

ELECTRONIC DATA LIABILITY COVERAGE FORM

**THIS FORM PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE FORM CAREFULLY.**

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 VI – Definitions.

SECTION I – COVERAGES

DAMAGE TO ELECTRONIC DATA LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "loss of electronic data" 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 to which this insurance does not apply. We may, at our discretion, investigate any "electronic data incident" 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 – Limit 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.

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

b. This insurance applies to "loss of electronic data" only if:

- (1) The "loss of electronic data":
 - (a) Is caused by an "electronic data incident";

(b) Takes place in the "coverage territory"; and

(c) Did not occur before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and

(2) A claim for damages because of the "loss of electronic data" is first made against any insured, in accordance with Paragraph c. below, during the policy period or any Extended Reporting Period we provide under Section V – Extended Reporting Period.

c. A claim by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:

(1) When notice of such claim is received and recorded by any insured or by us, whichever comes first; or

(2) When we make a settlement in accordance with Paragraph a. above.

All claims for damages because of "loss of electronic data" arising out of an "electronic data incident" shall be deemed to have been made at the time the first of those claims is made against any insured.

A claim received and recorded by the insured within 30 days after the end of the policy period will be considered to have been received within the policy period. However, this 30-day period does not apply to claims that are covered under any subsequent insurance you purchase, or that would be covered but for the exhaustion of the amount of insurance applicable to such claims.

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Loss

"Loss of electronic data" expected or intended from the standpoint of the insured.

b. Contractual Liability

"Loss of electronic data" 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 that the insured would have in the absence of the contract or agreement.

c. Computer Products Or Services Exclusion

"Loss of electronic data" arising out of a negligent act, error or omission, by or for you, or anyone acting on your behalf in providing "computer products or services".

d. Bodily Injury, Property Damage Or Personal And Advertising Injury

Damages that are "bodily injury", "property damage" or "personal and advertising injury".

e. Damage To Your Data

"Loss of electronic data" that:

- (1) Is owned by you;
- (2) Was developed by or for you; or
- (3) Is "your work" or "your product".

f. Performance Of A Contract

"Loss of electronic data" arising out of a delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

g. Infringement Of Intellectual Property Rights

"Loss of electronic data" arising out of or resulting from the actual or alleged infringement of trademark, copyright, patent, trade secret or other intellectual property rights.

h. Unauthorized Use Of Electronic Data

"Loss of electronic data" arising out of theft or unauthorized viewing, copying, use, corruption, manipulation or deletion, of "electronic data" by any Named Insured, past or present "employee", "temporary worker" or "volunteer worker" of the Named Insured.

i. Violation Of An Antitrust Law

Any claim for damages arising out of the violation of an antitrust law.

j. Criminal Or Fraudulent Acts

"Loss of electronic data" arising out of a criminal or fraudulent act committed by or at the direction of the insured.

SUPPLEMENTARY PAYMENTS

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

- 1. All expenses we incur.
- 2. 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.
- 3. 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.
- 4. 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.
- 5. 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.
- 6. 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.

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.
 - 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 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 does not apply to "loss of electronic data" that occurred 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 Aggregate Limit is the most we will pay for the sum of all damages because of "loss of electronic data".

3. Subject to Paragraph 2. above, the Each Electronic Data Incident Limit is the most we will pay for the sum of all damages because of the "loss of electronic data" arising out of any one "electronic data incident".

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 – ELECTRONIC DATA 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 An Electronic Data Incident

- a. You must see to it that we are notified as soon as practicable once you, or any insured listed under Paragraph 1. of Section II – Who Is An Insured, know or suspect that an "electronic data incident" has occurred, which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the known or suspected "electronic data incident" took place;
- (2) The name and address of any person or organization whose "electronic data" was lost or damaged; and
- (3) The nature and location of any damage arising out of the known or suspected "electronic data incident".

Notice of a known or suspected "electronic data incident" is not notice of a claim.

- b. If a claim is received by any insured, you must:
 - (1) Immediately record the specifics of the claim 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 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.

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 any other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, this insurance is excess over such other insurance, unless that other insurance was bought specifically to apply in excess of the Limit of Insurance shown in the Declarations of this Coverage Part.

When this insurance is excess, we will have no duty 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.

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:

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

We will share the remaining loss, if any, with any other insurance.

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 – EXTENDED REPORTING PERIOD

1. You will have the right to purchase an Extended Reporting Period from us if:
 - a. This Coverage Part is canceled or not renewed for any reason; or
 - b. We renew or replace this Coverage Part with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Declarations of this Coverage Part; or
 - (2) Does not apply to "loss of electronic data" on a claims-made basis.
2. An Extended Reporting Period, as specified in Paragraph 1. above, lasts three years and is available only by endorsement and for an additional charge.

You must give us a written request for the Extended Reporting Period Endorsement within 30 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due and any premium or deductible you owe us for coverage provided under this policy. Once in effect, the Extended Reporting Period may not be canceled.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a. The exposures insured;
- b. Previous types and amounts of insurance;
- c. Limits of Insurance available under this policy for future payment of damages; and
- d. Other related factors.

The additional premium will not exceed 100% of the annual premium for this policy.

3. The Extended Reporting Period starts with the end of the policy period and does not extend the policy period or change the scope of coverage provided. It applies only to claims to which the following applies:
 - a. The claim is first made during the Extended Reporting Period;
 - b. The "loss of electronic data" occurs before the end of the policy period; and
 - c. The "loss of electronic data" did not commence before the Retroactive Date, if any.

4. The Extended Reporting Period Endorsement applicable to this coverage shall set forth the terms, not inconsistent with this section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for claims first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.
5. The Extended Reporting Period does not reinstate or increase the Limits of Insurance.

SECTION VI – 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. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
3. "Coverage territory" means all parts of the world provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the United States of America (including its territories and possessions), Puerto Rico or Canada, or in a settlement we agree to.
4. "Computer products or services" means:
 - a. Manufacturing, developing, designing, creating, selling, handling, marketing, distributing, licensing, or disposing of computer or electronic goods, by you or on your behalf. Computer or electronic goods includes, but is not limited to:
 - (1) Computer software or computer programming;
 - (2) Electronic or computer equipment, components or peripherals;
 - (3) Communications or broadcasting equipment; or
 - (4) Industrial or robotic equipment;and any containers (other than vehicles), materials, parts or equipment furnished in connection with such computer or electronic goods, by you or on your behalf; or

- b. Computer related services performed by you or on your behalf, including but not limited to:
 - (1) Installation, testing, service, maintenance, technical support, repair, integration, networking, consulting or analysis of or training for:
 - (a) Computer software or computer programming;
 - (b) Electronic or computer equipment, components or peripherals;
 - (c) Communications or broadcasting equipment; or
 - (d) Industrial or robotic equipment;
 - (2) Processing, storage, transmission or other handling of "electronic data" for others; or
 - (3) Provision of broadcasting or communication services for others, or consulting, evaluating or advising on such services, including but not limited to broadcasts or communications via television, cable, satellite, radio, Internet, wireless transmissions or cellular transmissions.
- 5. "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.
- 6. "Electronic data incident" means an accident, or a negligent act, error or omission, or a series of causally related accidents, negligent acts, or errors or omissions, which results in "loss of electronic data".
- 7. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 8. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- 9. "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".
- 10. "Loss of electronic data" means damage to, loss of, loss of use of, corruption of, inability to access, or inability to properly manipulate, "electronic data".
- 11. "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".
- 12. "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 "electronic data incident" that caused it.

For the purposes of this insurance, "electronic data" is not tangible property.
- 13. "Suit" means a civil proceeding in which damages because of "loss of electronic data" 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.
- 14. "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.
- 15. "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.

16. "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.

17. "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.