policy that was not implicated in the fraud</p>

SECTION 4: GENERAL CONDITIONS

ACQUISITIONS AND CREATIONS

4.1

- (i) Where the **insured** creates or acquires during the **policy period** a company or companies, and the declared turnover relating to all such created or acquired companies does not exceed ten percent (10%) of the declared turnover of the companies covered under this **policy** at inception (less the turnover for any company which ceases to be an **insured**, by reason of sale or otherwise, during the **policy period**), then this **policy** shall include as an **insured** any such company from the date of creation or acquisition without additional premium provided that:
- a. the **business services** carried out by such company are similar to that of the **insured**; and
 - b. any acquired company did not pay or reserve any **claims** in the five years prior to acquisition of a kind which would fall within the scope of cover comparable to that provided by this **policy** and the total paid or reserved amount was greater than the **retention** under this **policy**;
 - c. the **retroactive date** applicable to the **business services** of the acquired company is deemed to be the date of the acquisition;
 - d. the **insured**:
 - (1) controls the composition of the board of directors; or
 - (2) controls more than half the voting power at a general meeting of shareholders; or
 - (3) holds more than half of the issued share capital (regardless of class of share); and
 - e. such company is not, and does not own or control, an incorporated entity in the USA.
- (ii) Where the **insured** creates or acquires a company subsequent to inception of this **policy** and the turnover relating to all such created or acquired company exceeds ten percent (10%) of the declared turnover of the companies covered under this **policy** at inception (less the declared turnover for any company which ceases to be an **insured** by reason of sale or otherwise, during the **policy period**), then this **policy** shall include as an **insured** any such company from the date of creation or acquisition provided that:
- a. the terms applicable to acquisitions and creations in paragraphs 4.1(i) above also apply to such companies;
 - b. the **insured** notifies **US** as soon as is reasonably practicable of the creation or acquisition;
 - c. the **insured** accepts the revised premium and terms applying to each and every such creation or acquisition; and
 - d. all insurance in respect of such creation or acquisition will terminate thirty (30) days following creation or acquisition if terms cannot be agreed between the **insured** and **US**.

ASSIGNMENT	4.2	WE shall not be bound by any assignment of interest under this policy unless WE have given OUR prior written consent.
CANCELLATION	4.3	<p>This policy may be cancelled as follows:</p> <p>(i) By you by giving written notice:</p> <p>a) within fourteen (14) days from the inception date of the policy to your broker or to us quoting your policy number, provided no claims are known or reported. You have the right to cancel the policy free of charge and to receive a full refund of premium under this policy. If we pay any claim, in whole or in part, then no refund of premium will be allowed; or</p> <p>b) after fourteen (14) days from the inception date of the policy to your broker or to us quoting your policy number. We may refund any unearned premium calculated pro-rata to the annual premium except in the event of a loss having been discovered prior to the date of cancellation in which case no refund of premium shall be due; or</p> <p>(ii) By us giving you ten (10) days' written notice to your address in the schedule if you do not pay any premium or premium instalment (including any applicable taxes/levies payable in addition to the premium) to us or our broker on or before the relevant payment date in the schedule. This will have the effect of cancelling all cover from the inception of the policy. However, if we or the broker received the full payment due before ten (10) days have elapsed, the policy will continue in force.</p>
CONFIDENTIALITY	4.4	<p>WE shall treat as confidential all information provided to it by the insured in connection with this policy and will not, without the insured's prior consent, disclose any such information to any third party but WE shall, without the insured's consent, be entitled to disclose any confidential information to:</p> <ul style="list-style-type: none"> (i) any director, officer, employee, agent, reinsurer or adviser of OURs or its group companies in connection with this policy; (ii) any person in order to comply with any legal or regulatory requirement; and (iii) as required by any court, mediator or arbitrator. <p>WE will not be required to treat as confidential any information provided to it by an insured if that information:</p> <ul style="list-style-type: none"> (i) is in the public domain, other than by means of WE having disclosed it; or (ii) was in OUR possession prior to it being provided by the insured. <p>The insured will not disclose the terms, conditions, exclusions, or the limit of indemnity of this policy or the amount of the premium paid to any third party except to the extent that they are required to do so by law, or WE consent in writing to such disclosure.</p>
CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999	4.5	A person who is not a party to this contract has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this contract but this does not affect any right or remedy of a third party which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

DISPUTED DEFENCE OR APPEAL	4.6	Any dispute between the insured and US as to whether a claim should be defended or an appeal made will be referred to a Queen's Counsel (or solicitor with at least 20 years' experience in the field of insurance law) to be mutually agreed between the parties (or in default of agreement to be nominated by the President of the Law Society) whose decision will be final. In the event of conflict between any parties insured under this policy separate representation will be arranged for each party.
DUTY OF FAIR PRESENTATION	4.7	You must make a fair presentation of the risk (as set out in the Insurance Act 2015 or successor or amending legislation) in proposing for, or proposing to vary, this policy .
GOVERNING LAW AND ARBITRATION	4.8	<p>This policy shall be governed by and construed in accordance with the laws of England and Wales.</p> <p>All matters in difference between the parties arising under, out of or in connection with this policy, including formation and validity, and whether arising during or after the policy period, shall be referred to an arbitration tribunal. The seat and place of arbitration shall be London. The arbitration shall be conducted in accordance with the latest UK ARIAS Rules published at the time that arbitration is commenced.</p> <p>Unless the parties agree to appoint a sole arbitrator within fourteen (14) days of one receiving a written request from the other for arbitration, the claimant shall appoint his arbitrator and give written notice to the respondent. Within fourteen (14) days of receiving such notice the respondent shall appoint his arbitrator and give written notice to the claimant.</p> <p>If the respondent refuses to, or fails to, appoint an arbitrator within fourteen (14) days of receiving written notice of the appointment of the claimant's arbitrator, the claimant may give notice in writing to the respondent that he proposes to appoint his arbitrator to act as the sole arbitrator. If the respondent does not within seven (7) clear days of that notice being given make the required appointment and notify the claimant that he has done so, the claimant may appoint his arbitrator as sole arbitrator whose award shall be binding on both parties as if he had been so appointed by agreement.</p> <p>Where two arbitrators have been appointed by the claimant and the respondent, those arbitrators shall appoint a third arbitrator. Should they fail to appoint such a third arbitrator within twenty-eight (28) days of the appointment of the respondent's arbitrator, either of them or either of the parties may apply to the appointor for the appointment of the third arbitrator. The appointor shall be the Chairman for the time being of ARIAS (UK) or if he is unavailable or it is inappropriate for him to act for any reason, such person as may be nominated by the Committee of ARIAS (UK). If for any reason such persons decline or are unable to act, then the appointor shall be the Judge of the appropriate Courts having jurisdiction at the place of arbitration.</p> <p>The three arbitrators shall decide by majority. If no majority can be reached the verdict of the third arbitrator shall prevail. The third arbitrator shall also act as chairman of the tribunal.</p> <p>Unless the parties otherwise agree the arbitration tribunal shall consist of persons (including those who have retired) with not less than ten (10) years' experience of insurance or reinsurance as persons engaged in the industry itself or as lawyers or other professional advisers.</p>
INSPECTION AND AUDIT	4.9	WE , or such representative as WE may designate, will be permitted to inspect the insured's property and operations during normal working hours given reasonable notice.
LIMIT OF INDEMNITY AND RETENTION	4.10	The amount specified as such in the schedule shall be OUR maximum aggregate

For the purposes of this clause, any and all liability of **US** under this **policy** associated with a loss or **claim**, whether **defence costs**, costs and expenses or any other sums whatsoever shall be treated as part of the loss or **claim**.

- (i) **OUR** liability shall not exceed any applicable **limit of indemnity** or **sub-limit**;
- (ii) where a **limit of indemnity** or **sub-limit** is stated in the **schedule** to be in the aggregate, that is the maximum **WE** will pay for any and all cover whatsoever to which that limit applies in any one **policy period**;
- (iii) any **sub-limit** for a specified cover identified in the **schedule** applies as the **limit of indemnity** for that cover and is deemed to be part of and not in addition to the applicable **limit of indemnity** unless expressly stated otherwise;
- (iv) any additional cover, extension or endorsement is deemed to be part of and not in addition to the applicable **limit of indemnity** unless expressly stated otherwise;
- (v) the **limit of indemnity** and any **sub-limit**, as applicable, is additional to the **retention**;
- (vi) the **limit of indemnity** and any **sub-limit** is inclusive of any cover for **defence costs** unless expressly stated otherwise;
- (vii) if applicable, an extended reporting period does not reinstate or otherwise affect the **limit of indemnity**.

The **insured** shall pay the **retention** or reimburse **US** to the extent that **WE** have paid up to a maximum of the **retention**.

4.11

OTHER INSURANCE

Any payment under this **policy** shall be specifically in excess of and shall not contribute to or with any other insurance, including any insurance that would have been valid and collectable in the absence of this **policy**. The provisions of this **policy** shall not be affected or amended by the terms of any other insurance.

LATE PAYMENT OF CLAIMS	4.12	We shall, pursuant to section 13A of the Insurance Act 2015, pay any sum due in respect of a valid claim within a reasonable time (which includes a reasonable time to investigate and assess the claim).
REMEDIES FOR BREACH OF THE DUTY OF FAIR PRESENTATION – PROPOSING FOR THIS INSURANCE	4.13	<p>If you or anyone acting on your behalf breaches your duty of fair presentation then our remedies shall be as follows:</p> <p>(i) if such breach is deliberate or reckless, then we may:</p> <p>a. treat this policy as having been terminated from its inception; and</p> <p>b. retain the premium;</p> <p>(ii) if such breach is not deliberate or reckless and we would not have entered into this policy but for the breach, we may by notice to you treat this policy as having been terminated from its inception in which case we shall return the premium; and</p> <p>(iii) in all other cases if, but for the said breach, we would have entered into this policy but:</p> <p>a. on different terms (other than terms relating to the premium), we may require that this policy is treated as if it had been entered into on those different terms from the outset; or</p> <p>b. would have charged a higher premium, we may reduce proportionately the amount to be paid on a claim (and, if applicable, the amount already paid on prior claims). In those circumstances, we shall pay X% of what it would otherwise have been required to pay, where $X = (\text{premium actually charge/higher premium}) \times 100$.</p>
REMEDIES FOR BREACH OF THE DUTY OF FAIR PRESENTATION - VARIATION	4.14	<p>If you or anyone acting on your behalf breaches your duty of fair presentation in relation to a variation of this policy, our remedies shall be as follows:</p> <p>(i) if such breach is deliberate or reckless, we may:</p> <p>a. by notice to you treat this policy as having been terminated from the time when the variation was concluded; and</p> <p>b. retain the premium;</p> <p>(ii) if such breach is not deliberate or reckless, and we would not have entered into the variation but for the breach, we may treat this policy as if the variation was never made, in which case we shall return any additional premium relating to the variation; and</p> <p>(iii) in all other cases if, but for the said breach, we would have entered into the variation but:</p> <p>a. on different terms (other than terms relating to the premium), we may require that the variation is treated as if it had been entered into on those different terms;</p> <p>b. would have increased the premium by more than it did or at all, we may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, we shall pay only X% of what it would otherwise have been required to pay, where $X = (\text{premium actually charged/higher premium}) \times 100$; or</p> <p>c. would not have reduced the premium by as much as it did or at all, we may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, we shall pay only X% of what it would otherwise have been required to pay, where $X = (\text{premium actually charged/reduced total premium}) \times 100$.</p>
RISK MINIMISATION	4.15	The insured will take all reasonable steps at its own expense to prevent or minimise a loss or claim covered by this policy .
SUBROGATION	4.16	If we make any payment under this policy, we shall be subrogated to all of your potential or actual rights of recovery. You shall do all things that we may require to secure such rights of recovery and shall provide any assistance and cooperation to us as it may reasonably require.

Any amounts recovered will be payable as follows: any interested persons (including you) who have paid an amount over and above any payment under this policy will first be reimbursed up to the amount paid by them; we are then to be reimbursed out of any balance remaining up to the amount paid under this policy; any residual amount is to be paid to the interested persons (including you) to whom cover provided by this policy is in excess. Expenses incurred in the recovery of any such amounts will be apportioned between the interested parties concerned in the ratio of their respective recoveries as finally settled.

SUBSCRIBING
INSURER

- 4.17 Our obligations under this policy are severable and not joint and are limited solely to the extent of our individual subscription. We are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

SECTION 5: COMPLAINTS RESOLUTION PROCESS & CONSUMER RIGHTS AND RESPONSIBILITIES

HOW YOU CAN COMPLAIN

You can complain about this policy by first contacting the broker. If you wish to contact us directly you can:

Contact the Lloyd's syndicate via e-mail: complaints@lloyds.com, write to Lloyd's Complaints, Fidentia House, Walter Burke Way, Chatham Maritime, Kent ME4 4RN, or telephone 020 7327 5693.

THE UK FINANCIAL OMBUDSMAN SERVICE (UK FOS)

If you feel that its complaint has not been satisfactorily resolved, you may be eligible to contact the UK FOS to review the complaint.

To be an eligible complainant, you must be:

- a) a consumer;
- b) a micro-enterprise – a business that has an annual turnover of under EUR2million employing fewer than ten (10) employees;
- c) a small business - a business with an annual turnover below GBP6.5million and:
 - i) fewer than 50 employees; or
 - ii) an annual balance sheet below GBP5million; or
- d) a charity with an annual income of less than GBP6.5million; or
- e) a trustee of a trust with net assets of less than GBP5million; or
- f) a guarantor.

If eligible, you can contact the UK FOS via its website: <http://www.financial-ombudsman.org.uk/consumer/complaints.htm>, write to the UK FOS, Exchange Tower, London E14 9SR, or telephone 0300 123 9 123 or 0800 023 4567.

Where applicable you must refer its complaint to the UK FOS (a) within six (6) months of our final response letter or (b) when we have failed to resolve the issue within eight (8) weeks.

The UK FOS provides impartial advice free of charge and contacting them will not affect your legal rights.

FINANCIAL SERVICES COMPENSATION SCHEME (FSCS)

You may be entitled to compensation from the FSCS if we are unable to meet its obligations under this policy.

Entitlement to FSCS compensation depends on the type of business insured and the circumstances of the claim. Further information is available from www.fscs.org.uk, or the insured can write to the Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY.



SECTION 6: PRIVACY

Any personal data provided to US will be processed in compliance with all applicable laws and regulations. Alternatively, the insured may contact the OUR Data Protection Officer to request a copy of the full privacy notice. Please speak to your broker in this regard.

SECTION 7: DEFINITIONS

In this **policy** the following words in bold shall have the meanings shown below.

BODILY INJURY	bodily injury, sickness or disease sustained by a person, including death resulting from any of these at a time.
BREACH OF NETWORK SECURITY	<ul style="list-style-type: none"> (i) breach of the security of computer systems through: <ul style="list-style-type: none"> a. failure to protect against or prevent the transmission of a computer virus; b. the unauthorised access to computer systems (ii) a denial-of-service attack on computer systems. (iii) the prevention of access to computer systems caused by a malicious electronic act. (iv) unauthorised use, alteration or deletion of data on computer systems.
BREACH OF DATA PROTECTION LAW	failure by the insured or service provider to comply with data protection law .
BREACH OF PRIVACY	a breach of confidentiality in relation to personally identifiable information or a third party's corporate confidential information by the insured in breach of duty owed by the insured .
BUSINESS INCOME	<p>the amount of the insured's net profit if any before taxes which would have been earned by the insured adjusted to take account of:</p> <ul style="list-style-type: none"> (i) the trend of the business, reasonable business variations, seasonal influences, prevailing economic conditions and other variations or circumstances that have an influence upon the business; (iii) the increased cost of working that mitigates the loss of net profit; and (iii) any costs savings which the insured can reasonably achieve. <p>The calculation of the insured's loss of business income shall be based on an analysis of the revenues and costs generated during each of the twelve months prior to the loss occurring (as recorded in the insured's accounts) and will also take into account a projection of future profitability as close as practical had no loss occurred.</p> <p>Requests made by the insured for indemnity by US shall be accompanied by a computation of the loss of business income. This shall set out in detail how the loss of business income has been calculated and what assumptions have been made.</p> <p>Any payment for loss of business income will, where applicable, be reduced by the extent to which the insured could have used or did use:</p> <ul style="list-style-type: none"> (i) damaged or undamaged computer systems; (ii) available stock, merchandise or data; or (iii) substitute facilities, equipment or personnel.

BUSINESS SERVICES	the insured's business as specified in the schedule .
CIRCUMSTANCE	an incident, occurrence, dispute, fact, matter, act or omission that are likely to give rise to a claim . A circumstance notified to US during the policy period or, if applicable, the extended reported period shall be deemed to be a claim .
CLAIM	<ul style="list-style-type: none"> (i) the receipt by the insured of any written notice of demand for compensation made against the insured; (ii) any notice of intention in writing to commence legal proceedings against the insured. <p>Where the word claim is used as an undefined term (i.e. not in bold) it refers to a claim by the insured under the policy, unless the context otherwise requires.</p>
COMPUTER SYSTEMS	the insured's computer and telecommunication system software and hardware, including but not limited to the insured's email system, encrypted electronic signature, encrypted electronic certificate, website, intranet, network, internet-connected telephone system, program or any other data held electronically, interconnecting wiring, fixed disks, telecommunications equipment and all components thereof used for storage, processing or communication of electronically processed data, including where provided by a service provider .
CYBER EXTORTION EXPENSES	reasonable and necessary expenses incurred by the insured including the value of any ransom paid by the insured for the purpose of terminating a cyber extortion threat .
CYBER EXTORTION THREAT	a threat from a hacker to bring about a breach of network security or breach of privacy against the insured's computer system .
CYBER RISK	<ul style="list-style-type: none"> (i) breach of network security (ii) breach of privacy
DATA BREACH NOTIFICATION COSTS	<p>reasonable and necessary expenses incurred by the insured or which the insured becomes legally obliged to pay for the provision of notifications to comply with data protection law or voluntary notification if recommended by a law firm chosen by the panel adviser following a breach of privacy limited to:</p> <ul style="list-style-type: none"> (i) the legal fees incurred to identify notification communication obligations and draft notification communications; (ii) the costs to draft, send and administer notification communications; (iii) the costs of call centre services to respond to enquiries following a notification communication.

DATA PROTECTION
LAW

all applicable data protection and privacy legislation, regulations and guidance in any country, province, state, territory or jurisdiction which govern the use, confidentiality, security and protection of personally identifiable information and any guidance or codes of practice issued by any applicable data protection regulator or governmental entity from time to time including Regulation (EU) 2016/679 (the "General Data Protection Regulation" or the "GDPR") and Data Protection Act 2018 (or, in the event that the UK leaves the European Union, all legislation enacted in the UK in respect of the protection of personal data) and the Privacy and Electronic Communications (EC Directive) Regulations 2003; and any guidance or codes of practice issued by any data protection regulator from time to time (all as amended, updated or re-enacted from time to time).

DATA PROTECTION
REGULATOR

the Information Commissioner's Office, the Article 29 Working Party and the European Data Protection Board and any other supervisory authority with jurisdiction over you, and in each case any successor body from time to time.

DEFENCE COSTS

- (i) costs incurred at the request of the **insured** with the prior consent of **US** in the investigation, adjustment, appraisal, defence or settlement of an insured event, including expert, legal, appeal and defence costs;
- (ii) costs and expenses incurred by the **insured** in pre-trial and case reviews;
- (iii) the cost of attendance in court as a witness at **OUR** request, payable at the following rates per day on which attendance is required:
 - a. the **insured's director or officer**, partner or member – GBP500;
 - b. any **employee** – GBP250;
 - c. any other relevant party – GBP200 (subject to the prior agreement of **US**);
 or
- (iv) claimants costs recoverable from the **insured** arising out of a **claim** insured by this **policy**.

Defence costs do not include the **insured's** own internal costs and expenses, the salary or expenses of the **insured's employee, director or officer**, partner or member or any adjuster's fees.

DIRECTOR OR
OFFICER

any natural person who is, was or during the **policy period** becomes an **insured's** director or officer (as determined by the applicable law of the jurisdiction in which the **insured** is domiciled) including the functional equivalents such as members of the executive or supervisory board of directors.

EMPLOYEE

any person including trainees and freelance consultants acting under a contract of service with the **insured** in respect of the conduct of **business services** by the **insured**. **Employee** does not include the **insured's** principal, shareholder, partner, director or member in their capacity as such.

HACKER

a third party who gains unauthorised access to, or makes unauthorised use of, **computer systems** by circumventing electronically or otherwise the **insured's** security system in place to protect against such unauthorised access for **ransom**.

**INSOLVENCY
EVENT**

- (i) an application being made for an administration order or the purported appointment of, or the filing at court or issue of any notice of intention to appoint, an administrator in relation to you or any subsidiary;
- (ii) a petition being presented, a meeting being convened or an effective resolution being passed otherwise than with our prior written consent as part of a solvent reconstruction or amalgamation for the winding up of you or any subsidiary;
- (iii) possession being taken of, or a receiver, sequestrator or similar officer being appointed in respect of, the whole or any part of the assets or undertaking of you or any subsidiary;
- (iv) you or any subsidiary suspending or threatening to suspend payment of its debts as they fall due or being, or unlikely to become, unable to pay its debts, whether within the meaning of Section 123 Insolvency Act 1986 or otherwise;
- (v) your directors or officers, partners or members or of any subsidiary making a proposal that it enter into a voluntary arrangement (within the meaning of Section 1 Insolvency Act 1986) or taking any steps to obtain a moratorium under Section 1A of that Act or its taking or being subject to any proceedings under the law for the readjustment, rescheduling or deferment of all or any of its debts, or proposing or entering into any general assignment or composition with or for the benefit of its creditors;
- (vi) you or any subsidiary ceasing or threatening to cease to carry on all or a substantial part of its business or operations, or selling, transferring or otherwise disposing of the whole or a substantial part of its undertaking or assets, either by a single transaction or by a number of transactions; or
- (vii) the occurrence in respect of you or any subsidiary of any event in any jurisdiction to which it is subject having an effect similar to that of any of the events referred to in paragraphs (i) to (vi) above.

INSURED

- (i) the company or other organisation shown as insured in the schedule including any subsidiary or any company created or acquired by the insured as set out in the Acquisition and Creations clause of the General Conditions section until such time as they may be sold or otherwise disposed of (but not excluding any liabilities incurred prior to disposal), and
- (ii) the insured's partners and/or directors or officers or members or employees during the policy period or thereafter;
- (iii) the insured's former partners and/or former directors and/or former members and/or former employees;
- (iv) the estate, heirs and executors and/or legal personal representatives of those parties mentioned above in the event of their death, incapacity, insolvency or bankruptcy for legal liabilities incurred due to any act, error or omission of such deceased, incompetent or bankrupt person.

LIMIT OF INDEMNITY/SUB-LIMIT

the limit of indemnity or sub-limit of indemnity identified in the **schedule**.

MEDIA CLAIM

a **claim** against the **insured** for defamation, breach of copyright, invasion of privacy or misappropriation of ideas which arises from the **insured's media content**.

MEDIA CONTENT

content on the **insured's** website, intranet or social media pages. Media content does not include any product packaging or labelling, design or ideas in relation to tangible products or property.

PANEL ADVISER	a claims service provider as identified in the schedule .
PERIOD OF REINSTATEMENT	<p>the period after the waiting period commencing on the total or partial interruption, degradation in service, or failure of computer systems, and ending on either:</p> <ul style="list-style-type: none"> (i) the date on which the business income loss ends (or could have been, had the insured acted reasonably expeditiously to restore the business), up to a maximum of 30 days after from the time when WE are satisfied computer systems are repaired, restored and/or replaced (or could have been) to the same equivalent standard, condition, functionality, level of service and/or with the same content, or as near as reasonably possible as immediately before the total or partial interruption, material degradation in service, or failure of computer systems began; or (ii) one hundred and twenty (120) days; <p>whichever is sooner.</p>
PERSONALLY IDENTIFIABLE INFORMATION	any information from which an individual may be uniquely and reliably, either directly or indirectly, identified or contacted and to the extent more broadly defined, has the meaning given to 'Personal Data' under data protection law .
POLICY	this document, its schedule and any endorsements amending either or both which together set out this insurance.
POLICY PERIOD	the period as specified in the schedule .
POLLUTION	discharge, seepage, migration, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapour, soot, dust, fumes, acids, alkalis, chemicals or waste. Waste is deemed to include materials to be recycled, reconditioned or reclaimed.
PROPOSAL	any information or materials submitted to QBE by or on behalf of the insured prior to inception, variation or renewal of this policy .
RANSOM	the insured's money, products, goods, services or property.
REGULATORY COMPENSATORY AWARD	a sum of money which the insured is legally obliged to pay as an award or fund for the those affected following a data protection regulator's investigation of a breach of data protection law . This does not include any criminal penalty or fine.
RETENTION	the amount as specified in the schedule .
RETROACTIVE DATE	the date (if any) as specified in the policy (including the schedule).
SCHEDULE	the schedule to this policy .
SECTION	a section of this policy .
SERVICE PROVIDER	a business the insured does not own, operate, or control, but that the insured hires for a fee under contract to perform information technology or payment processing services for or on behalf of the insured .

SUBSIDIARY

any entity during any time in which the **insured**, directly or through one or more **subsidiary(ies)**:

- (i) owns more than fifty percent (50%) of the issued and outstanding share capital,
- (ii) controls more than fifty percent (50%) of the voting rights, or
- (iii) controls the right to vote for the election or removal of such entity's directors.

Any such entity shall only be covered by this **policy** for that part of the **policy period** when it was a **subsidiary**.

TERRORISM

an activity that involves a violent act or the unlawful use of force or an unlawful act dangerous to human life, tangible or intangible property or infrastructure or a threat thereof and appears to be intended to:

- (i) intimidate or coerce a civilian population;
- (ii) disrupt any segment of the economy of a government de jure or de facto, state or country;
- (iii) overthrow, influence, or affect the conduct or policy of any government de jure or de facto by intimidation or coercion; or
- (iv) affect the conduct or policy of any government de jure or de facto by mass destruction assassination, kidnapping or hostage-taking.

WAITING PERIOD

the period as specified in the **schedule**.

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