

Management Liability Package

CyberRisk Insurance Republic of Ireland

POLICY WORDING

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CyberRisk Insurance

POLICY WORDING

Preamble - the Contract of Insurance

In consideration of the premium, the **Insurer** shall provide insurance in accordance with this Policy during the **Period of Insurance** (or during any subsequent **Period of Insurance** agreed between the **Insurer** and the **Insured**), subject to the terms contained herein or endorsed hereon.

Section 1 – Insuring Clauses

Liability Insuring Clauses

1.1 Privacy and Security Liability

The **Insurer** shall pay, on behalf of the **Insured**, **Loss** resulting from a **Claim** first made during the **Period of Insurance**, for a **Privacy and Security Act**.

1.2 Media Liability

The **Insurer** shall pay, on behalf of the **Insured**, **Loss**, resulting from a **Claim** first made during the **Period of Insurance**, for a **Media Act**.

1.3 Regulatory Proceedings

The **Insurer** shall pay, on behalf of the **Insured**:

- (a) **Defence Costs**; and
- (b) **Regulatory Fines and Penalties**,

resulting from a **Regulatory Proceeding**, first made during the **Period of Insurance**, for a **Privacy and Security Act**.

Breach Response Insuring Clauses

1.4 Privacy Breach Notification

The **Insurer** shall reimburse, or pay on behalf of the **Insured Organisation**, **Privacy Breach Notification Expenses** resulting from an actual or suspected **Privacy Breach**, **Discovered** during the **Period of Insurance**.

1.5 Computer and Legal Experts

The **Insurer** shall reimburse, or pay on behalf of the **Insured Organisation**, **Computer and Legal Experts' Costs** resulting from an actual or suspected:

- (a) **Privacy Breach**;
- (b) **Security Breach**; or
- (c) **Cyber Extortion Threat**,

Discovered during the **Period of Insurance**.

1.6 Public Relations

The **Insurer** shall reimburse, or pay on behalf of the **Insured Organisation**, **Public Relations Expenses**, resulting from a **Privacy and Security Wrongful Act**, **Discovered** during the **Period of Insurance**.

1.7 Data Restoration

The **Insurer** shall reimburse, or pay on behalf of the **Insured Organisation**, **Data Restoration Expenses**, directly resulting from a **Security Breach**, **Discovered** during the **Period of Insurance**.

1.8 Cyber Extortion

The **Insurer** shall reimburse, or pay on behalf of the **Insured Organisation**, **Cyber Extortion Expenses**, resulting from a **Cyber Extortion Threat**, **Discovered** during the **Period of Insurance**.

1.9 Betterment

The **Insurer** shall reimburse the **Insured** for **Betterment Costs** following a **Security Breach**, **Discovered** during the **Period of Insurance**.

1.10 Rewards

The **Insurer** shall pay on behalf of the **Insured**, **Rewards Expenses** following a covered **First Party Event**.

Cyber Crime Insuring Clauses

1.11 Computer Fraud

The **Insurer** shall pay the **Insured Organisation**, for its direct loss of **Money**, **Securities**, or **Other Property**, directly caused by **Computer Fraud**, **Discovered** during the **Period of Insurance**.

1.12 Funds Transfer Fraud

A. Social Engineering Fraud

The **Insurer** shall pay the **Insured Organisation**, for its direct loss of **Money** or **Securities** directly caused by **Social Engineering Fraud**, **Discovered** during the **Period of Insurance**, provided that, if the requested funds transfer included a request to change **Vendor**, **Client**, **Manager** or **Employee** account information or pre-determined payment setup, the **Insured** performed a **Transfer Verification** prior to transferring, paying, or delivering such **Money** or **Securities**.

B. **Fraudulent Impersonation**

The **Insurer** shall pay the **Insured Organisation**, for its direct loss of **Money** or **Securities**, directly caused by **Fraudulent Impersonation**, **Discovered** during the **Period of Insurance**.

C. **Vendor or Client Payment Fraud**

The **Insurer** shall pay the **Insured Organisation** for **Vendor or Client Payment Fraud Loss** that arises out of a **Security Breach**, **Discovered** during the **Period of Insurance**.

1.13 Telecom Fraud

The **Insurer** shall pay the **Insured Organisation**, for its **Telecom Charges** caused by **Telecom Fraud Discovered** during the **Period of Insurance**.

Business Loss Insuring Clauses

1.14 Business Interruption

The **Insurer** shall pay the **Insured Organisation**, **Business Interruption Loss**, directly caused by any of the following, if **Discovered** during the **Period of Insurance**:

- (a) a **Security Breach** that results in a total or partial interruption of a **Computer System**;
- (b) a **System Failure**, or
- (c) the voluntary shutdown of a **Computer System** by the **Insured**, if it is necessary to minimise the **Loss** caused by a **Security Breach** or **Privacy Breach** in progress.

1.15 Reputation Harm

The **Insurer** shall pay the **Insured Organisation** for its **Reputation Harm Loss**, caused by an **Adverse Media Report** or **Notification** that:

- (a) first occurs during, or within 60 days after, the **Period of Insurance**; and
- (b) directly relates to a **Privacy Breach** or **Security Breach Discovered** during the **Period of Insurance**.

1.16 Dependent Business Interruption - IT Provider

The **Insurer** shall pay the **Insured Organisation**, **Business Interruption Loss** directly caused by an **IT Provider Breach**, **Discovered** during the **Period of Insurance**.

1.17 Dependent Business Interruption - Outsource Provider

The **Insurer** shall pay the **Insured Organisation**, **Business Interruption Loss** directly caused by an **Outsource Provider's Breach Discovered** during the **Period of Insurance**.

Section 2 – Exclusions

2.1 Criminal or Deliberate Acts

The **Insurer** shall not be liable to make payment for **Loss** arising from, based upon, attributable to, or as a consequence of any criminal, dishonest, fraudulent or malicious act or omission, or any known violation of rights or laws, committed:

- (a) by any director or executive officer of the **Insured Organisation**;
- (b) by any partner of the **Insured Organisation** if the **Insured Organisation** is a partnership;
- (c) by any joint-venture partner of the **Insured Organisation** if the **Insured Organisation** is a joint venture; or
- (d) with the consent or knowledge of the **Insured Organisation**.

2.2 Government Action

The **Insurer** shall not be liable to make payment for **Loss** arising from, based upon, attributable to, or as a consequence of any seizure, confiscation, nationalisation, requisition, or destruction of property, by or under the order of domestic or foreign government authority.

2.3 Pollution

The **Insurer** shall not be liable to make payment for **Loss** arising from, based upon, attributable to, or as a consequence of any liability arising from:

- (a) the actual, alleged or, threatened generation, transportation, discharge, emission, dispersal, release, escape, treatment, storage, or disposal of **Pollutants**; or
- (b) any requirement or governmental regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise pollutants or any action taken in contemplation or anticipation of any such regulation, order, direction or request, or any voluntary decision to do so.

2.4 Property Damage

The **Insurer** shall not be liable to make payment for **Loss** under the Liability or Breach Response Insuring Clauses, arising from, based upon, attributable to, or as a consequence of damage to, or destruction of, loss of, or loss of use of, any tangible property.

The **Insurer** shall not be liable to make payment for **Loss** under the Cyber Crime or Business Loss Insuring Clauses, for the damage to, or destruction of, loss of, or loss of use of, any tangible property.

This exclusion shall not apply to **Business Interruption Loss** resulting from the loss of use of a **Computer System**.

2.5 Unsolicited Communication

The **Insurer** will not be liable to make payment for

Loss arising out of any actual or alleged violation of any law that restricts or prohibits unsolicited communications.

This does not apply to a **Security Breach** under the Breach Response Insuring Clauses.

2.6 Infrastructure

The **Insurer** will not be liable to make payment for **Loss** arising from, based upon, attributable to, or as a consequence of the failure or interruption of any:

- (a) satellite;
- (b) electrical or mechanical systems;
- (c) electric, gas, water, or other utility;
- (d) cable, telecommunications, or Internet service provider; or
- (e) other infrastructure,

except, when such is under the **Insured's** control.

2.7 War

The **Insurer** shall not be liable to make payment for **Loss** arising from, based upon, attributable to, or as a consequence of:

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

This exclusion does not apply to an actual or suspected attack against a **Computer System** with intent to cause harm, or further social, ideological, religious, political, or similar objectives, except when in furtherance of (a) through (c) above.

2.8 Bodily Injury

The **Insurer** shall not be liable to make payment for **Loss** for any actual or alleged bodily injury, sickness, disease, or death, provided that this exclusion will not apply to that portion of any **Claim** seeking **Loss** for emotional distress, mental anguish, humiliation or loss of reputation.

2.9 Contractual Liability

The **Insurer** shall not be liable to make payment for **Loss** arising from, based upon, attributable to, or as a consequence of, any liability assumed by an **Insured** under any contract or agreement, whether oral or written.

This exclusion shall not apply to:

- (a) the extent that the **Insured** would have been liable in the absence of such contract or agreement;
- (b) a **Claim** for **Payment Card Contract Penalties**; or
- (c) any privacy or confidentiality obligation that the **Insured** has agreed to under a **Privacy Policy** or non disclosure agreement.

2.10 Controlling Interest

The **Insurer** shall not be liable to make payment for **Loss** for any **Claim** by, or on behalf of, or in the name or right of:

- (a) any **Insured Organisation**; or
- (b) any organisation that at the time the **Wrongful Act** is committed, or the date the **Claim** is made, is owned, operated, or controlled by any **Insured**, or which any **Insured** owns, operates, or controls.

2.11 Ownership Rights

The **Insurer** shall not be liable to make payment for **Loss**, for by, or on behalf of, any independent contractor, joint venture, or venture partner arising from, based upon, attributable to, or as a consequence of, any dispute over ownership rights in any **Covered Material**.

2.12 Intellectual Property

The **Insurer** shall not be liable to make payment for **Loss** for any **Claim** arising from, based upon, attributable to, or as a consequence of, the **Insured's** misappropriation, infringement, or violation of copyrighted software, patent, or trade secret.

2.13 Prior Circumstances

The **Insurer** shall not be liable to make payment for **Loss** for any **Claim** arising from, based upon, attributable to, or as a consequence of, any **Circumstance** of which the **Insured** was, or ought reasonably to have been, aware at the inception date (whether or not notified under any similar insurance in force prior to this Policy, or which this is a renewal or replacement or succeeds in time).

2.14 Securities

The **Insurer** will not pay **Loss** based upon or arising out of:

- (a) a violation of a securities law or regulation; or
- (b) except under the Cyber Crime Insuring Clauses:
 - (i) the ownership of;
 - (ii) the sale or purchase of; or
 - (iii) the offer to sell or purchase, stock or other securities.

2.15 United States of America

The **Insurer** shall not be liable to make payment for **Loss** for any **Claim**:

- (a) made or brought in, or under the laws of, the United States of America, its territories or possessions; or
- (b) arising from, based upon, or attributable to, any loss or damage sustained, or alleged to have been sustained, in the United States of America, its territories or possessions.

2.16 Cyber Crime

The Cyber Crime Insuring Clauses will not apply to:

- (a) loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, or other cards;
- (b) loss resulting from a fraudulent instruction, if the sender or anyone acting in collusion with the sender, ever had authorised access to the **Insured's** password, PIN, or other security code;
- (c) potential income, including interest and dividends, not realised by an **Insured** or **Client**;
- (d) loss resulting from forged, altered, or fraudulent negotiable instruments, securities, documents, or instructions used as source documentation to enter electronic data or send instructions, except to the extent covered under 1.12 Funds Transfer Fraud.

2.17 Labour Disputes

The **Insurer** shall not be liable to make payment for **Loss** under the Business Loss Insuring Clauses based upon, attributable to, or as a consequence of, any of labour disputes.

2.18 Physical Peril

The **Insurer** shall not be liable to make payment for **Loss** based upon, attributable to, or as a consequence of, any fire, smoke, explosion, lightning, wind, rain, hail, surface water, waves, flood, overflow of any body of water, earthquake, earth movement, earth sinking, mudslide, landslide, erosion, volcanic eruption, collapse, wear and tear, rust, corrosion, deterioration, magnetic or electromagnetic fields, extremes of temperature or humidity, or any similar physical event or peril.

2.19 Unlawful Collection

The **Insurer** shall not be liable to make payment for **Loss** arising from, based upon, attributable to, or as a consequence of the collection of **Confidential Data** in violation of law, provided this exclusion will not apply to **Defence Costs**.

Section 3 – Limit of Insurance

3.1 Aggregate Limit of Insurance

The most the **Insurer** will pay for all **Loss** is the Aggregate Limit shown on the Schedule.

3.2 Insuring Clause Limit of Insurance

The most the **Insurer** will pay for all **Loss** under any Insuring Clause is the applicable limit shown on the Schedule, provided:

- (a) Payment of **Loss** under the Dependent Business Interruption – IT Provider, Dependent Business Interruption – Outsource Provider, and Reputation Harm Insuring Clauses is within and will reduce, the remaining Business Interruption Limit.
- (b) The most the **Insurer** will pay for all **Accounting Costs** is the Accounting Costs Limit shown in the Schedule, which is within and will reduce the limit for the applicable Business Loss Insuring Clause.
- (c) If a Betterment Co-participation percentage is shown in the Schedule, such percentage of **Betterment Costs** will be paid by the **Insured**. The **Insurer** will pay the remaining **Betterment Costs**, up to the Betterment Limit shown in the Schedule.

3.3 Additional Insureds

The most the **Insurer** will pay for all **Loss** with respect to an **Additional Insured** is the limit agreed to in the agreement between such **Additional Insured** and the **Insured Organisation**, or the applicable limit shown in the Schedule, whichever is less.

Section 4 – Excess

4.1 Excess

The **Insurer** is liable under this Policy only for that part of any **Loss** arising from each **Claim** or **First Party Event** which exceeds the excess specified in the Schedule. The limit of indemnity applies over and above any excess specified in the Schedule.

The excess specified in the Schedule does not apply to the Rewards, Business Interruption, Dependent Business Interruption – IT Providers, or Dependent Business Interruption – Outsource Providers Insuring Clauses.

4.2 Except for the Betterment Insuring Clause, if more than one excess shall apply to:

- (a) a **Claim**;
 - (b) a **First Party Event**; or
- Claims** and **First Party Events** that share a common nexus, set of facts, circumstance, situation, event, or decision,

the **Insured** shall not pay more than the amount of the largest applicable excess.

- 4.3 The **Insurer**, at its sole discretion, may pay all or part of the excess amount on behalf of any **Insured**, and in such event, the **Insureds** agree to repay the **Insurer** any amounts so paid.

Section 5 - Claims Conditions

5.1 Allocation

With respect to **Loss** that involves covered matters and matters not covered or covered parties and parties not covered under this Policy, the **Insured** and the **Insurer** agree to use their best efforts to determine a fair and proper allocation of the **Loss** and joint settlement amounts as between the **Insured Organisation** and any **Insured Person** based on the relative legal and financial exposures and based upon established judicial principles.

5.2 Claim, First Party Event, or Circumstance Notification

If, during the **Period of Insurance**, an **Authorised Person** becomes aware of any **Claim** or **Circumstance**, or **Discovers a First Party Event**, the **Insured** shall give notice to the **Insurer** as soon as practicable and in any event within 30 days following the expiry date.

The **Insurer** agrees that any such **Circumstance** notified to them during the **Period of Insurance** (or within 30 days following the expiry date) which subsequently gives rise to a **Claim** after the expiry date is deemed a **Claim** first made during the **Period of Insurance**.

Notification is deemed to have been made to the **Insurer** if made to Bond and Specialty Claims at Travelers Insurance Company Limited at the address on page 16 of this Policy.

5.3 Discharge of Liability

The **Insurer** may, at any time, pay the **Insured**, in connection with any **Claim** under this Policy, the **Limit of Indemnity** less any sums already paid or any lesser sum (after deduction of the excess) for which such **Claim** can be settled, and, upon such payment, the **Insurer** shall not be under any further liability in respect of such **Claim** except for **Defence Costs** incurred prior to such payment, but only up to the **Limit of Indemnity**.

The **Insurer** shall not be liable for any loss which the **Insured** may claim to have sustained in consequence of the **Insurer** taking the action described in this clause.

5.4 Territory and Financial Interest Coverage

This Policy applies anywhere in the world, but it does not apply to **Loss** incurred by an **Insured** residing or domiciled in a country or jurisdiction in which the **Insurer** is not licensed to provide this

insurance, to the extent that providing this insurance would violate any applicable foreign law or regulation ("Foreign Loss").

If an **Insured Organisation** incurs Foreign Loss, the **Insurer** will reimburse the first named **Insured** for such Foreign Loss because of the first named **Insured's** financial interest in such **Insured Organisation**. If an **Insured Person** incurs Foreign Loss not indemnified by an **Insured Organisation**, such Foreign Loss will be paid in a country or jurisdiction mutually acceptable to such **Insured Person** and the **Insurer**, to the extent that doing so would not violate any applicable foreign law or regulation.

5.5 Insurer's Consent

The **Insured** must obtain the **Insurer's** written consent, which shall not be unreasonably withheld or delayed, before any:

- (a) admission of liability is made;
- (b) consent to judgment is given;
- (c) **Defence Costs** are incurred;
- (d) legal representative is retained to defend any **Insured** or any steps taken in connection with any **Claim** or other legal proceedings that may potentially be covered by this Policy, unless required to do so pursuant to the law applicable to such **Claim** or other legal proceedings;
- (e) **Claim** is settled; or
- (f) costs or expenses are incurred.

5.6 Senior Counsel

If the **Insured** and the **Insurer** cannot agree on a common course of action with regard to the contesting of any legal proceedings, the dispute shall be resolved by reference to a Senior Counsel of the English Bar whose decision shall be binding. In the event of disagreement regarding the appointment of Senior Counsel, the Senior Counsel shall be appointed by the Chairman for the time being of the Bar Council.

The **Insurer** or the **Insured** shall only be required to contest legal proceedings where the Senior Counsel shall advise that there are reasonable prospects of successfully defending the proceedings or limiting the exposure of the **Insured** to legal liability.

The costs of appointing the Senior Counsel shall be equally split between and paid for by the **Insurer** and the **Insured**.

5.7 Single Claims and Single First Party Events

Where two or more **Claims** or **Circumstances** (whether made against, or involving one or more persons or entities comprising the **Insured**, and whether made by the same or different claimants, whether instituted or pursued in the same or different jurisdictions, whether falling under one or

more Insuring Clauses or Additional Benefits of this Policy, and whether notified separately or in a consolidated notification to the **Insurer**), or two or more **First Party Events** arise directly or indirectly from, or are in connection with or are directly or indirectly attributable to:

- (a) the same originating cause source or event;
- (b) one act or omission;
- (c) the same or similar acts or omissions; or
- (d) acts or omissions in or in respect of one matter or transaction or in respect of a series of matters or transactions,

they will be considered a single **Claim, Circumstance, or First Party Event**, whichever is applicable, and such:

- (i) **Claim or Circumstance** is deemed to have been made at the time the first of such **Claims or Circumstances** was made; and
- (ii) **First Party Event** is deemed to have occurred at the time of the first of such **First Party Events**,

whether prior to or during the **Period of Insurance**.

5.8 Conduct of Claim

The **Insured**, against whom a **Claim** is made, shall take all reasonable steps to defend such **Claim**, and not to do anything to prejudice the position of the **Insurer**.

The **Insurer** shall have no duty to defend any **Claim** made against any **Insured**, but with respect to any such **Claim** that may potentially be covered by this Policy, shall have the right to be provided with all information concerning such **Claim** as the **Insurer** shall reasonably require, and kept fully informed of all matters relating to or concerning the investigation, defence, or settlement of any such **Claim**, and shall have the right to receive copies of all relevant documentation relating thereto.

Following notification of a **Claim, or Circumstance** where applicable, the **Insured** shall give to the **Insurer** all information and assistance as the **Insurer** may reasonably require, and shall co-operate with the **Insurer**, and any representative appointed by the **Insurer**, by:

- (a) providing information, signed statements or, depositions as may be required in the defence or investigation of any **Claim, Circumstance, or issue** relating to policy response;
- (b) ensuring payment on demand of the excess in conjunction with the terms of any settlement (including any payment into court) agreed to by the **Insurer**;
- (c) promptly and fully informing the **Insurer** of all developments of which the **Insured** becomes

aware concerning any reported **Claim or Circumstance**;

- (d) continuing to provide information, assistance and signed statements as may reasonably be required to permit the **Insurer** to exercise rights of subrogation; and
- (e) agreeing to the appointment of legal representation chosen by the **Insurer**.

The **Insured** must co-operate with the **Insurer** in the investigation and settlement of any **First Party Event**.

5.9 Defence Costs

Any payments of **Defence Costs** to or on behalf of an **Insured** which have been made by the **Insurer** shall be repaid to the **Insurer** by the **Insured** to whom such payments related in the event it is established such **Insured** had no entitlement to payment of **Loss** under the terms and conditions of this policy.

5.10 Proof of Loss

Only with respect to the **First Party Insuring Clauses**, the **Insured** must provide the **Insurer** with a detailed proof of loss statement as soon as practicable and, in any event within 6 months of the **First Party Event**.

Section 6 - General Conditions

6.1 Applicable Law

This Policy and any dispute, claim, or difference concerning this Policy (including its validity and application) is governed exclusively by and construed in accordance with the laws of England and Wales, whose courts shall have exclusive jurisdiction save where there is a reference to arbitration as provided for in General Condition 6.2 Arbitration.

6.2 Arbitration

Any dispute, claim, or difference between the **Insurer** and the **Insured** as to the correct interpretation of this Policy shall be referred by either party to a single arbitrator in accordance with the Arbitration Act 1996, to be chosen by agreement or, in default, to be appointed by the President of the Chartered Institute of Arbitrators, whose decision shall be binding on both parties.

6.3 Assignment

This Policy may not be assigned or transferred, and any attempted assignment or transfer is void and without effect unless the **Insurer** has provided its prior written consent to such assignment or transfer.

6.4 Cancellation

This Policy may not be cancelled by any party, except by the **Insurer** for failure to pay the premium, in which case 30 days written notice shall be given to the **Insured** or the representative

responsible for placing this coverage with the **Insurer**. Unless payment in full is received before the expiration of the 30 days written notice period, cancellation shall be effective from the inception date. This Policy shall terminate at the expiry of the **Period of Insurance** as stated in the Schedule.

6.5 Currency

All amounts under this Policy are expressed and payable in the currency in which the premium has been paid. If judgment is rendered, settlement is denominated, or any other element of **Loss** under this Policy is stated in any other currency, payment shall be made at the spot exchange rate published by the Bank of Ireland on the date the payment of **Loss** is due.

6.6 Innocent Misrepresentation and Non-Disclosure

With respect to any misrepresentation or non-disclosure by any **Insured**, the **Insurer** waives its right to avoid or rescind this Policy in whole or in part; provided:

- (a) such non-disclosure or misrepresentation was innocent and free from any fraudulent conduct or intent to deceive;
- (b) the **Insurer** shall be entitled to amend the terms, conditions, and premium for this Policy upon review of any information previously misrepresented or not disclosed to the **Insurer**; and
- (c) the **Insurer** is entitled to determine the effective date of any amendments in consequence of the exercising of their rights under this General Condition.

6.7 Joint Insureds

The **Insured Organisation** as stated in the Schedule is the agent on behalf of all **Insureds** for all purposes in connection with this Policy.

6.8 Liquidation and Change of Control

If, during the **Period of Insurance** the policyholder is placed into liquidation or administration, or a **Change of Control** occurs, then cover provided under:

- (a) Section 1, Cyber Liability and Breach Response Insuring Clauses, will continue in full force and effect with respect to any **Wrongful Acts** or **First Party Events** occurring before such event; and
- (b) Section 1, Cyber Crime and Business Loss Insuring Clauses, shall cease with immediate effect.

For the purposes of this General Condition, voluntary liquidation or administration shall be treated as having occurred on the date upon which that entity passes a resolution for voluntary liquidation or administration. Compulsory liquidation or administration shall be treated as

having occurred on the date upon a petition for the compulsory liquidation or administration of that entity is presented to the relevant authorities.

6.9 No Warranties or Conditions Precedent

No term in this policy, including where expressed as a warranty or condition precedent is deemed a warranty or condition precedent such as to automatically discharge the **Insurer** from any liability upon its breach. The **Insurer** shall enforce any term that would otherwise be deemed a warranty or condition precedent as a policy condition only.

6.10 Other Insurance

In respect of:

- (a) Section 1, Breach Response Insuring Clauses and, Business Loss Insuring Clauses, this Policy will apply as primary insurance;
- (b) Section 1 Liability and Cyber Crime Insuring Clauses, this Policy will apply only as excess of any other valid and collectible purchased insurance except in respect of any amount which is beyond the amount which would have been payable under such policy had this Policy not been effected.

6.11 Sanctions

This Policy shall not be deemed to provide cover, nor shall the **Insurer** have any liability to pay any **Claim**, or provide any benefit hereunder to the extent that the provision of such cover, payment of such **Claim**, or provision of such benefit would expose the **Insurer** to any sanction, prohibition, or restriction under United Nations resolutions, or the trade or economic sanctions laws or regulations of the European Union, United Kingdom, or United States of America.

6.12 Subrogation and Recoveries

The **Insurer** shall be subrogated to all the **Insured's** rights of recovery, contribution, or indemnity against any natural person or entity before or after any payments under this Policy. The **Insured** shall do whatever is necessary to secure such rights. The **Insured** shall do nothing to prejudice such rights.

However, the **Insurer's** right to subrogation will not apply if the **Insured**, prior to the date of a **Wrongful Act** or **First Party Event**, has waived its rights of recovery.

All recoveries from third parties shall be applied, after first deducting the costs and expenses incurred in obtaining such recovery, in the following order of priority:

- (a) first, to the **Insured** to reimburse the amount it has paid which would have been paid hereunder but for the fact that it is in excess of the applicable **Limit of Indemnity**;

- (b) second, to the **Insurer** to reimburse the amount paid hereunder; and
- (c) third, to the **Insured** in satisfaction of any applicable excess.

Provided, recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for the **Insured's** benefit.

6.13 Subsidiaries

If, during the **Period of Insurance** the **Insured Organisation** acquires or creates a **Subsidiary**, then automatic cover shall apply to the newly acquired or created **Subsidiary** and to all persons that would fall within the policy definition of an **Insured Person** of the newly acquired or created **Subsidiary** for any **Wrongful Act** committed or taking place, or for any **First Party Event** occurring, after the effective date of such acquisition or creation; provided, such **Subsidiary**:

- (a) does not increase the **Insured's** total consolidated assets as stated in its last published annual report and accounts by more than 50%;
- (b) does not have any **Securities** listed on any stock exchange; and
- (c) is not a financial institution.

If any acquisition or creation breaches one or more of the criteria listed in (a), (b), or (c), then the **Insurer** shall automatically provide coverage for a period of 60 days after the date of acquisition or creation of such **Subsidiary** or the end of the **Period of Insurance**, whichever is the sooner.

The **Insurer** shall only provide cover for **First Party Loss Discovered** or a **Claim** against any **Subsidiary** or any **Insured Person** of any **Subsidiary** for any **Wrongful Act** committed or taking place, whilst such entity is or was a **Subsidiary** of the **Insured Organisation**.

6.14 Ownership of Property; Interests Covered

The property covered under Section 1 Cyber Crime Insuring Clauses is limited to property:

- (a) that the **Insured Organisation** owns or leases, or holds for others; or
- (b) for which the **Insured Organisation** is legally liable, except for property located inside the **Insured Organisation's** client's premises or such client's financial institution premises.

6.15 Valuation

The following valuations apply to the **First Party Insuring Clauses**:

- (a) **Money**, other than **Virtual Currency** and **Securities**, is valued at the close of business on the day the on the date of payment of **Loss** determined by the value published in the London Edition of the Financial Times, or the

actual cost of replacing the **Securities**, whichever is less;

- (b) **Virtual Currency** is valued in the currency for which premium is paid on the date of payment of **Loss** as determined at the rate of exchange agreed between the **Insurer** and **Insured**; and
- (c) **Other Property** is valued for the lessor of the actual cash value of the **Other Property** on the date the **First Party Event** was **Discovered**, or the cost to replace such **Other Property** with comparable property, but only after such property is actually replaced.

Section 7 - Definitions

7.1 Accounting Costs

means the reasonable fees or costs of a forensic accounting firm, incurred by the **Insured Organisation**, to calculate **Income Loss**, even if such calculation shows there has been no **Income Loss**.

7.2 Additional Insured

means a person or entity, not otherwise an **Insured**, with whom the **Insured Organisation** has entered into a written agreement to include as an **Insured**, but only for **Wrongful Acts**:

- (a) by, or on behalf of, the **Insured Organisation** under such agreement; and
- (b) that occur after the **Insured Organisation** has executed such agreement.

7.3 Adverse Media Report

means any communication of an actual or potential **Privacy Breach** or **Security Breach** by a media outlet. Multiple **Adverse Media Reports** regarding the same **Privacy Breach** or **Security Breach** shall be deemed one **Adverse Media Report**.

7.4 Approved Provider

means a service provider approved by the **Insurer** in writing to the **Insured**.

7.5 Authorised Person

means any person while the **Insured's**:

- (a) chief executive officer;
- (b) chief financial officer;
- (c) chief information security officer;
- (d) risk manager;
- (e) in-house general counsel; or
- (f) the functional equivalent of (a) through (e).

7.6 Betterment Costs

means the reasonable costs incurred and paid by the **Insured**, with the **Insurer's** written consent, for hardware or software to improve a **Computer System** after a **Security Breach**, if:

- (a) the **Security Breach** has been stopped or contained, and resulted in covered **Computer and Legal Expert Costs**;
- (b) the **Approved Provider** that provided computer services in response to such **Security Breach**:
 - (i) has identified a weakness in a **Computer System** that caused, or contributed to, the **Security Breach**; and
 - (ii) recommends the improvements to prevent a future **Security Breach** from exploiting such weakness; and
- (c) such improvements are incurred and paid for by the **Insured** within the earlier of 90 days after the recommendation by the **Approved Provider** or the end of the **Period of Insurance**.

Costs for improvements that are subject to a licence, lease, or subscription will be limited to the pro rata portion of such costs for the first 12 months.

Betterment Costs do not include wages, benefits, or overheads of any **Insured**.

7.7 Business Interruption Loss means:

- (a) **Income Loss** and **Extra Expense** incurred or paid by the **Insured Organisation** during the **Period of Restoration**; and
- (b) **Accounting Costs**, if the **Insured Organisation's** business operations are interrupted beyond the **Wait Period**.

Business Interruption Loss does not include loss arising out of harm to the **Insured Organisation's** reputation.

7.8 Change of Control means the:

- (a) acquisition of the **Insured** (or more than 50% of its total consolidated assets as stated in its last published annual report and accounts) by another entity, or the merger or consolidation of the **Insured** into or with another entity such that the **Insured** is not the surviving entity; or
- (b) obtaining by any person, entity, or affiliated group of persons or entities the right to elect, appoint, or designate more than fifty percent (50%) of the board of directors, board of trustees, board of managers, or functional equivalent thereof, or to exercise a majority control of the board of directors, board of trustees, board of managers, or a functional equivalent thereof, of the **Insured**.

7.9 Circumstance means an incident, occurrence, fact, matter, act, or omission, which, regardless of Section 4 Excess is reasonably likely to give rise to a **Claim**.

7.10 Claim means:

- (a) a written demand for monetary damages or non-monetary relief;
- (b) a civil mediation or arbitration proceeding (including any counter-claim seeking; compensation, or other legal remedy) commenced by service of a complaint or similar proceeding;
- (c) receipt of a formal notice of a criminal proceeding or the filing of charges;
- (d) for the Regulatory Proceeding Insuring Clause only a **Regulatory Proceeding**; or
- (e) assertion of a liability,

made or brought against the **Insured** for a **Wrongful Act**.

7.11 Client means a person or entity to whom the **Insured Organisation** provides goods or services.

7.12 Computer and Legal Expert Costs means the reasonable fees or costs incurred or paid by the **Insured** for services recommended and provided by an **Approved Provider**, to:

- (a) conduct a forensic analysis to determine the existence and cause of a **Cyber Extortion Threat, Privacy Breach, or Security Breach**;
- (b) determine whose **Confidential Data** was lost or stolen; or accessed or disclosed without authorisation;
- (c) contain or stop a **Privacy Breach or Security Breach** in progress;
- (d) certify the **Computer System** meets **Payment Card Security Standards**, if a **Security Breach Discovered** during the **Period of Insurance** results in noncompliance with such standards, but only for the first certification; or
- (e) provide legal services to respond to a **Privacy Breach or Security Breach**.

Computer and Legal Expert Costs does not include **Defence Costs** or **Privacy Breach Notification Costs**.

7.13 Computer Fraud means an intentional, unauthorised, and fraudulent entry or change of data or computer instructions directly into a **Computer System** that is not made by an **Insured Person**, an **Independent Contractor**, or any individual under the direct supervision of the **Insured Organisation**, and causes **Money, Securities, or Other Property** to be transferred, paid, or delivered from inside the

Insured Organisation's premises or the **Insured Organisation's** financial institution premises, to a place outside of such premises.

Computer Fraud does not include **Social Engineering Fraud**.

7.14 Computer System

means a computer and connected input, output, processing, storage, or communication device, or related network, operating system, website, or application software, that is:

- (a) under the operational control of, and owned by, licensed to, or leased to:
 - (i) the **Insured Organisation**; or
 - (ii) an **Insured Person**, but only while authorised by, and in the course of transacting business on behalf of, the **Insured Organisation**; however, this will not apply to Section 1 Data Restoration, Betterment or Cyber Crime Insuring Clauses; or
- (b) operated an **IT Provider**, but only the part of such computer system used to provide information technology services to the **Insured Organisation**, however, this subparagraph (b) will not apply to the Section 1 Betterment or Business Interruption Insuring Clauses.

7.15 Confidential Data

means a third party's or **Insured Person's** private or confidential information that is in the care, custody, or control of, or processed by, the **Insured Organisation**, or a service provider acting on behalf of the **Insured Organisation**.

7.16 Covered Material

means content that is created or disseminated, via any form or expression, by, or on behalf of, the **Insured Organisation**.

Covered Material does not include tangible product designs, or content created or disseminated by the **Insured Organisation** on behalf of a third party.

7.17 Cyber Extortion Expenses

means, with the **Insurer's** prior written consent:

- (a) a **Ransom**;
- (b) reasonable amounts incurred or paid by the **Insured** in the process of paying, or attempting to pay, a **Ransom**; or
- (c) reasonable amounts incurred by the **Insured Organisation**, recommended by an **Approved Provider**, to mitigate **Cyber Extortion Expenses**.

7.18 Cyber Extortion Threat

means any threat made to the **Insured Organisation** to:

- (a) access or disclose **Confidential Information** or an **Insured Organisation's** information without authorisation; or
- (b) commit or continue a **Security Breach**.

7.19 Data Restoration Expenses

means reasonable costs incurred by the **Insured Organisation** with the **Insurer's** prior written consent, to:

- (a) restore or recover damaged or destroyed computer programs, software or other electronic data stored within a **Computer System**, to the condition that existed immediately preceding a **Security Breach** or;
- (b) determine that such computer programs, software or other electronic data cannot reasonably be restored, or recovered.

Data Restoration Expenses do not include:

- (i) expenses incurred to recover or replace computer programs, software or other electronic data which the **Insured Organisation** did not have a license to use;
- (ii) expenses to design, update, or improve the operation of computer programs, software; or
- (iii) expenses incurred to recreate work product, research or analysis.

7.20 Defence Costs

means any reasonable legal or investigative costs, fees or, expenses, incurred by the **Insured** with the prior written and continuing consent of the **Insurer**, not to be unreasonably withheld or delayed, resulting from:

- (a) defending any proceedings relating to a **Claim**;
- (b) conducting any proceedings for indemnity, contribution, or recovery relating to a **Claim**; or
- (c) investigating, assessing, negotiating, adjusting, mediating, arbitrating, compromising, responding to, or otherwise settling any **Claim**.

Defence Costs include any reasonable costs, fees or expenses incurred by an **Insured** in respect, or in the defence, of any **Claim** first made during the **Period of Insurance**, where an **Insured Person** is required to attend an official inquiry, or appear before a court, tribunal, or arbitration hearing as a witness, provided, the maximum amount available shall not exceed €350 per **Insured Person** per day.

Defence Costs does not include the remuneration of any **Insured Person**, any internal or overhead

expenses of the **Insured**, or the cost of any **Insured's** time.

7.21 Discover/ Discovered / Discovery

means when any **Authorised Person** first becomes aware of facts that would cause a reasonable person to assume that **First Party Loss** has been or will be incurred.

7.22 Employee

means any natural person who is:

- (a) acting under a contract of service or apprenticeship with the **Insured Organisation**; or
- (b) supplied to or seconded to, or hired by or borrowed by, the **Insured Organisation**, including students, trainees, locums, or other natural persons undertaking study or work experience, whilst employed or engaged by the **Insured Organisation**,

in connection with its business.

7.23 Extra Expense

Means reasonable costs incurred by the **Insured Organisation**, with the Insurer's written consent, that:

- (a) result from a **First Party Event**;
- (b) are in excess of the **Insured Organisation's** normal operating costs;
- (c) are intended to reduce **Income Loss**; and
- (d) would not have been incurred had there been no **First Party Event**.

Extra Expense also includes such reasonable costs incurred by the **Insured Organisation**, with the Insurer's written consent, to replace any **Non-Functional Equipment** with functionally equivalent equipment, if such **Non-Functional Equipment** is inoperable directly as a result of a **Security Breach**, and if reasonable attempts to restore such **Non-Functional Equipment** fail. Such costs may include newer versions or models of such **Non-Functional Equipment**.

7.24 First Party Event

means **Computer Fraud, Fraudulent Impersonation, Cyber Extortion Threat, IT Provider Breach, Outsource Provider Breach, Privacy Breach, Security Breach, Social Engineering Fraud, System Failure, Telecommunications Fraud or Vendor or Client Payment Fraud**.

7.25 First Party Insuring Clauses

means **Breach Response Insuring Clauses, Business Loss Insuring Clauses, and Cyber Crime Insuring Clauses**.

7.26 First Party Loss

means:

- (a) **Betterment Costs**;
- (b) **Business Interruption Loss**;
- (c) **Computer and Legal Expert Costs**;
- (d) **Computer System Expenses**;
- (e) **Cyber Extortion Costs**;
- (f) **Data Restoration Costs**;
- (g) **Money, Other Property, or Securities**, when covered under the Cyber Crime Insuring Clauses;
- (h) **Privacy Breach Notification Costs**;
- (i) **Public Relations Expenses**;
- (j) **Securities**; or
- (k) **Telecom Charges**.

First Party Loss other than **Accounting Costs** does not include amounts incurred to establish **First Party Loss**, or to prepare the **Insured Organisation's** proof of loss.

7.27 Fraudulent Impersonation

means a fraudulent instruction that:

- (a) is electronically sent to a financial institution that is not an **Insured**, at which the **Insured Organisation** maintains an account;
- (b) directs the transfer, payment, or delivery of **Money** or **Securities** from the **Insured Organisation's** account;
- (c) is purportedly sent by the **Insured Organisation**;
- (d) is sent by someone, other than an **Insured**; and
- (e) is sent without the **Insured Organisation's** knowledge or consent.

Fraudulent Impersonation does not include **Social Engineering Fraud**.

7.28 Impacted Parties

means the persons or entities whose **Confidential Data** was, or is suspected to have been, stolen or lost, or accessed or disclosed without authorisation.

7.29 Income Loss

means pretax net profit the **Insured Organisation** did not earn, or net loss the **Insured Organisation** incurred, because of a **First Party Event**. Continuing normal and necessary operating expenses and payroll are part of the pretax net profit or net loss calculation.

Income Loss does not include:

- (a) **Extra Expense**;
- (b) contractual penalties;
- (c) costs incurred to replace or improve a **Computer System** to a level of functionality

beyond what existed prior to the **First Party Event**;

- (d) costs incurred to identify or remediate computer system errors or vulnerabilities;
- (e) interest or investment income; or
- (f) loss incurred due to unfavorable business conditions not related to the **First Party Event**.

7.30 Independent Contractor

means a natural person, other than an **Employee**, only while performing services for the **Insured Organisation** under a written agreement.

7.31 Insured

means any:

- (a) **Insured Organisation**;
- (b) **Insured Person**; and
- (c) for the **Liability Insuring Clauses** only, **Additional Insureds**.

7.32 Insured Organisation

means the policyholder, and any **Subsidiary**.

7.33 Insured Person

means any natural person who was, is, or becomes a member of the board of directors, board of trustees, board of managers, board of governors, officer, **Employee**, partner, member of an LLP, or functional equivalent executive of the **Insured Organisation** in their capacity as such.

For purposes of the **Liability Insuring Clauses** only, **Insured Person** includes **Independent Contractors**.

7.34 Insurer

means Travelers Insurance Designated Activity Company.

7.35 IT Provider

means any entity while under a written agreement with the **Insured Organisation** to provide it with:

- (a) hosted computer application services;
- (b) cloud services or computing;
- (c) electronic data hosting, back-up, storage, and processing;
- (d) co-location services;
- (e) platform-as-a-service; or
- (f) software-as-a-service.

7.36 IT Provider Breach

means:

- (a) unauthorised access to;
- (b) use of authorised access to cause intentional harm to;
- (c) a denial-of-service attack against; or
- (d) the introduction of a **Virus** into,

an **IT Provider's** computer system, resulting in total or partial interruption of such system.

7.37 Loss

means:

- (a) **Defence Costs**;
- (b) damages (including punitive, exemplary, or multiple damages), as a result of a judgment or award made by a competent court or tribunal, or a settlement;
- (c) **Payment Card Contract Penalties**; or
- (d) for the **Regulatory Proceedings Insuring Clause**, **Regulatory Fines and Penalties**; or
- (e) for the **First Party Insuring Clauses**, **First Party Loss**.

Loss does not include:

- (a) civil or criminal fines, penalties, sanctions, or taxes except for **Payment Card Contract Penalties** or **Regulatory Fines and Penalties**;
- (b) cost of complying with any order for, grant of, or agreement to provide, injunctive or non-monetary relief;
- (c) amounts uninsurable under applicable law;
- (d) restitution, return, or disgorgement of profits; or
- (e) liquidated damages in excess of the amount for which the **Insured** would be liable absent the liquidated damages provision of a contract.

7.38 Media Act

means any actual or alleged:

- (a) unintentional infringement of copyright, title, slogan, trademark, trade dress, service mark, domain name, logo or service name;
- (b) unauthorised use of a literary or artistic format, character, or performance;
- (c) invasion or interference with an individual's right of privacy or publicity, including commercial appropriation of name, persona, voice or likeness;
- (d) unintentional defamation, trade libel, or tort of injurious falsehood;
- (d) misappropriation of ideas under an implied contract; or
- (e) improper deep-linking or framing,

in any **Covered Material**.

7.39 Merchant Service Agreement

means a contract between the **Insured Organisation** and an acquiring bank or other acquiring institution that establishes the terms and conditions for accepting and processing payment card transactions.

- 7.40 Money**
means currency, coins, or bank notes in circulation, bullion, **Virtual Currency**, traveler's cheques, certified or cashier's cheques, or money orders.
- 7.41 Non-Functional Equipment**
means any inoperable computer, input, output, processing, storage, or communication device owned by, leased to, licensed to, or under the direct operational control of, the **Insured Organisation**, or an **Insured Person**, while authorised by, and transacting business on behalf of, the **Insured Organisation**.
- 7.42 Notification**
means written notice to **Impacted Parties** about a **Privacy Breach** or **Security Breach**. Multiple **Notifications** about the same **Privacy Breach** or **Security Breach** are deemed one **Notification**.
- 7.43 Other Property**
means any tangible property other than **Money** and **Securities** that has intrinsic value.
- 7.44 Outsource Provider**
means any provider, other than an **IT Provider**, which performs services, other than information technology services, for the **Insured Organisation** pursuant to a written contract and that are necessary for the **Insured Organisation** to conduct business operations.
- 7.45 Outsource Provider Breach**
means:
- (a) unauthorised access to;
 - (b) use of authorised access to cause intentional harm to;
 - (c) a denial-of-service attack against; or
 - (d) the introduction of a **Virus** into,
- an **Outsource Provider's** computer system, resulting in total or partial interruption of such system.
- 7.46 Payment Card Contract Penalties**
means fines, penalties, or assessments, imposed against the **Insured Organisation** under a **Merchant Service Agreement** for non-compliance with **Payment Card Security Standards**.
- 7.47 Payment Card Security Standards**
means the Payment Card Industry Data Security Standard (PCI-DSS), or similar standard, to which the **Insured Organisation** has agreed in a **Merchant Service Agreement**.
- 7.48 Period of Indemnity**
Means the 60-day period beginning on the first **Notification** or **Adverse Media Report**, whichever is first.
- 7.49 Period of Insurance**
Means the period stated in the Schedule.
- 7.50 Period of Restoration**
means the period of time that begins after the **Wait Period** ends, and ends on the earlier of:
- (a) the expiration of the Period of Restoration shown in the Schedule; or
 - (b) when the **Insured Organisation's** business operations have been restored for a consecutive 24-hour period to the level of operation that existed immediately before the **First Party Event**.
- 7.51 Pollutant**
means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 7.52 Privacy and Security Act**
means:
- (a) the failure to prevent a **Privacy Breach**;
 - (b) the failure to destroy **Confidential Data**;
 - (c) a violation of law, when alleged in connection with (a) or (b);
 - (d) the failure to provide **Notification** required by law;
 - (e) the failure to comply with a **Privacy Policy**;
 - (f) the unauthorised, unlawful, or wrongful collection of **Confidential Data**; or
 - (g) the failure to prevent a **Security Breach**, directly resulting in the:
 - (i) alteration or deletion of **Confidential Data**;
 - (ii) transmission of a **Virus** into a computer or network system that is not a **Computer System**;
 - (iii) participation in a denial-of-service attack directed against a computer or network system that is not a **Computer System**; or
 - (iv) failure to provide an authorised user with access to a **Computer System**.
- 7.53 Privacy Breach**
means the loss or theft of, or unauthorised access to, or disclosure of, **Confidential Data**.
- 7.54 Privacy Breach Notification Expenses**
means reasonable fees, costs or expenses incurred by the **Insured Organisation**, voluntarily or as required by agreement or law, for:

- (a) printing and delivering notice to;
- (b) providing credit or identity monitoring for up to 24 months, or longer where required by law, to;
- (c) call centre services for;
- (d) the costs to purchase an identity fraud insurance policy to benefit natural persons who are; or
- (e) with the **Insurer's** prior written consent, other services to mitigate **Loss** or provide notice to,

Impacted Parties, if recommended and provided by an **Approved Provider**.

7.55 Privacy Policy

Means the **Insured Organisation's** publicly available policies or procedures regarding **Confidential Data**.

7.56 Public Relations Expenses

means reasonable fees, costs, and expenses, for public relations services recommended and provided by an **Approved Provider** to mitigate any actual or potential negative publicity.

7.57 Ransom

means **Money**, **Securities**, or the fair market value of property or services, paid or surrendered by, or on behalf of, the **Insured**, in direct response to a **Cyber Extortion Threat**.

Ransom will be valued as of the date paid or surrendered.

7.58 Regulatory Proceeding

means any proceeding brought by, or on behalf of, any regulator, government body, government agency, official trade body, or any other body empowered by statute to investigate the affairs of the **Insured Organisation**.

7.59 Regulatory Fines and Penalties

means civil fines, civil monetary penalties, or amounts deposited into a consumer redress fund, imposed in a **Regulatory Proceeding**, but only to the extent they are insurable.

7.60 Reputation Harm Loss

means damage to the **Insured Organisation's** reputation incurred during the **Period Of Indemnity** that results in **Income Loss**.

Reputation Harm Loss does not include coupons, price discounts, prizes, awards, or consideration given by the **Insured** in excess of the contracted or expected amount.

7.61 Rewards Expenses

means the reward paid other than to **Insureds** for information that directly leads to the conviction of any person for committing or attempting to commit

any illegal act related to the cover provided under this Policy.

7.62 Securities

means negotiable and non-negotiable instruments or contracts representing **Money**, other than **Virtual Currency**, or **Other Property** but does not include **Money** or **Other Property**, letters of credit, bills of lading, shipping documents, warehouse receipts, trust receipts, accounts receivable, or any other bill, document or receipt similar in nature or effect or serving a similar purpose.

7.63 Security Breach

means:

- (a) the unauthorised access to;
- (b) the use of authorised access to cause intentional harm to;
- (c) a denial-of-service attack against; or
- (d) the introduction of a **Virus** into,

a **Computer System**.

7.64 Social Engineering Fraud

means intentionally misleading an **Insured Person**, by providing an instruction that:

- (a) is not made by an **Insured**;
- (b) is purportedly from a **Vendor**, **Client**, or **Insured Person**;
- (c) directs the **Insured Person** to transfer, pay, or deliver **Money** or **Securities**;
- (d) contains a misrepresentation of material fact; and
- (e) is relied upon by the **Insured Person**, believing the material fact to be true.

7.65 Subsidiary

means any entity in which the **Insured Organisation** directly or indirectly holds:

- (a) more than 50% of the issued share capital;
- (b) a majority of the voting rights; or
- (c) the right to appoint or remove a majority of the board of directors.

7.66 System Failure

means:

- (a) an error or omission in the operation of a **Computer System** by an **Employee** or **IT Provider**; or
- (b) an error or omission by an **Employee** or **IT Provider** that occurs during the development or encoding of a program, application, or operating system,

which results in a loss, alteration, destruction, or loss of use of, computer programs, software, or

other electronic data stored within a **Computer System**.

7.67 Telecom Charges

means amounts charged to the **Insured Organisation** by its telephone service provider.

7.68 Telecom Fraud

Means the unauthorised access to, or use of, the **Insured Organisation's** telephone system by a person or entity other than an **Insured Person**.

7.69 Transfer Verification

means:

- (a) with respect to a **Vendor** or **Client**, calling a telephone number that:
 - (i) was provided by the **Vendor** or **Client** when the written agreement or other arrangement was first established with the **Insured**;
 - (ii) replaced a telephone number previously provided by the **Vendor** or **Client**, provided that confirmation of the legitimacy of the change was achieved through verbal contact with the **Vendor** or **Client** at the previously provided telephone number; or
 - (iii) replaced a telephone number previously provided by the **Vendor** or **Client** and was received by the **Insured** at least 30 days prior to the receipt of the instruction; or
 - (iv) verifying and ensuring that a genuine requestors' work email address has been used for such email instruction;
- (b) with respect to an **Employee**, calling a telephone number obtained on a published or electronic company directory maintained by the **Insured**, or having an in-person conversation with the **Employee**.

7.70 Vendor

means a person or entity that provides goods or services to the **Insured Organisation** under an agreement.

7.71 Vendor or Client Payment Fraud

means an instruction that intentionally misleads a **Vendor** or **Client**, when such instruction:

- (a) is not made by an **Insured**;
- (b) is purportedly from an **Insured**;
- (c) directs such **Vendor** to perform services or deliver goods, or such **Client** to deliver payment to, an unintended recipient;
- (d) contains a misrepresentation of material fact; and
- (e) is relied upon by such **Vendor** or **Client**, believing the material fact to be true.

7.72 Vendor Or Client Payment Fraud Loss

means:

- (a) **Money** owed to the **Insured Organisation** but not collected for services rendered or goods delivered to a **Client**; or
- (b) the amount the **Insured Organisation** paid to a **Vendor** for goods or services the **Insured Organisation** did not receive,

directly caused by **Vendor or Client Payment Fraud**.

7.73 Virtual Currency

means a publicly available digital or electronic medium of exchange used and accepted as a means of payment.

Virtual Currency does not include coupons, discounts, gift cards, rebates, reward points, or similar mediums of exchange.

7.74 Virus

means malicious code that could destroy, or change the integrity or performance of, electronic data, software, or operating systems.

7.75 Wait Period

means the Wait Period shown in the CyberRisk Schedule. It begins when a total or partial interruption to an **Insured Organisation's** business operations is caused by a **First Party Event**. A separate **Wait Period** applies to each unrelated **First Party Event**.

7.76 Wrongful Act

means any **Privacy and Security Act** or **Media Act**.

Section 8 - Important Information

Please read this Policy carefully to ensure that it is in accordance with your requirements and that you understand its terms, exclusions and conditions. Please contact us immediately if any corrections are necessary.

Any enquiries you may have regarding your Policy may be addressed either to the insurance broker who arranged the Policy for you or directly to us.

Contact Details for Notification of Claims, Circumstances and Requests for Indemnity

If you wish to make a claim, please contact the insurance broker who arranged the policy or contact us quoting your policy number. Please also refer to our on-line guidance on how to make a claim which can be found at travelers.co.uk.

Travelers Insurance Designated Activity Company
Bond and Specialty Claims
Third Floor Block 8, Harcourt Centre, Charlotte Way,
Dublin 2, Ireland

Email: reportclaim@travelers.com

Tel 00 44 8005 878 388
Fax 020 3116 2139

COMPLAINTS PROCEDURE

Our promise to you

- We will acknowledge complaints promptly
- We will investigate quickly and thoroughly
- We will keep you informed of progress
- We will do everything to resolve your complaint fairly
- We will learn from our mistakes and use your feedback continually to improve our service

What to do if you have a complaint

If you have a complaint, please contact us on 01 609 5600, or email us at CustomerRelations@travelers.com.

For full information on your rights and how we will handle your complaint, please see our website here:

https://www.travelers.ie/iw-documents/ireland/Complaints_Procedure_Ireland_Inc_Lloyds.pdf

USING PERSONAL INFORMATION

How we treat information about you and your rights under data protection legislation

In order to provide our insurance services, we (Travelers Insurance Designated Activity Company acting as a Data Controller) will collect certain personal information about you. The type of information that we collect will depend on our relationship with you. For example, you may be a Travelers policyholder, prospective policyholder or a third party making a claim under a Travelers insurance policy.

If you provide us with personal information about a third party, you should share this notice with them.

We will also collect different types of information depending upon the kind of insurance cover we are being asked to provide or the kind of claim we are being asked to assess or pay.

Some of the information we collect may be classified as 'special category data', which is data that may contain information about physical or mental health, religious beliefs and criminal and disciplinary offences (including convictions).

Your personal information may be used in a number of ways including:

- considering an application for insurance,
- providing and administering an insurance policy,
- handling claims including claims validation,
- preventing and detecting fraud, including providing information to the relevant authorities.

Where relevant, we will share your information with other companies in the Travelers group, third parties such as claims handlers, loss adjusters, other insurers and reinsurers, fraud prevention agencies, service companies associated with our products, or as required by law (including providing the information to government or regulatory authorities). This may involve the transfer of your information to countries inside and outside the European Economic Area.

If your policy includes motor cover, your policy details will be added to the Motor Insurance Database (MID), run by the Motor Insurers Information Centre (MIIC).

We may also use your personal information for marketing purposes, but only in accordance with your marketing preferences.

For more information about how we process your data and the rights you have, please click

<https://www.travelers.ie/privacy-policy>