

Please read the schedule to see whether breach costs, cyber business interruption, hacker damage, cyber extortion, cyber crime and telephone hacking, privacy protection or media liability are covered.

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## What is covered

### Your own losses

#### 1. Breach costs

If during the **period of insurance**, and in the course of **your business** or **advertising** after the **retroactive date**, **you** discover or suspect a **breach** has occurred, **we** will pay all reasonable and necessary:

- a. **breach forensic costs**;
- b. outside legal fees **you** incur in managing **your** response to the **breach**;
- c. costs **you** incur to notify each affected **data subject** of the **breach**;
- d. costs **you** incur to notify any regulatory body, including the Information Commissioner's Office, of the **breach** where **you** are required by any law or regulation to do so;
- e. costs **you** incur to use a third-party call centre to answer enquiries from affected **data subjects** following notification of the **breach** to such **data subjects**;
- f. **credit monitoring costs**; and
- g. **public relations costs**;

incurred with **our** prior written agreement.

#### Breach by suppliers

**We** will indemnify **you** against any **loss** falling within the scope of **What is covered**, **Your own losses**, Breach costs, which arises as a result of any **breach** caused by a supplier of **yours**.

#### 2. Cyber business interruption

**We** will insure **you** for **your** loss of **income**, including where caused by damage to **your** reputation, and any **increased costs of working**, resulting solely and directly from an interruption to **your business** commencing during the **period of insurance** and lasting longer than the **time excess**, due to:

- a. the activities of a third-party who maliciously blocks electronically the access to **your computer system, programs** or data **you** hold electronically;
- b. a **hacker** who damages, destroys, alters, corrupts or misuses **your computer system, programs** or data **you** hold electronically;
- c. a **breach**; or
- d. **operational error**.

#### 3. Hacker damage

If during the **period of insurance**, and in the course of **your business** or **advertising** after the **retroactive date**, **you** discover a **loss** caused by a **hacker**:

- a. damaging, destroying, altering, corrupting, or misusing **your computer system, programs** or data **you** hold electronically, or any **programs** or data for which **you** are responsible; or
- b. copying any **program** or data **you** hold electronically or for which **you** are responsible;

**we** will pay all the reasonable and necessary expenses incurred with **our** prior written consent in replacing or repairing **your computer system, programs** or data **you** hold electronically to the same standard and with the same contents as before it was damaged, destroyed, altered, corrupted, copied or misused.

#### 4. Cyber extortion

If during the **period of insurance**, and in the course of **your business** or **advertising**, **you** receive an **illegal threat**, **we** will pay the cost of any ransom demand from the third-party or, if the demand is for goods or services, their market value at the time of the surrender, provided that **you** can demonstrate to **us** that:

- a. the ransom was paid, or the goods or services were surrendered, under duress;
- b. before agreeing to the payment of the ransom or the surrender of goods or services, **you** made all reasonable efforts to determine that the **illegal threat** was genuine and not a hoax; and

- c. an individual within the definition of **you** agreed to the payment of the ransom or the surrender of the goods or services.

**We** will also pay:

1. the fees of **our** appointed consultant, incurred by **you** with **our** prior written consent, for advising **you** on the handling and negotiation of the ransom demand; and
2. the amount of any stolen ransom, where such theft occurs at or in transit to the agreed location for payment of the ransom.

#### 5. Cyber crime and telephone hacking

If during the **period of insurance**, and in the course of **your business** or **advertising** after the **retroactive date**, **you** discover a **loss** caused by a **hacker** directly arising from the:

- a. theft or transfer of **your** money, securities or tangible property;
- b. theft of digital assets which belong to **you** or for which **you** are legally responsible;
- c. making of any unauthorised telephone call, whether by landline, mobile phone or over the internet; or
- d. sending of any fraudulent electronic communication to an **employee** that directly results in the transfer of **your** money, securities or tangible property in response to the electronic communication;

**we** will pay:

1. the value of any money or securities;
2. at **our** option, the value of or the cost of repairing, replacing or reinstating any digital assets or tangible property; and
3. the direct cost to **you** of any unauthorised telephone calls.

However, **we** will not make any payment if the **hacker** is an **employee**.

#### Claims against you

#### 6. Privacy protection

If during the **period of insurance**, and in the course of **your business** or **advertising** after the **retroactive date** within the **geographical limits**:

- a. any party brings a **claim** against **you** for **your** actual or alleged:
  - i. breach, violation or infringement of any right to privacy, consumer data protection law, or other legal protection for **personal data**;
  - ii. breach of duty to maintain the security or confidentiality of **personal data**;
  - iii. breach of any duty of confidence, including in respect of any commercial information; or
  - iv. breach of any contractual duty to maintain the security or confidentiality of **personal data**, including under a payment card processing agreement with any bank or payment processor or under **your** public facing privacy policy; or
- b. **you** are the subject of a **privacy investigation**;

**we** will pay:

1. the amount agreed by **you** and **us** through good faith negotiation, mediation or some other form of alternative dispute resolution to settle a **claim** or the amount to satisfy a judgment or arbitration award against **you**;
2. any **regulatory award**;
3. **PCI charges**; and
4. **privacy forensic costs, privacy investigation costs and defence costs**.

#### 7. Media liability

If during the **period of insurance**, and in the course of **your business** or **advertising** after the **retroactive date** within the **geographical limits**, any party brings a **claim** against **you** for any actual or alleged:

- a. infringement of any intellectual property rights;
- b. defamation, including libel, slander, trade libel, product disparagement or malicious falsehood; or
- c. negligent transmission of a **virus**;

which directly arises from the content of **you** email, intranet, extranet or website, including alterations or additions made by a **hacker**, **we** will indemnify **you** against the amount agreed by **you** and **us** through good faith negotiation, mediation or some other form of alternative dispute resolution to settle a **claim** or the amount to satisfy a judgment or arbitration award against **you**, including any judgment or award ordering **you** to pay claimants' lawyers' fees and costs.

**We** will also pay **defence costs** but **we** will not pay costs for any part of a claim not covered by this **policy**.

## What is not covered

- |                                  |   |
|----------------------------------|---|
| A.                               | <p><b>We</b> will not make any payment for any <b>claim</b> or part of a <b>claim</b> (including <b>defence costs</b>) or any <b>loss, breach, privacy investigation, illegal threat</b> or interruption directly or indirectly due to:</p>   |
| Breach of professional duty      | <p>1. any <b>claim</b> under <b>What is covered, Claims against you</b>, Privacy protection directly or indirectly due to the provision of or failure to provide any professional advice or services.</p>   |
| Failure by service providers     | <p>2. any failure or interruption of service provided by an internet service provider, telecommunications provider, <b>cloud provider</b> but not including the hosting of hardware and software that <b>you</b> own, or other utility provider.</p> <p>This exclusion does not apply:</p> <ul style="list-style-type: none"> <li>a. where <b>you</b> provide such services as part of <b>your business</b>;</li> <li>b. to <b>What is covered, Your own losses</b>, Breach costs, Breach by suppliers.</li> </ul>                                    |
| Intellectual property            | <p>3. any actual or alleged loss, theft or infringement of intellectual property. However, this does not apply to any <b>claim</b> under <b>What is covered, Claims against you</b>, Media liability.</p>   |
| Patent or trade secret           | <p>4. any actual or alleged infringement, use, misappropriation or disclosure of a patent or trade secret.</p>  |
| Hack by director or partner      | <p>5. any individual <b>hacker</b> within the definition of <b>you</b>.</p>   |
| Destruction of tangible property | <p>6. any loss, theft, damage, destruction or loss of use of any tangible property. However, this exclusion does not apply to:</p> <ul style="list-style-type: none"> <li>a. data; or</li> <li>b. <b>What is covered, Your own losses</b>, Cyber crime and telephone hacking.</li> </ul>  |
| Bodily injury                    | <p>7. any death or bodily injury or disease suffered or alleged to be suffered by anyone. However, this exclusion does not apply to any portion of a <b>claim</b> seeking damages for mental anguish or distress where such damages solely stem from a covered <b>claim</b> for defamation or breach of privacy.</p>  |
| Seizure and confiscation         | <p>8. any confiscation, requisition, expropriation, appropriation, seizure or destruction of property by or under the order of any government or public or local authority, or any order by such authority to take down, deactivate or block access to <b>your computer system</b>.</p>   |
| War, and nuclear risks           | <p>9. <b>war</b> or <b>nuclear risks</b>.</p>   |
| Defamatory statements            | <p>10. any statement <b>you</b> knew, or ought reasonably to have known, was defamatory at the time of publication.</p>   |
| Insolvency                       | <p>11. <b>your</b> insolvency or the insolvency of <b>your</b> suppliers or sub-contractors.</p>  |
| Pre-existing problems            | <p>12. anything likely to lead to a <b>claim, loss, breach, privacy investigation, illegal threat</b> or interruption, which you knew or ought reasonably to have known about before <b>we</b> agreed to insure <b>you</b>.</p>   |
| Dishonest and criminal acts      | <p>13. any fraudulent, dishonest, malicious or criminal conduct intended to cause harm to another person or business, or any knowing or wilful violation of a law, whether committed by <b>you</b> or committed by another whose conduct or violation of the law <b>you</b> have ratified or actively condoned or any act <b>you</b> knew, or reasonably ought to have known at the time <b>you</b> performed it, would give rise to a <b>claim, loss, breach, privacy investigation, illegal threat</b> or interruption to <b>your business</b>.</p> |

However, this exclusion will not apply unless:

- a. such conduct, wilful violation of the law or act has been established by a final adjudication in any judicial, administrative, or alternative dispute resolution proceeding; or
- b. such conduct, wilful violation of the law or act has been established by **your** admission in a proceeding or otherwise; or
- c. **you** or **we** discover evidence of such conduct, wilful violation of the law or act;

at which time **you** shall reimburse **us** for all payments made by **us** in connection with such conduct, wilful violation of the law or act and all of **our** duties in respect of that entire **claim, loss, breach, privacy investigation, illegal threat** or interruption shall cease.

Reckless conduct

14. any conduct committed by **you** in reckless disregard of another person's or business' rights, but not in respect of a covered **claim** for defamation.

B. **We** will not make any payment for:

Claims brought by a related party

1. any **claim** brought by any person or entity within the definition of **you** or any party with a financial, executive or managerial interest in **you**, including any parent company or any party in which **you** have a financial, executive or managerial interest.

However, this does not apply to a **claim** based on a liability to an independent third-party directly arising out of **your business**.

Media liability claims by employees

2. any **claim** under **What is covered, Claims against you**, Media liability made by any person or entity that **you** currently employ or formerly employed, including but not limited to **employees**, freelancers, and independent contractors.

Fines, penalties and sanctions

3. criminal, civil or regulatory sanctions, fines, penalties, disgorgement of profits, punitive damages, exemplary damages, treble damages or multiple damages which **you** are legally obliged to pay, including but not limited to those imposed by any national or local governmental body or any licensing organisation.

However, this does not apply to:

- a. **PCI charges**; or
- b. **regulatory awards** if insurable in the jurisdiction where such award was first ordered.

Claims outside the applicable courts

4. any **claim** brought outside the **applicable courts**.

This applies to proceedings in the **applicable courts** to enforce, or which are based on, a judgment or award from outside the **applicable courts**.

Credit monitoring costs

5. **credit monitoring costs** unless:

- a. arising from a **breach** of a **data subject's** National Insurance number, driver's licence number or other government issued identification number that can be used, in combination with other information, to open a new financial account; or
- b. **you** are required by any law or regulation to provide credit monitoring or credit protection services.

Non-specific privacy investigations

6. any **privacy investigation** arising from any routine regulatory supervision, enquiry or compliance review, any internal investigation or any investigation into the activities of **your** industry which is not solely related to an alleged breach of privacy by **you**.

## How much we will pay

**We** will pay up to the overall limit of indemnity shown in the schedule for the total of all **claims, losses, breaches, privacy investigations, illegal threats** and interruptions, including all **defence costs, privacy forensic costs, privacy investigation costs** and **credit monitoring costs**, unless limited below or otherwise in the schedule. **You** must pay the relevant **excess** shown in the schedule.

In the event of more than one **claim, loss, breach, privacy investigation, illegal threat** or interruption arising from the same original cause or a single source, **you** will only be liable to pay one **excess**, being the highest applicable **excess** shown on the schedule.

Any amounts to be paid by **us** shall not include or be calculated based on any of **your** overhead expenses, **your** liability for debt, taxes, lost costs or profits, salaries or wages ordinarily incurred in the performance of **your business**, or any future cost of doing business, including but not limited to the cost of any future licence or royalty, or costs of improving **your** security or performing audits.

Cyber business interruption Following a covered interruption, **we** will pay the difference between **your actual income** during the **indemnity period** and the **income** it is estimated **you** would have earned during that period or, if this is **your** first trading year, the difference between **your income** during the **indemnity period** and during the period immediately prior to the interruption, less any savings resulting from the reduced costs and expenses **you** pay out of **your income** during the **indemnity period**. **We** will also pay for **increased costs of working**.

**You** must bear the **time excess** in respect of each covered interruption.

### Special limits

Operational error The most **we** will pay for the total of your **loss of income** and **increased costs of working**, resulting from an interruption to **your business** due to **operational error** is the amount shown in the schedule. This is included within, and not in addition to, the overall limit of indemnity shown in the schedule.

Cyber crime and telephone hacking The most **we** will pay for the total of all **losses** under **What is covered, Your own losses**, 5. Cyber crime and telephone hacking is the amount shown in the schedule. This is included within, and not in addition to, the overall limit of indemnity shown in the schedule.

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## Control of defence

Defence arrangements **We** have the right, but not the obligation, to take control of and conduct in **your** name, the investigation, settlement or defence of any **claim** or **privacy investigation**. If **we** think it necessary **we** will appoint an adjuster, solicitor or any other appropriate person to deal with the **claim** or **privacy investigation**. Proceedings will only be defended if there is a reasonable prospect of success and taking into account the commercial considerations of the costs of defence.

**We** will not pay any **defence costs, privacy investigation costs, privacy forensic costs** or **credit monitoring costs** for any part of any **claim** or **privacy investigation** not covered by this **policy**.

Paying out the limit of indemnity At any stage of a **claim, loss, breach, privacy investigation, illegal threat** or interruption, **we** can pay **you** the applicable limit of indemnity or what remains after any earlier payment from that limit. **We** will pay **defence costs, privacy forensic costs, privacy investigation costs** and **credit monitoring costs** already incurred at the date of **our** payment. **We** will then have no further liability for that **claim, loss, breach, privacy investigation, illegal threat** or interruption, including any **defence costs, privacy forensic costs, privacy investigation costs** or **credit monitoring costs**.